ALL AMERICAN SPORTPARK INC
Form 10-Q
August 16, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2010

¨ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

ALL-AMERICAN SPORTPARK , INC .

(Exact name of registrant as specified in its charter)

Nevada	**88-0203976**
(State or other jurisdiction of incorporation or organization)	(I. R. S. Employer Identification No.)

6730 South Las Vegas Boulevard
Las Vegas, NV 89119
(Address of principal executive offices)

(702) 798-7777
(Registrant s telephone number, including area code)

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 x 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 during the preceding 12 months (or for 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 the 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 ¨ (Do not check if a smaller reporting company)	Smaller reporting company x

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

The number of shares of Common Stock, $ 0.001 par value, outstanding on July 27, 2010 was 3,570,000 shares.

ALL-AMERICAN SPORTPARK, INC.

FORM 10-Q

INDEX

PART 1 FINANCIAL INFORMATION

ITEM 1 FINANCIAL STATEMENTS

ALL-AMERICAN SPORTPARK, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2010 (Unaudited)	December 31, 2009
Assets		
Current assets:		
Cash	$ 218,432	$ 272,750
Accounts receivable	1,025	1,193
Prepaid expenses and other	9,417	23,792
Total current assets	228,874	297,735
Fixed assets:		
Property and Equipment, net of accumulated depreciation of $759,088 and $685,006, respectively	1,334,915	1,246,447
Total assets	$ 1,563,789	$ 1,544,182
Liabilities and Stockholders (Deficit)		
Current liabilities:		
Accounts payable and accrued liabilities	$ 191,546	$ 154,090
Current portion of notes payable related parties	4,022,535	4,025,970
Current portion due to related parties	1,182,265	1,089,040
Current portion of deferred marketing revenue	60,408	55,592
Current portion of capital lease obligation	21,770	-
Accrued interest payable related parties	4,014,431	3,890,858
Total current liabilities	9,492,955	9,215,550
Long-term liabilities:		
Long-term portion of capital lease obligation	$ 69,562	$ -
Deferred rent liability	694,859	690,636
Deferred marketing revenue	1,150,531	1,215,746

Total long-term liabilities	1,914,952	1,906,382
Commitments and contingencies		
Stockholders (deficit)		
Preferred stock, \$0.001 par value, 5,000,000 shares authorized, no shares issued and outstanding as of June 30, 2010 and December 31, 2009, respectively	-	-
Common stock, \$0.001 par value, 10,000,000 shares authorized, 3,570,000 shares issued and outstanding as of June 30, 2010 and December 31, 2009, respectively	3,570	3,570

1

Additional paid in capital		14,274,669		14,274,669
Accumulated (deficit)		(24,008,068)		(23,671,780)
Total All-American SportPark, Inc. stockholders (deficit)		(9,729,829)		(9,393,541)
Non controlling interest in net assets of subsidiary		(114,288)		(184,209)
Total stockholder s (deficit)		(9,844,117)		(9,577,750)
Total liabilities and stockholders (deficit)	$	1,563,790	$	1,544,182

The accompanying notes are an integral part of these condensed consolidated financial statements

2

.

ALL-AMERICAN SPORTPARK, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	For the Three Months Ending June 30, 2010		For the Six Months Ending June 30, 2010	
	2010	2009	2010	2009
Revenue	$ 593,326	$ 638,414	$ 1,151,897	$ 1,188,433
Cost of revenue	194,355	157,003	353,170	261,891
	398,971	481,411	798,727	926,542
Expenses:				
General and administrative expenses	330,038	472,371	755,985	953,162
Depreciation and amortization	60,745	19,844	74,082	40,427
Total expenses	390,783	492,215	830,067	993,589
Net operating income (loss)	8,188	(10,804)	(31,340)	(67,047)
Other income (expense):				
Interest expense	(123,724)	(119,174)	(235,044)	(247,691)
Interest income	17	-	17	-
Other income (expense)	-	2,582	-	2,568
Total other income (expense)	(123,707)	(116,592)	(235,027)	(245,123)
Net (loss)	(115,519)	(127,396)	(266,367)	(312,170)
Net (loss) attributable to non-controlling interests	(51,882)	(3,365)	(69,921)	(3,365)
Net (loss) attributable to All-American SportPark, Inc.	$ (167,401)	$ (130,761)	$ (336,288)	$ (315,535)
	$ (0.05)	$ (0.04)	$ (0.09)	$ (0.09)

Net (loss) per share - basic and fully diluted				
Weighted average number of common shares outstanding - basic and fully diluted	3,570,000	3,570,000	3,570,000	3,570,000

The accompanying notes are an integral part of these condensed consolidated financial statements

3

ALL-AMERICAN SPORTPARK, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Six Months Ended June 30, 2010	2009
Cash flows from operating activities		
Net (loss)	$ (266,367)	$ (312,170)
Adjustments to reconcile net (loss) to net cash (used) provided by operating activities		
Depreciation and amortization expense	74,082	40,428
Changes in operating assets and liabilities:		
Accounts receivable	168	(19,650)
Prepaid expenses	14,375	12,949
Accounts payable and accrued expenses	37,456	125,192
Deferred rent liability	4,223	122,610
Deferred marketing revenue	(60,399)	-
Accrued interest payable related parties	123,573	228,372
Net cash (used) provided by operating activities	(72,889)	197,731
Cash flows from investing activities		
Purchase of property and equipment	(63,550)	-
Net cash used by operating activities	(63,550)	-
Cash flows from financing activities		
Bank overdrafts	$ -	$ (17,631)
Proceeds (payments) from related parties	93,225	(108,563)
Payments on capital lease obligation	(7,669)	-
Proceeds from notes payable related parties	-	30,000
Payments on notes payable related parties	(3,435)	(3,201)
Net cash (used) provided by financing activities	$ 82,121	$ (99,395)
Net increase (decrease) in cash	$ (54,318)	$ 98,336
Cash beginning	272,750	-
Cash ending	$ 218,432	$ 98,336

Supplemental disclosures:

Interest paid	$	91,223	$	813
Income taxes paid	$	-	$	-
Sale of 49% interest in subsidiary				
Cancellation of note payable related party			$	(600,000)

4

Non-controlling interest in net assets				15,969
	$	-	$	584,031
Schedule of non-cash investing activities				
Assumption of capital lease obligation	$	99,000	$	-

The accompanying notes are an integral part of these condensed consolidated financial statements

5

ALL-AMERICAN SPORTPARK, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Note 1 Basis of presentation

The condensed consolidated interim financial statements included herein, presented in accordance with United States generally accepted accounting principles and stated in US dollars, have been prepared by All-American SportPark, Inc. (the Company), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, consisting of normal recurring adjustments, which, in the opinion of management, are necessary for fair presentation of the information contained therein. It is suggested that these consolidated interim financial statements be read in conjunction with the consolidated financial statements of the Company for the year ended December 31, 2009 and notes thereto included in the Company's Form 10-K. The Company follows the same accounting policies in the preparation of consolidated interim reports.

Results of operations for the interim periods may not be indicative of annual results.

Note 2 Going concern

As of June 30, 2010, we had an accumulated deficit of $24,008,068. In addition, the Company s current liabilities exceed its current assets by $9,264,081 as of June 30, 2010. These conditions have raised substantial doubt about the Company's ability to continue as a going concern. Although our recent growth has greatly improved cash flows, we nonetheless need to obtain additional financing to fund payment of obligations and to provide working capital for operations. Management is seeking additional financing, and is now looking for a merger or acquisition candidate. It is management s objective to review the acquisition of interests in various business opportunities, which in their opinion will provide a profit to the Company. Management believes these efforts will generate sufficient cash flows from future operations to pay the Company's obligations and working capital needs. There is no assurance any of these transactions will occur. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

Note 3 Recent accounting Policies

The FASB Accounting Standards Codification is the single official source of authoritative, nongovernmental, U.S. GAAP, in addition to guidance issued by the Securities and Exchange Commission. This codification is designed to simplify U.S. GAAP into a single, topically ordered structure.

The Consolidation of Variable Interest Entities addresses the effect of the elimination of the qualifying special-purpose entity concept of Accounting for Transfers of Financial Assets. This also amends the accounting and disclosure requirements of FASB to enhance the timeliness and usefulness of information about a company s involvement in a variable interest entity.

In accordance with accounting standards *Accounting for Transfers of Financial Assets , the objective* eliminates the concept of special-purpose entity, requiring the reporting entity to provide more information about sales of securitized financial assets and similar transactions, particularly if the seller retains some risk to the assets, changes the requirements for the de-recognition of financial assets, and provides for the sellers of the assets to make additional disclosures.

In accordance with accounting standards concerning The Fair Value Option for Financial Assets and Financial Liabilities relates to providing guidance on when the volume and level of activity for the asset or liability have significantly decreased and identifying transaction s that are not orderly. The update clarifies the methodology to be used to determine fair value when there is no active market or where the price inputs being used represent distressed sales. The update also reaffirms the objective of fair value measurement, which is to reflect how much an asset would be sold in and orderly transaction, and the need to use judgment too determine if a formerly active market has become inactive.

Fair Value Measurements and Disclosures clarifies the fair market value measurement of liabilities. In circumstances where a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using one or more of the following techniques: a technique that uses quoted price of the identical or a similar liability or liabilities when traded as an asset or assets, or another valuation technique that is consistent with the principles such as income or market approach.

Fair value measurements: An update to the accounting standards concerning fair value measurements was made in January of 2010 whereby there now exists significant transfers in and out of Levels 1 and 2 and additional disclosures that must be made for activity in Level 3. We don not anticipate the adoption of this ASU to have a material impact on our consolidated financial statements.

Receivable Loans and Debt Securities Acquired with Deteriorated Credit Quality: An improvement to the comparability by elimination of diversity in practice about treatment of modifications of loans accounted for within pools for Receivable Loans and debt securities acquired with deteriorated credit quality was approved in April 2010. The amendment clarifies guidance about maintaining the integrity of a pool as the unit of accounting for acquired loans with credit deterioration. We are currently evaluating the impact of this ASU; however, we do not expect the adoption of this ASU to have a material impact on our consolidated financial statements.

Note 4 Non-controlling interest

Non-controlling interest represents the minority stockholders proportionate share of the equity of AAGC. At June 30, 2010, we owned 51% of AAGC s capital stock, representing voting control and a majority interest. Our controlling ownership interest requires that AAGC s operations be included in the Condensed Consolidated Financial Statements contained herein. The 49% equity interest that is not owned by us is shown as Non-controlling interest in consolidated subsidiary in the Condensed Consolidated Statements of Operations and Condensed Consolidated Balance Sheets. As of June 30, 2010, St. Andrews Golf Shop, our minority interest partner and a related party (see Note 6) held a $(114,288) interest in the net asset value of our subsidiary AAGC and a $69,921 interest in the net loss from operations of AAGC.

Note 5 Notes payable - related parties

As of June 30, 2010, related party notes payable consisted of the following:

		June 30, 2010		**December 31, 2009**
Las Vegas Golf and Tennis Paradise, Inc. , bearing interest at a rate of 10% per annum, and due on demand	$	3,200,149	$	3,200,149
BE District, LLC, bearing interest at a rate of 10% per annum, and due on demand		85,000		85,000
BE Holdings, bearing interest at a rate of 10% per annum, and due on demand		100,000		100,000
St. Andrews Golf Shop, bearing interest at a rate of 10% per annum, and due on demand		106,550		106,284
St. Andrews Golf Shop, Cisco Loan paid monthly		6,540		10,241
St. Andrews Golf Shop, bearing interest at a rate of 10% per annum, and due on demand		524,296		524,296
Total notes payable related parties		4,022,535		4,025,970
Less current portion		4,022,535		4,025,970
Total long-term notes payable related parties	$	-	$	-

We have recorded interest expense to related parties in the amounts of $234,150 and $247,691 during the six months ended June 30, 2010 and 2009, respectively.

Note 6 Related party transactions

Expenses

We provide administrative support to various retail entities owned in part or wholly by our chief executive officer, the sole executive officer of our majority owned subsidiary, and our chairman of the board. These costs are allocated based on an annual review of actual expenses for each entity. As of June 30, 2010 and 2009, we have recorded an estimated allocation of these expenses in the amount of $26,677 and $30,214, respectively.

Employment agreements

On May 18, 2009, our board of directors approved Addendum No. 2 to the Employment Agreement dated August 25, 2004 with Ronald Boreta, our chief executive officer, and the addendum was executed on June 15, 2009. Pursuant to this addendum, Mr. Boreta s employment agreement has been extended an additional three years, expiring on May 31, 2012. In addition, Mr. Boreta s will receive an annual base salary of $120,000 per annum.

On June 15, 2009, we entered into an Employment Agreement through our majority owned subsidiary, All-American Golf Center, Inc. (AAGC) with Mr. John Boreta whereby Mr. Boreta will perform management services for AAGC for a term of three years commencing on June 15, 2009 until June 14, 2012. Mr. Boreta will receive an annual salary in the amount of $75,000. Mr. Boreta has served in this capacity with AAGC since its inception in 1997.

Stock transfer agreement

On June 15, 2009, we entered into a Stock Transfer Agreement with St. Andrews Golf Shop, Ltd. a Nevada limited liability company, which is wholly owned by Ronald Boreta, our chief executive officer and John Boreta, a principal shareholder of the Company. Pursuant to this agreement, we agreed to transfer a 49% interest in our wholly owned subsidiary, AAGC as a partial principal payment in the amount of $600,000 on our outstanding loan due to St. Andrews Golf Shop, Ltd. In March 2009, we engaged the services of an independent third party business valuation firm, Houlihan Valuation Advisors, to determine the fair value of the business and the corresponding minority interest. Based on the Minority Value Estimate presented in connection with this appraisal, which included valuations utilizing the income, market and transaction approaches in its valuation methodology, the fair value of a 49% interest totaled $ 600,000 **.**

Note 7 Commitments

Operating Lease

On October 17, 1997, we entered into a long-term operating lease for land underlying the Callaway Golf Center. Pursuant to the lease agreement, we are required to make minimum monthly lease payments, with 10% increases every 5 years throughout the term of the lease. In addition, the lease contains a provision whereby additional rent will be due based on certain gross revenue thresholds. As of the date of this filing, no rent was due or accrued under the gross revenue provision. The initial term of the lease was for a term of fifteen years and provided for two five-year renewal options. In March of 2006, we elected to exercise our first renewal option extending the lease until 2018. We have elected to recognize our lease payments on a straight-line basis over a twenty-five year period, which includes all renewal options. Lease expense totaled $235,044 for the six months ended June 30, 2010.

The following is a schedule by year of future minimum lease payments required under this lease agreement:

2010	$	481,673
2011		481,673
2012		493,715
2013		529,840
2014		529,840
Thereafter		4,371,184
	$	6,887,925

Capital Lease

The company entered into a capital lease lasting forty-seven months for 30 new golf carts. The lease will expire in December of 2013. The new golf carts will help enhance the golf course experience for our guests.

The following is a schedule by year of future principal payments required under this lease agreement.

2010	$	10,567
2011		23,080
2012		25,941
2013		29,157
2014		2,587
	$	91,332

Accumulated depreciation for the Capital Lease as of June 30, 2010 and December 31, 2014 is $8,426 and $0 respectively

Employment agreements

We have employment agreements with two of our executives (see note 5) whereby we have agreed to annual compensation in the amount of $195,000. As of March 31, 2010, the future minimum payments are as follows:

	Related-party compensation requirements	
2010	$	195,000
2011		195,000
2012		84,375
Total	$	474,375

Customer Agreement

On June 19, 2009, we entered into a Customer Agreement with Callaway Golf Company and St. Andrews Golf Shop, Ltd. through our majority owned subsidiary AAGC. Pursuant to this agreement, we have agreed to market and sell Callaway products exclusively through AAGC for a period of approximately three and one half years with an automatic extension to December 31, 2018 unless written notice of termination is received by November 2013. Pursuant to the agreement, Callaway Golf Company has agreed to provide funding and resources in the minimum amount of $2,750,000 to be allocated as follows: 1) $750,000 towards operating expenses; 2) $750,000 facility improvements; 3) $500,000 in range landing area improvements and 4) three payments each of $250,000 for annual advertising expenses which will be repaid in golf merchandise. The annual payments for advertising will continue as long as Callaway Golf Company and AAGC agree to maintain that relationship. We have recognized $30,199 as income this quarter and will continue to recognize income in the amount of $10,066 per month through the life of the agreement, which continues through December 2018 and has an additional 5-year option to coincide with the golf center land lease.

Facility Improvements began on September 14, 2009 and were completed by November 25, 2009. These improvements included an inside remodel of the golf shop, lobby and activities counter areas as well as land improvements that include a redesign/restructure of the driving range landing area.

Note 8 Stockholders' deficit

We are authorized to issue 5,000,000 shares of $0.001 par value preferred stock and 10,000,000 shares of $0.001 par value common stock.

Preferred stock

As of June 30, 2010, we had no preferred shares issued and outstanding.

Common stock

As of June 30, 2010, we had 3,750,000 shares of our $0.001 par value common stock issued and outstanding. We had no new issuances during the period ended June 30, 2010.

Note 9 Subsequent events

Upon our evaluation of events and transactions that have occurred subsequent to the balance sheet date, we have determined that there are no additional material events which have occurred after the balance sheet date that would be deemed significant or require recognition or additional disclosure.

ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS .

Forward-Looking Statements

This document contains forward-looking statements. All statements other than statements of historical fact are forward-looking statements for purposes of federal and state securities laws, including, but not limited to, any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objections of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements or belief; and any statements of assumptions underlying any of the foregoing.

Forward-looking statements may include the words may, could, estimate, intend, continue, believe, expe anticipate or other similar words. These forward-looking statements present our estimates and assumptions only as of the date of this report. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the dates on which they are made. We do not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the dates they are made. You should, however, consult further disclosures we make in future filings of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties. The factors affecting these risks and uncertainties include, but are not limited to:

- increased competitive pressures from existing competitors and new entrants;
- deterioration in general or regional economic conditions;
- adverse state or federal legislation or regulation that increases the costs of compliance, or adverse findings by a regulator with respect to existing operations;
- loss of customers or sales weakness;
- inability to achieve future sales levels or other operating results;
- the inability of management to effectively implement our strategies and business plans; and
- the other risks and uncertainties detailed in this report.

Overview of Current Operations

Our operations consist of the management and operation of the Callaway Golf Center (CGC). The CGC includes a par 3 golf course fully lighted for night golf, a 110-tee two-tiered driving range, and a 20,000 square foot clubhouse, which includes the Callaway Golf fitting center, Saint Andrews Golf Shop exclusively carrying Callaway Golf product and Back 9 Bar and Grill. CGC was just listed as the number one driving range in America by Golf Digest Magazine in their August 2009 issue.

On June 19, 2009, All-American Golf Center, Inc. (AAGC), a subsidiary of All-American SportPark, Inc. (the Company) entered into a Customer Agreement with Callaway Golf Company (Callaway) and Saint Andrews Gold Shop, Ltd. (Saint Andrews).

The Customer Agreement with Callaway provides that Callaway will provide a $250,000 annual advertising contribution in the form of golf-related products as reimbursement for marketing dollars. In addition, AAGC has received or will receive the following: a one-time payment of $750,000 to be used for operating expenses or other business expenses; a contribution of up to $500,000 to be used for upgrading the range landing area at the Callaway Golf Center; up to $750,000 to be used to remodel and improve the facilities at the Callaway Golf Center; and staff uniforms, range golf balls, and rental golf equipment. In return, AAGC and Saint Andrews have agreed to exclusively sell Callaway golf products at the Callaway Golf Center for the term of the Customer Agreement which will terminate on December 31, 2013 with notice from Callaway during the preceding month; or, if no notice is given, December 31, 2018. We are recognizing $30,199 each quarter as income and will continue to recognize income throughout the life of the agreement, which coincides with the golf center land lease.

For 2010 we have hired the advertising firm of R and R Partners who have been working to build awareness of the Callaway Golf Center brand in the Las Vegas area. We believe that this advertising contribution provided by the Customer Agreement will help us to differentiate ourselves in the marketplace. In addition, the $750,000 of operating cash is expected to give us a competitive edge in the marketplace by allowing us to attract quality employees, grow our business, and improve our services while lowering our interest expenses. The combined contribution of up to $1,250,000 for improvement of our facilities is expected to provide other competitive advantages, primarily due to the lack of capital available for improvements among our competitors, giving us the benefit of a state-of-the art driving range, upgraded fitting bay technology, graphics, and marketing improvements such as exterior signage. We are in the process of executing on our plans to capture greater market share, and with Callaway s brand strength, help build a lasting, stronger presence in the Las Vegas market.

As part of the Customer Agreement, Callaway Golf provides up to 15,000 dozen in driving range balls to the facility on a yearly basis as well as all employee uniforms. Prior to this agreement, we were paying approximately $40,000 a year to supply the driving range with a quality golf ball to enhance their range experience. This will present a significant operational cost saving each year to the facility.

After five years, our agreement with Geneva Landscape Management ended on January 31, 2010. Geneva provided all of our landscape needs at approximately $32,000 a month. We have taken the grounds keeping for the facility in-house starting February 1, 2010 and are beginning to see a savings of between $6,000 and $11,000 a month.

Results of Operations for the three months ended June 30, 2010 and 2009 compared.

The following tables summarize selected items from the statement of operations for the three months ended June 30, 2010 compared to the three months ended March 31, 2009.

INCOME:

	For the three months ended June 30,		Increase	(Decrease)
	2010	**2009**	**$**	**%**
Revenue	$ 593,326	$ 638,414	$ (45,088)	(7.1)%
Cost of Sales	194,355	157,003	37,352	23.8%
Gross Profit	$ 398,971	$ 481,411	$ (82,440)	(17.1)%
Gross Profit Percentage of Sales	67%	75%		

Revenue

Our revenue for the three months ended June 30, 2010 was $593,326 compared to revenue of $638,414 in the three months ended June 30, 2009, a decrease of $45,088, or 3.1% from the same three-month period in the previous year. The rounds of golf and consequently the golf cart rentals used on the course were both down for the first and second quarter of the year. This was due to unseasonably bad weather for the first four and a half months of the year that made golfing conditions more difficult for guests. All of the other revenue streams held steady during the first six months of 2010.

Cost of sales/Gross profit percentage of sales

Cost of sales currently consists mainly of payroll and benefits expenses of AAGC staff, golf pros and operating supplies. Our cost of sales for the three months ended June 30, 2010 was $194,355, an increase of $37,352, or 34.9% from $157,003 for the three months ended June 30, 2009. Our cost of sales increased due to our decision to take the grounds keeping functions in-house when Geneva Landscape Maintenance contract ended in January of 2010. This decision resulted in the creation of a grounds keeping department with a staff, which we now pay monthly wages. Even with this change in staffing, the overall savings to the Company is between $6,000 and $11,000 a month.

Gross profit as a percentage of sales decreased from 67% for the three months ended June 30, 2010 to 75% for the three months ended June 30, 2009 due to both a decrease in rounds of golf and an increase in the cost of goods associated with our new grounds keeping staff.

EXPENSES:

	For the Three Months Ended June 30,				
	2010		2009	Increase / (Decrease)	
	Amount		Amount	$	%
Expenses:					
General & administrative	330,038	$	472,371	$ (142,333)	(30.1)%
Depreciation	60,745		19,844	40,901	206.1 %
Total expenses	390,783		492,215	(101,432)	(20.6)%
Net operating income (loss)	8,188		(10,804)	18,992	175.8 %
Other income (expense):					
Interest expense	(123,724)		(119,174)	(4,550)	(3.82)%
Interest income	17		-	17	100 %
Other income	-		2,582	(2,582)	(100)%
Total Other Income Expense	(123,707)		(116,592)	(7,115)	(6.10)%
Net (loss)	(115,519)		(127,396)	11,877	9.32 %
Net income attributable to non-controlling interest	(51,882)		(3,365)	(48,517)	(1,441.8)%
Total net (loss)	(167,401)	$	(130,761)	$ (36,640)	(28.02)%

General and Administrative Expenses

General and administrative expenses for the three months ended June 30, 2010 were $330,038, a decrease of $142,333 or 30.1%, from $472,371 for the three months ended June 30, 2009. Although the overall expenses related to AAGC are down, the cost of maintaining a public company remain steady, with public company expenses being approximately $50,000 a year. AAGC s expenses are down primarily due to the Callaway deal that was signed alleviating the purchase of employee uniforms and the fact that our contract with Geneva Landscape Maintenance Company has ended. Since February 1, 2010, our landscaping expenses have been included in Cost of Sales.

Depreciation expense

Depreciation and amortization expenses for the three months ended June 30, 2010 were $60,745, an increase of $40,901, or 206.1%, from $19,844 for the three months ended June 30, 2009. This increase is due to two reasons, the first being an increase in the fixed assets associated with the improvements in golf landing area and activities area remodel of the golf center, and the second is the addition of a capital lease for our new golf carts.

Total Expenses

Our overall operating expenses decreased with expenses totaling $390,783 for the three months ended June 30, 2010 compared to $492,215 for the three months ended June 30, 2009. The decrease was the result of a combination of factors including the savings we received in taking the groundskeeping staff in-house, and the receipt of golf range balls and employee uniforms under our Callaway Golf Agreement.

Net Operating Loss

Our net operating income was $8,188 for the three months ended June 30, 2010 versus a net operating loss of $10,804 for the three months ended June 30, 2009 an increase of $18,992 or 175.8%. The net income is attributed to a conscious effort of the management to continually work towards making the necessary changes to make the golf center profitable.

Interest Expense

Our interest expense increased by 3.82% from $119,174 for the three months ended June 30, 2009 to $123,724 for the three months ended June 30, 2010.

Interest Income

Second quarter interest income is due to the interest earned on our investment account.

Net Loss

Our net loss for the three months ended June 30, 2010 in the amount of $115,519, was a decrease in loss of $11,877 from the net loss of $127,396 for the same period in 2009. This represents a decrease of 9.32.

Results of Operations for the six months ended June 30, 2010 and 2009 compared.

The following tables summarize selected items from the statement of operations for the six months ended June 30, 2010 compared to the six months ended June 30, 2010.

INCOME:

	For the six months ended June 30,		**Increase (Decrease)**	
	2010	**2009**	**$**	**%**
Revenue	$ 1,151,897	$ 1,188,433	$ (36,536)	(3.1%)
Cost of Sales	353,170	261,891	91,279	34.9%
Gross Profit	798,727	926,542	(127,815)	(13.8%)
Gross Profit Percentage of Sales	69%	78%		

Revenue

Our revenue for the six months ended June 30, 2010 was $1,151,897 compared to revenue of $1,188,433 in the six months ended June 30, 2009. This represents a decrease in revenue of $36,536, or 3.1%, from the same period a year ago. We believe that our revenue decline has been less than the national average for the golf industry. Our revenues are down the first six months of the year in rounds of golf played and the golf carts used for playing the course. This is due to the unseasonably windy and cold weather experienced in Las Vegas during the first four and a half months of 2010.

Cost of sales/Gross profit percentage of sales

Cost of sales currently consists mainly of payroll and benefits expenses of CGC staff, as well as operating supplies. Our cost of sales for the six months ended June 30, 2010 was $353,170, an increase of $91,279, or 34.9% from $261,891 for the six months ended June 30, 2009. This increase is due to the expansion of staff after adding the grounds keeping staff formerly with Geneva Management Company to our staff in February 2010.

Gross profit as a percentage of sales decreased from 69% for the six months ended June 30, 2010 to 78% for the six months ended June 30, 2009.

EXPENSES:

	For the Six Months Ended June 30,			
	2010	2009	Increase / (Decrease)	
	Amount	Amount	$	%
Expenses:				
General & administrative	$ 755,985	$ 953,162	$ (197,177)	(20.7 %)
Depreciation	74,082	40,427	33,655	83.2 %
Total expenses	830,067	993,589	(163,522)	(16.5 %)
Net operating (loss)	(31,340)	(67,047)	35,707	53.3 %
Other income (expense):				
Interest (expense)	(235,044)	(247,691)	12,647	(5.17 %)
Interest income	17	-	17	100 %
Other income	-	2,568	(2,568)	(100 %)
Net (loss)	(266,367)	(312,170)	45,803	14.7 %

General and Administrative Expenses

General and administrative expenses for the six months ended June 30, 2010 were $755,985, a decrease of $197,177, or 20.7%, from $953,162 for the six months ended June 30, 2009. This decrease is attributed to ending the Geneva Maintenance agreement for the landscape

18

maintenance and bringing the grounds keeping staff in house to manage the landscape needs of the course. This change took effect February 1, 2010.

Depreciation Expense

Depreciation and amortization expenses for the six months ended June 30, 2010 were $74,082, an increase of $33,655, or 83.27%, from $40,427 for the six months ended June 30, 2010. The change in depreciation has to do with the finished driving range landing area remodel and the capital lease put in place for the new golf carts.

Total Expenses

Our operating expenses decreased by $163,522 for the six months ended June 30, 2010 to 830,067compared to the six months ended June 30, 2009. The primary reason for the decrease was bringing the grounds keeping staff in-house, as well as a conscience effort by management to reduce spending in all areas possible.

Net Operating Loss

We had a net operating loss of $31,340 for the six months ended June 30, 2010, versus a net operating loss of $67,047 for the six months ended June 30, 2010. The decrease in the net operating loss was primarily due to the landscaping staff changes that started in February 2010.

Interest Expense

Our interest expense decreased 5.1% from $247,691 for the six months ended June 30, 2009, compared to $235,044 for the six months ended June 30, 2010.

Net Loss

Our net loss for the six months ended June 30, 2010 of $266,367, compares to net loss of $312,170 during the same period in 2009. Our net loss has decreased by 45,803 or 14.7% for the first six months of 2010. This decrease is do to a conscience effort by management to cut costs and more effectively manage their expenses.

Liquidity and Capital Resources

Historically, a critical component of our operating plan impacting our continued existence has been the ability to obtain additional capital through additional equity and/or debt financing, almost exclusively from related parties. Currently, portion of our working capital needs are being met by the Customer Agreement with Callaway. However, we do not anticipate generating sufficient positive internal operating cash flow in the near future to meet our working capital needs. As a result, we expect to continue to rely on outside sources of capital, such as related parties, for the foreseeable future.

Given our operating history, predictions of future operating results are difficult to make. Thus, our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their various stages of commercial viability. Such risks include, but are not limited to changes in the competitive environment. To address these risks we, among other things, plan to continue to modify our business plan, implement and execute our marketing strategy, develop and upgrade our facilities in a response to our competitor s developments.

The following table summarizes our current assets, liabilities, and working capital at March 31, 2010 compared to December 31, 2009.

	June 30, 2010	December 31, 2009	Increase / (Decrease) $	%
Current Assets	$ 228,874	$ 297,735	(68,861)	(23.13)%
Current Liabilities	9,492,955	9,215,550	(277,405)	(3.01)%
Working Capital Deficit	$ (9,264,081)	$ (8,917,815)	(346,266)	(3.88)%

Internal and External Sources of Liquidity

Cash Flow. Since inception, we have primarily financed our cash flow requirements through related party debt transactions. If that source of funding is eliminated it may have a material, adverse affect on our operations. We are currently operating at a loss but with positive cash flow because of deferring related party payables and interest payments. Though this has allowed us to currently minimize the deferral of our payables, we continue to depend on this source of financing. Should we lose our ability to defer those payables, without a return to profitability, our cash resources will be limited. On July 1, 2009, we received an initial payment of $750,000 from Callaway Golf Company as part of a $2,750,000 deal to keep Callaway Golf Company involved in our facility through at least 2013. This agreement called for remodeling of the present facilities and range landing area, as well as marketing dollars, driving range golf balls and employee uniforms.

Satisfaction of our cash obligations for the next 12 months.

As of June 30, 2010, our cash balance was $218,432. Our plan for satisfying our cash requirements for the next twelve months is expected to rely less on-related party financing and more reliance on the funds available through the Customer Agreement with Callaway.

Given our operating history, predictions of future operating results are difficult to make. Thus, our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their various stages of commercial viability. Such risks include, but are not limited to changes in the competitive environment. To address these risks we, among other things, plan to continue to modify our business plan, implement and execute our marketing strategy, develop and upgrade our facilities in a response to our competitors developments.

Expected purchase or sale of plant and significant equipment.

Pursuant to the agreement entered into on June 19, 2009 with Callaway Golf Company and St. Andrews Golf Shop, we spent approximately $1,200,000 towards the improvements to our existing facility. The total amount spent on these capital improvements were directly provided by Callaway Golf Company pursuant to our Customer Agreement with them. These improvements were finished on November 25, 2009.

Going Concern

The financial statements included in this filing have been prepared in conformity with generally accepted accounting principles that contemplate the continuance of the Company as a going concern. Management intends to use borrowings and security sales to mitigate the effects of its cash position, however no assurance can be given that debt or equity financing, if and when required will be available. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue existence.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results or operations, liquidity, capital expenditures or capital resources that is material to investors.

Critical Accounting Policies and Estimates

Stock-based Compensation: In accordance with accounting standards concerning Stock-based Compensation, the company accounts for all compensation related to stock, options or warrants using a fair value based method in which compensation cost is measured at the grant date based on the value of the award and is recognized over the service period. The Company uses the Black-Scholes pricing model to calculate the fair market value of options and warrants issued to both employees and non-employees. Stock issued for compensation is valued on the date of the related agreement and using the market price of the stock.

Related party transactions: In accordance with accounting standards concerning related party transactions, there now are established requirements for related party disclosures and the policy provides guidance for the disclosures of transactions between related parties.

Subsequent events: In accordance with accounting standards concerning subsequent events, states that a company is not required to disclose the date through with subsequent events have been evaluated. The adoption of this ASU did not have a material impact on our consolidated financial statements.

Recent Accounting Developments

The FASB Accounting Standards Codification is the single official source of authoritative, nongovernmental, U.S. GAAP, in addition to guidance issued by the Securities and Exchange Commission. This codification is designed to simplify U.S. GAAP into a single, topically ordered structure.

The Consolidation of Variable Interest Entities addresses the effect of the elimination of the qualifying special-purpose entity concept of Accounting for Transfers of Financial Assets. This also amends the accounting and disclosure requirements of FASB to enhance the timeliness and usefulness of information about a company s involvement in a variable interest entity.

In accordance with accounting standards *Accounting for Transfers of Financial Assets , the objective* eliminates the concept of special-purpose entity, requiring the reporting entity to provide more information about sales of securitized financial assets and similar transactions, particularly if the seller retains some risk to the assets, changes the requirements for the de-recognition of financial assets, and provides for the sellers of the assets to make additional disclosures.

In accordance with accounting standards concerning The Fair Value Option for Financial Assets and Financial Liabilities relates to providing guidance on when the volume and level of activity for the asset or liability have significantly decreased and identifying transaction s that are not orderly. The update clarifies the methodology to be used to determine fair value when there is no active market or where the price inputs being used represent distressed sales. The update also reaffirms the objective of fair value measurement, which is to reflect how much an asset would be sold in and orderly transaction, and the need to use judgment too determine if a formerly active market has become inactive.

Fair Value Measurements and Disclosures clarifies the fair market value measurement of liabilities. In circumstances where a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using one or more of the following techniques: a technique that uses quoted price of the identical or a similar liability or liabilities when traded as an asset or assets, or another valuation technique that is consistent with the principles such as income or market approach.

Fair value measurements: An update to the accounting standards concerning fair value measurements was made in January of 2010 whereby there now exists significant transfers in and out of Levels 1 and 2 and additional disclosures that must be made for activity in Level 3. We don not anticipate the adoption of this ASU to have a material impact on our consolidated financial statements.

Receivable Loans and Debt Securities Acquired with Deteriorated Credit Quality: An improvement to the comparability by elimination of diversity in practice about treatment of modifications of loans accounted for within pools for Receivable Loans and debt securities acquired with deteriorated credit quality was approved in April 2010. The amendment clarifies guidance about maintaining the integrity of a pool as the unit of accounting for acquired loans

---

with credit deterioration. We are currently evaluating the impact of this ASU; however, we do not expect the adoption of this ASU to have a material impact on our consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES .

Our Chief Executive Officer and Principal Financial officer, Ronald Boreta, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this quarterly report on Form 10-Q. Based on this evaluation, our Chief Executive Officer concluded that, as of June 30, 2010, our disclosure controls and procedures are effective in ensuring that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II--OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS .

There are no legal proceedings in which the Company is involved at this time.

ITEM 1A. RISK FACTORS .

Not required.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS .

We did not have any unregistered sales of equity securities during the quarter ended June 30, 2010.

Issuer Purchases of Equity Securities

We did not repurchase any of our equity securities during the quarter ended June 30, 2010.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES .

None.

ITEM 4. [REMOVED AND RESERVED]

ITEM 5. OTHER INFORMATION .

None.

ITEM 6. EXHIBITS.

			Incorporated by reference			
Exhibit number	Exhibit description	Filed herewith	Form	Period ending	Exhibit No.	Filing date
31.1	Certification of Chief Executive and Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X				
32.1	Certification of Chief Executive and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X				

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ALL-AMERICAN SPORTPARK, INC.
(Registrant)

Date: August 13, 2010

By: /s/ Ronald Boreta

Ronald Boreta, President, Chief Executive Officer,
and Treasurer (On behalf of the Registrant and as Principal Financial Officer)

25