

JOE'S JEANS INC.
Form 10-Q
October 14, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended August 31, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 0-18926

JOE S JEANS INC.

(Exact name of registrant as specified in its charter)

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Delaware

(State or other jurisdiction of incorporation or organization)

11-2928178

(I.R.S. Employer Identification No.)

2340 South Eastern Avenue, Commerce, California

(Address of principal executive offices)

90040

(Zip Code)

(323) 837-3700

(Registrant's telephone number, including area code)

NO CHANGE

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes No

The number of shares of the registrant's common stock outstanding as of October 14, 2010 was 63,762,349.

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JOE S JEANS INC.

QUARTERLY REPORT ON FORM 10-Q

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements.****JOE S JEANS INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands, except per share data)

	August 31, 2010 (unaudited)	November 30, 2009
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,563	\$ 13,195
Accounts receivable, net	2,354	1,731
Inventories, net	33,665	22,887
Due from related parties	15	210
Deferred income taxes, net	4,893	4,893
Prepaid expenses and other current assets	550	805
Total current assets	48,040	43,721
Property and equipment, net	5,072	3,162
Goodwill	3,836	3,836
Intangible assets	24,000	24,000
Deferred income taxes, net	4,806	4,806
Other assets	123	99
Total assets	\$ 85,877	\$ 79,624
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 15,538	\$ 13,590
Due to factor	5,095	3,129
Deferred licensing revenue		615
Due to related parties	442	254
Total current liabilities	21,075	17,588
Deferred rent	792	530
Total liabilities	21,867	18,118
Commitments and contingencies		
Stockholders' equity		
Common stock, \$0.10 par value: 100,000 shares authorized, 63,786 shares issued and 63,646 outstanding (2010) and 61,494 shares issued and 61,354 outstanding (2009)	6,381	6,151
Additional paid-in capital	104,095	103,605

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Accumulated deficit	(43,666)	(45,450)
Treasury stock, 140 shares	(2,800)	(2,800)
Total stockholders' equity	64,010	61,506
Total liabilities and stockholders' equity	\$ 85,877	\$ 79,624

The accompanying notes are an integral part of these financial statements.

Table of Contents**JOE S JEANS INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF INCOME****(in thousands, except per share data)**

	Three months ended		Nine months ended	
	August 31, 2010	August 31, 2009	August 31, 2010	August 31, 2009
	(unaudited)		(unaudited)	
Net sales	\$ 25,534	\$ 21,238	\$ 74,611	\$ 54,899
Cost of goods sold	13,732	10,864	39,942	27,576
Gross profit	11,802	10,374	34,669	27,323
Operating expenses				
Selling, general and administrative	10,070	7,394	29,986	21,383
Depreciation and amortization				