ALL AMERICAN SPORTPARK INC
Form 10-Q
November 14, 2016

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 September 30, 2016

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

Commission file number 000-24970

**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) 317-7301**

(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 x 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 x No

The number of shares of Common Stock, $0.001 par value, outstanding on November 10, 2016 was 5,624,123 shares.

**All-American Sportpark, inc.**

**Form 10-Q**

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**PART 1 – FINANCIAL INFORMATION**

**Item 1 Financial Statements**

**All-American SportPark, Inc.**

**Condensed Consolidated Balance Sheets**

(Unaudited)

| | September 30, 2016 | December 31, 2015 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Prepaid expenses and other current assets | $ 453 | $ 272 |
| Assets held for sale | 480,659 | 565,215 |
| Total current assets | 481,112 | 565,487 |
| Property and equipment, net of accumulated depreciation of $756,040 and $728,726, as of September 30, 2016 and December 31, 2015, respectively | 466 | 1,355 |
| Total Assets | $ 481,578 | $ 566,842 |
| **Liabilities and Deficit** | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | $ 367,076 | $ 307,743 |
| Current portion of notes payable - related parties | 3,300,149 | 3,300,149 |
| Current portion due to related parties | 1,259,086 | 1,213,066 |
| Accrued interest payable - related party | 5,564,106 | 5,336,995 |
| Liabilities held for sale | 3,764,207 | 3,725,448 |
| Total current liabilities | 14,254,624 | 13,883,401 |
| Commitments and Contingencies | | |
| Deficit: | | |
| Preferred stock, Series "B", $0.001 par value, 10,000,000 shares authorized, no shares issued and outstanding as of September 30, 2016 and December 31, 2015, respectively | - | - |
| Common stock, $0.001 par value, 50,000,000 shares authorized, 4,624,123 and 4,624,123 shares issued and outstanding as of | 4,624 | 4,624 |

| | | | | |
|---|---|---|---|---|
| September 30, 2016 and<br>December 31, 2015, respectively | | | | |
| Prepaid equity-based compensation | | - | | (944) |
| Additional paid-in capital | | 14,408,270 | | 14,408,270 |
| Accumulated deficit | | (28,662,139) | | (28,169,696) |
| Total All-American SportPark, Inc. stockholders' deficit | | (14,249,245) | | (13,757,746) |
| Non-controlling interest in net assets of subsidiary | | 476,199 | | 441,187 |
| Total deficit | | (13,773,046) | | (13,316,559) |
| Total Liabilities and Deficit | $ | 481,578 | $ | 566,842 |

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

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**ALL-AMERICAN SPORTPARK, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

**(Unaudited)**

| | For the Three Months Ending September 30, | | For the Nine Months Ending September 30, | |
|---|---|---|---|---|
| | **2016** | **2015** | **2016** | **2015** |
| Expenses: | | | | |
| General and administrative expenses | $ 81,420 | $ 98,719 | $ 255,753 | $ 277,907 |
| Total expenses | 81,420 | 98,719 | 255,753 | 277,907 |
| Net operating income (loss) | (81,420) | (98,719) | (255,753) | (277,907) |
| Other income (expense): | | | | |
| Interest expense | (68,283) | (102,425) | (273,132) | (307,294) |
| Total other expense | (68,283) | (102,425) | (273,132) | (307,294) |
| Net loss before provision for income tax | (149,703) | (201,144) | (528,885) | (585,201) |
| Provision for income tax expense | - | - | - | - |
| Net loss from continued operations | (149,703) | (201,144) | (528,885) | (585,201) |
| Net Income/Loss from Discontinued operations | (63,080) | (22,568) | 71,454 | 129,677 |
| Net Loss | (212,783) | (223,712) | (457,431) | (455,524) |
| Net Income (Loss) attributable to non-controlling interest | (30,909) | (11,058) | 35,012 | 63,542 |
| Net loss attributable to All-American SportPark, Inc. | $ (181,874) | $ (212,654) | $ (492,443) | $ (519,066) |
| Basic and diluted income (loss) per weighted average common share Continuing Operations | $ (0.03) | $ (0.04) | $ (0.11) | $ (0.13) |

| | | | | |
|---|---|---|---|---|
| Discontinued Operations | (0.01) | (0.00) | 0.02 | 0.03 |
| Total basic and diluted loss per weighted average common share | (0.04) | (0.04) | (0.09) | (0.10) |
| Weighted average number of common shares outstanding - basic and fully diluted | 4,622,123 | 4,622,123 | 4,622,123 | 4,622,123 |

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

**ALL-AMERICAN SPORTPARK, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

**(Unaudited)**

| | For the Nine Months Ended September 30, | |
|---|---|---|
| | **2016** | **2015** |
| **Cash flows from operating activities** | | |
| Net loss | $ (528,885) | $ (585,201) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Depreciation and amortization expense | 889 | 1,432 |
| Share-based compensation | 944 | 3,115 |
| Changes in operating assets and liabilities: | | |
| Prepaid expenses and other current assets | 181 | 1,005 |
| Accounts payable and accrued expenses | 59,333 | (50,248) |
| Accrued interest payable and other - related party | 273,131 | 261,017 |
| Net cash used in operating activities | (194,407) | (368,880) |
| **Cash flows from financing activities** | | |
| Payments on notes payable - related party | - | (106,550) |
| Net cash used in financing activities | - | (106,550) |
| Net decrease in cash | (194,407) | (475,430) |
| **Cash flows from discontinued operations** | | |
| Cash flows provided by operating activities | 220,404 | 486,603 |
| Cash flows used in financing activities | (25,997) | (11,173) |
| Net cash provided by discontinued operations | 194,407 | 475,430 |
| Cash – beginning | - | - |
| Cash – ending | $ - | $ - |
| Supplemental disclosures: | | |
| Interest paid | $ - | $ - |
| Income taxes paid | $ - | $ - |

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

**All-American Sportpark, Inc.**

**Notes to Condensed Consolidated Financial Statements**

(Unaudited)

**Note 1 – Basis of presentation**

The unaudited 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 unaudited condensed consolidated interim financial statements be read in conjunction with the consolidated financial statements of the Company for the year ended December 31, 2015 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 interim periods may not be indicative of annual results.

Certain reclassifications have been made in prior periods’ financial statements to conform to classifications used in the current period.

On June 10, 2016, the Company entered into a Transfer Agreement for the sale and transfer of the Company’s 51% interest in All American Golf Center, Inc. (“AAGC”), which constituted substantially all of the Company’s assets. On October 18, 2016, the Company completed the closing of the Transfer Agreement pursuant to which the Company transferred the 51% interest in AAGC to Ronald Boreta and John Boreta (the “Boretas”), and also issued to the Boretas 1,000,000 shares of the Company’s common stock, in exchange for the cancellation of promissory notes held by the Boretas and the interest accrued thereon totaling approximately $8,613,000.

In connection with the closing of the Transfer Agreement, AAGC assumed the obligation of the Company to pay Ronald Boreta for deferred salary which currently totals approximately $320,000. In addition, AAGC cancelled approximately $4,125,000 in advances previously made by it to the Company to fund its operations.

Also in connection with the closing of the Transfer Agreement, entities controlled by the Boretas cancelled approximately $1,367,000 owed to them by the Company. The Company cancelled approximately $27,605 owed to the Company by entities controlled by the Boretas.

As a result of the closing of the Transfer Agreement, the Company now has no or nominal operations and no or nominal assets and is therefore considered to be a “Shell Company” as that term is defined in Rule 12b-2 of the Exchange Act.

**Note 2 – Discontinued Operations**

As of September 30, 2016 the business activities of All-American Golf Center (AAGC) are deemed held for sale in accordance with ASC 205. All references to discontinued operations included the operations of AAGC only.

Results of Discontinued Operations:

| | For the Three Months Ending September 30, | | For the Nine Months Ending September 30, | |
|---|---|---|---|---|
| | **2016** | **2015** | **2016** | **2015** |
| Revenue | $ 364,472 | $ 452,662 | $ 1,363,578 | $ 1,468,214 |
| Revenue - Related Party | 40,950 | 40,950 | 122,850 | 122,850 |
| Total Revenue | 405,422 | 493,612 | 1,486,428 | 1,591,064 |
| Cost of revenue | 129,349 | 196,718 | 418,014 | 494,446 |
| Gross profit | 276,073 | 296,894 | 1,068,414 | 1,096,618 |
| General and administrative expenses | 282,428 | 263,455 | 825,202 | 794,711 |
| Depreciation and amortization | 27,980 | 26,596 | 84,502 | 80,796 |
| Total expenses | 310,408 | 290,051 | 909,705 | 875,567 |
| Net operating income (loss) | (34,335) | 6,843 | 158,709 | 221,051 |
| Other income | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| (expense): Interest expense | | (28,746) | | (29,411) | | (87,255) | (91,374) |
| | | - | | - | | - | - |
| Total other income (expense) | | (28,746) | | (29,411) | | (87,255) | (91,370) |
| Income (loss) from discontinued operation | $ | (63,080) | $ | (22,568) | $ | 71,454 | $ 129,677 |

The assets and liabilities of discontinued operations are set forth as below:

| **Assets** | | **September 30, 2016** | | **December 31, 2015** |
|---|---|---|---|---|
| Current assets: | | | | |
| Cash | $ | 6,335 | $ | 5,856 |
| Accounts receivable | | 19,500 | - | |
| Prepaid expenses and other current assets | | 12,228 | | 15,002 |
| Total current assets | | 38,063 | | 39,197 |
| Property and equipment, | | 442,596 | | 526,018 |
| Total fixed assets | | 442,596 | | 526,018 |
| Total assets | $ | 480,659 | $ | 565,215 |

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| | | |
|---|---|---|
| Current liabilities: | | |
| Cash in excess of available funds | $ - | $ 29,371 |
| Accounts payable and accrued expenses | 541,190 | 465,958 |
| Current portion of deferred revenue | 100,000 | 125,000 |
| Current portion of notes payable - related parties | 1,034,077 | 999,077 |
| Current portion due to related parties | 540,893 | 511,220 |
| Current portion of capital lease obligation | 32,897 | 32,082 |
| Accrued interest payable - related party | 929,064 | 868,679 |
| Total current liabilities | 3,178,121 | 3,031,387 |
| Long-term liabilities: | | |
| Long-term portion of capital lease obligation | 8,484 | 33,623 |
| Deferred revenue | 50,000 | 100,000 |
| Deferred rent liability | 527,602 | 560,438 |
| Total long-term liabilities | 586,086 | 694,061 |
| Total Liabilities | $ 3,764,207 | $ 3,725,448 |

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**Note 3 – Going concern**

As of September 30, 2016, we had an accumulated deficit of $28,662,139. The Company's management believes that its operations may not be sufficient to fund operating cash needs and debt service requirements over at least the next 12 months. As described in Note 1, the Company's Board of Directors determined that it was in the best interests of the Company to enter into the Transfer Agreement with the Boretas. The closing of that agreement would result in the elimination of nearly all of the debt of the Company. However, after the closing, the Company would have no significant assets and would continue to depend on affiliates to provide funds to pay its ongoing expenses.

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 4 – Recent accounting policies**

The Company believes there are no new accounting pronouncements adopted but not yet effective that is relevant to the readers of our financial statements.

**Note 5 – Non controlling interest**

Non-controlling interest represents the minority stockholders' proportionate share of the equity of All-American Golf Center ("AAGC') which is a 51% owned subsidiary of the Company. At September 30, 2015, we owned 51% of AAGC's capital stock, representing voting control and a majority interest. Our controlling ownership interest required 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.

Pursuant to the Transfer Agreement, at the closing on October 18, 2016, we transferred our 51% interest in AAGC, which constituted substantially all of our assets, to the Boretas.

**Note 6 – Related party transactions**

*Due to related parties*

Prior to October 18, 2016, the Company’s employees provided administrative/accounting support for (a) three golf retail stores, named Saint Andrews Golf Shop ("SAGS"), Las Vegas Golf and Tennis ("Boca Store") and Las Vegas Golf and Tennis Superstore (“Westside 15 Store”), owned by Ronald Boreta, the Company's President, and his brother, John Boreta, a Director of the Company. The SAGS store is the retail tenant in the TMGE.

Administrative/accounting payroll and employee benefits expenses were allocated based on an annual review of the personnel time expended for each entity. Amounts allocated to these related parties by the Company approximated $21,903 and $20,409 for the nine months ended September 30, 2016 and 2015, respectively. The Company recorded this allocation by reducing the related expenses and allocating them to the related parties.

In addition to the administrative/accounting support provided by the Company to the above stores, the Company received funding for operations from these and various other stores owned by the Company's President and his brother, and the former Chairman. These funds helped pay for office supplies, phone charges, postages, and salaries. The net amount due to these stores totaled $1,247,582 and $1,213,066 as of September 30, 2016 and December 31, 2015, respectively. The amounts were non-interest bearing and due out of available cash flows of the Company. Additionally, the Company has the right to offset the administrative/accounting support against the funds received from these stores.

Through October 18, 2016, both Ronald Boreta and John Boreta continued to defer half of their monthly salaries until the Company is in a more positive financial state. The amounts deferred for the first nine months of 2016 and 2015 were $73,125 and $73,125, respectively. The obligations to pay the deferred salaries were assumed by AAGC in connection with the closing of the Transfer Agreement.

*Notes and Interest Payable to Related Parties:*

The Company had various notes and interest payable to the following entities as of September 30, 2016, and December 31, 2015, respectively:

| | | 2016 | | 2015 |
|---|---|---|---|---|
| **From Continuing Operations:** | | | | |
| Various notes payable to Vaso Boreta bearing 10% per annum and due on demand (1) | $ | 3,200,149 | $ | 3,200,149 |
| Note payable to BE Holdings 1, LLC, owned by the chairman of the board, bearing 10% per annum and due on demand (2) | | 100,000 | | 100,000 |
| Total | $ | 3,300,149 | $ | 3,300,149 |
| **From Discontinued Operations:** | | | | |
| Various notes payable to SAGS, bearing 10% per annum and due on demand (3) | $ | 739,656 | $ | 704,656 |
| Various short term notes payable to the Westside 15 Store, bearing 10% per annum and due on demand (4) | | 93,921 | | 93,921 |
| Note payable to BE, III bearing 10% per annum and due on demand (5) | | 200,500 | | 200,500 |
| Total | $ | 1,034,077 | $ | 999,077 |

1) Vaso Boreta is the former Chairman of the Board of the Company who passed away in October 2013.
2) BE Holdings, LLC is owned by Ronald Boreta and John Boreta.
3) Saint Andrews is owned by Ronald Boreta and John Boreta.
4) The Westside 15 Store is owned by Ronald Boreta and John Boreta
5) BE III, LLC is owned by Ronald Boreta and John Boreta.

All maturities of related party notes payable and the related accrued interest payable as of September 30, 2016 were due and payable upon demand.

On June 15, 2009, the Company entered into a “Stock Transfer Agreement” with St. Andrews Golf, Ltd. a Nevada limited liability company, which is wholly-owned by Ronald Boreta, our chief executive officer and John Boreta, a principal shareholder and now a Director 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 the Company’s outstanding loan due to St. Andrews Golf Shop, Ltd. In March 2009, the Company 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.

As of September 30, 2016 and December 31, 2015, accrued interest payable - related parties related to the notes payable – related parties totaled $5,564,106 and $5,336,996, respectively. On October 18, 2016 all of the notes and accrued interest were cancelled as part of the closing of the Transfer Agreement.

*Lease to SAGS*

AAGC subleases space in the clubhouse to SAGS. Base rent includes $13,104 per month through July 2013 with a 5% increase for each of two 5-year options to extend in July 2013 and July 2017. For the nine months ending September 30, 2016 and 2015, the Company recognized rental income totaling $122,850 and $122,850, respectively.

**Note 7 – Commitments**

*Lease Agreements From Discontinued Operation*

The land underlying the TMGE is leased under an operating lease that was to initially expire in 2013 and had two five-year renewal options. In March 2006, the Company exercised the first of two options, extending the lease to 2018. Also, the lease has a provision for contingent rent to be paid by AAGC upon reaching certain levels of gross revenues. The Company recognized the minimum rental expense on a straight-line basis over the term of the lease, which included the renewal options.

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At September 30, 2016, minimum future lease payments under non-cancelable operating leases were as follows:

| | | | |
|---|---|---|---|
| | 2016 | $ | 132,459 |
| | 2017 | | 397,380 |
| | 2018 | | 145,706 |
| | 2019 | | 582,825 |
| | 2020 | | 582,825 |
| Thereafter | | | 1,602,767 |
| Total | | $ | 3,443,962 |

Total rent expense for this operating lease was $397,380 and $397,380 for the nine months ended September, 2016 and 2015.

*Capital Lease From Discontinued Operation*

The Company entered into a capital lease for new Club Car gas powered golf carts. The lease is 48 months in length and started on December 8, 2013. The Company paid $2,887 a month in principal and interest expense related to the lease.

The following is a schedule by year of future minimum payments required under these lease agreements.

| | Yearly Amount |
|---|---|
| 2016 | 8,661 |
| 2017 | 34,644 |
| Total | $ 43,305 |

*Customer Agreement From Discontinued Operation*

On June 19, 2009, AAGC entered into a Customer Agreement with Callaway Golf Company ("Callaway") and Saint Andrews pursuant to which Callaway has agreed to make certain cash payments and other consideration to AAGC and Saint Andrews in exchange for an exclusive marketing arrangement for the golf center operated by AAGC. Callaway is a major golf equipment manufacturer and supplier.

On March 9, 2013, AAGC entered into an amendment to its Customer Agreement with Callaway (the “Amendment”). The Amendment provided that AAGC was to use all reasonable efforts to negotiate and enter into a non-exclusive written contract with an alternative retail branding partner. In the event that AAGC was successful in executing a written contract with an alternative retail branding partner, the Customer Agreement would terminate on June 30, 2013.

Pursuant to the terms of the Amendment, Callaway was not required to pay any marketing funds or other fees or expenses required under the Customer Agreement during the first two quarters of

2013. The Amendment also provided that Callaway could, at its option, continue to feature its products in a second position at the golf center, of which they have chosen to do, after termination of the Customer Agreement, under certain terms and conditions.

*Sponsorship Agreement*

On March 27, 2013, AAGC entered into a Golf Center Sponsorship Agreement ("Sponsorship Agreement") with Taylor Made Golf Company, Inc., doing business as TaylorMade-adidas Golf Company ("TMaG") pursuant to which the golf center operated by AAGC was to be rebranded using TaylorMade® and other TMaG trademarks.

As part of the Sponsorship Agreement, TMaG agreed to reimburse AAGC for the reasonable costs associated with the rebranding efforts, including the costs associated with the build-out of the golf center and a new performance lab (described below), up to a specified maximum amount. In addition AAGC received a payment of $200,000 upon execution of the Sponsorship Agreement and, so long as AAGC continues to operate the golf center and comply with the terms and conditions of the Sponsorship Agreement TMaG was to make additional payments to AAGC on each of March 26, 2014 and March 26, 2015.

The Sponsorship Agreement provides that TMaG would install a performance lab at AAGC's facility that would include one nine-camera motion analysis system and one putting lab, and would provide additional services, equipment, supplies and resources for the golf center. The performance lab was installed in 2013. Phase I of the remodeling of the golf center included the entire golf shop, activities area/golf check-in and restaurant area and was completed in the first quarter of 2015. Phase II began in the third quarter of 2015 and involved remodeling the driving range area and additional construction in the golf shop.

The Sponsorship Agreement includes provisions concerning the display of TMaG merchandise, payment terms, retail sales targets and other related matters. Also, Saint Andrews Golf Shop, a tenant of AAGC which is owned by Ronald Boreta, the Company's President, and John Boreta, a Director of the Company, will receive a quarterly rebate based on the wholesale price of the TMaG merchandise purchased at the golf center. In addition, provided that the Las Vegas Golf and Tennis stores owned by Ronald Boreta and John Boreta maintain TMaG as their premier vendor at its locations, TMaG will pay such stores a quarterly rebate based on the wholesale price of the TMaG merchandise purchased at those locations.

The initial term of the Sponsorship Agreement is for five years. AAGC and TMaG may mutually agree in writing to extend the Sponsorship Agreement for an additional four year period; provided that the option to renew the Agreement shall be determined by the parties not later than ninety (90) days prior to the end of the initial term and shall be consistent with the AAGC's lease on its golf center property.

**Note 7 – Stockholders' deficit**

*Preferred stock*

As of September 30, 2016, we had no preferred shares issued and outstanding.

*Common stock*

As of September 30, 2016, we had 4,624,123 shares of our $0.001 par value common stock issued and outstanding.

*Equity-based compensation*

On May 24, 2013, the Company granted 68,000 shares of restricted common stock to one director and one employee for services. In accordance with the terms of the grant, the shares will vest in full at the end of two years from the date of grant for the director. The restricted common stock granted to the employee will vest in full at the end of three years from the date of grant. The Company has recorded prepaid stock-based compensation of $3,211 representing the estimated fair value on the date of grant, and will amortize the fair market value of the shares to compensation expense ratably over the two and three year vesting periods. As of September, 2016, prepaid stock-based compensation balance is zero,

**Note 8 – Subsequent Events**

After a review of all business dealings, the Company determined that it had no subsequent events to disclose except as set forth below.

On October 18, 2016, the Company completed the closing of its previously disclosed Transfer Agreement for the sale and transfer of the Company's 51% interest in All American Golf Center, Inc. ("AAGC"), which constituted substantially all of the Company's assets. Pursuant to the Transfer Agreement, the Company transferred the 51% interest in AAGC to Ronald Boreta and John Boreta (the "Boretas"), and also issued to the Boretas 1,000,000 shares of the Company's common stock, in exchange for the cancellation of promissory notes held by the Boretas and the interest accrued thereon totaling approximately $8,613,000.

In connection with the closing of the Transfer Agreement, AAGC assumed the obligation of the Company to pay Ronald Boreta for deferred salary which currently totals approximately $320,000. In addition, AAGC cancelled approximately $4,125,000 in advances previously made by it to the Company to fund its operations.

Also in connection with the closing of the Transfer Agreement, entities controlled by the Boretas cancelled approximately $1,367,000 owed to them by the Company. The Company cancelled approximately $27,605 owed to the Company by entities controlled by the Boretas.

As a result of the closing of the Transfer Agreement, the Company now has no or nominal operations and no or nominal assets and is therefore considered to be a “Shell Company” as that term is defined in Rule 12b-2 of the Exchange Act.

**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,” “expect” or “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:

- the inability of management to effectively implement our strategies and business plans;
- the willingness of management to pay for our ongoing expenses; and
- the other risks and uncertainties detailed in this report.

**Overview of Current Operations**

On October 18, 2016 the Company completed the closing of the Transfer Agreement for the sale and transfer of the Company’s 51% interest in All American Golf Center, Inc. (“AAGC”), which constituted substantially all of the Company’s assets. As a result of the closing of the Transfer Agreement, the Company now has no or nominal operations and no or nominal assets and is therefore considered to be a “Shell Company” as that term is defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

At this time, our purpose is to seek, investigate and, if such investigation warrants, acquire an interest in business opportunities presented to us by persons or firms who or which desire to seek the perceived advantages of a corporation whose securities are registered pursuant to the Exchange Act. We will not restrict our search to any specific business or geographical location.

This discussion of our proposed business is purposefully general and is not meant to be restrictive of our discretion to search for and enter into potential business opportunities.

Management anticipates that we may be able to participate in only one potential business venture because we have nominal assets and limited financial resources. This lack of diversification should be considered a substantial risk to our shareholders because it will not permit us to offset potential losses from one venture against gains from another.

We may seek a business opportunity with entities that have recently commenced operations, or that wish to utilize the public marketplace in order to raise additional capital in order to expand into new products or markets, to develop a new product or service, or for other corporate purposes. We may acquire assets and establish wholly-owned subsidiaries in various businesses or acquire existing businesses as subsidiaries.

The Company has not entered into any definitive or binding agreements and there are no assurances that such transactions will occur. Such a combination would normally take the form of a merger, stock-for-stock exchange or stock-for-assets exchange. The Company may determine to structure any business combination to be within the definition of a tax-free reorganization under Section 351 or Section 368 of the Internal Revenue Code of 1986, as amended.

It is anticipated that any securities issued in any such business combination would be issued in reliance upon an exemption from registration under applicable federal and state securities laws. In some circumstances, however, as a negotiated element of its transaction, the Company may agree to register all or a part of such securities immediately after the transaction is consummated or at specified times thereafter. If such registration occurs, it will be undertaken by the surviving entity after the Company has entered into an agreement for a business combination or has consummated a business combination. The issuance of additional securities and their potential sale into any trading market in the Company's securities may depress the market value of the Company's securities in the future.

**Results of Operations for the three months ended September 30, 2016 and 2015 compared.**

**INCOME:**

**Revenue**

Our revenue from the discontinued operations for the three months ended September, 2016 was $364,472 compared to $452,662 in the three months ended September 30, 2015, a decrease of $88,190, or 19.48%. The decrease in revenues is attributed to a downward turn in the golf industry nationally. Our business in all areas of the golf course is down, including the driving range, special events and leagues. Revenue-Related Party for the three months ended September 30, 2016 was $40,950, compared to $40,950 in 2015.

**Cost of Sales/Gross Profit Percentage of Sales**

Cost of sales consisted mainly of payroll and benefits expenses of the AAGC staff, and operating supplies. Our cost of sales for the three months ended September 30, 2016 was $129,349, a decrease of $67,369 or 34.25% from $196,718 for the three month period ended September 30, 2015. With the extreme reduction in revenue cost cutting measures were taken in all areas of payroll and operations.

Gross profit from the discontinued operations as a percentage of sales increased to 68.10%, for the three months ended September 30, 2016. Gross profit as a percentage of sales was 60.15% for the three months ended September 30, 2015.

**EXPENSES:**

**General and Administrative Expenses**

General and administrative expenses from continued operations for the three months ended September 30, 2016 were $81,420, a decrease of $17,299 from $98,719 for the three months ended September 30, 2015.

General and administrative expenses for the discontinued operations for the three months ended September 30, 2016 were $282,428, an increase of $18,973 from $263,455 for the three months ended September 30, 2015.

Depreciation and amortization expenses for the discontinued operations for the three months ended September 30, 2016 were $27,980 an increase of $1,384, from $26,596 for the three months ended September 30, 2015.

**Interest Expense**

Our interest expense decreased from $102,425 for the three months ended September 30, 2015 to $68,283 for the three months ended September 30, 2016.

**Net Loss**

We had a net loss from operations of $(212,783) for the three months ended September 30, 2016 as compared to net loss from operations of $(223,712) for the three months ended September 30, 2015. The slight decrease in net loss was a result of the factors described above.

**Results of Operations for the nine months ended September 30, 2016 and 2015 compared.**

**INCOME:**

**Revenue**

Our revenue for the nine months ended September 30, 2016 for the discontinued operations was $1,363,578 as compared to $1,468,214 for the nine months ended September 30, 2015, a decrease of $104,636, or 7.13%. The revenue decrease is due to a downward turn in the golf industry nationally. Our business in all areas of the golf course is down, including the driving range, special events and leagues.

Revenue-Related Party for the discontinued operations for the nine months ended September 30, 2016 was $122,850, compared to $122,850 for the nine months ended September 30, 2016.

**Cost of Sales/Gross Profit Percentage of Sales**

Cost of sales currently consists mainly of payroll and benefits expenses of the AAGC staff, and operating supplies. Our cost of sales for the nine months ended September 30, 2016 was $418,014, a decrease of $76,432 or 15.46% from $494,446 for the nine month period ended September 30, 2015. The decrease was related to a decrease in payroll expenses as our management consciously tried to reduce expenses due to the downturn in the golf industry.

Gross profit as a percentage of sales was 72% for the nine months ended September 30, 2016 and 68% for the nine months ended September 30, 2015.

**EXPENSES:**

**General and Administrative Expenses**

General and administrative expenses from continued operations for the nine months ended September 30, 2016 were $255,753 a decrease of $22,154 or 7.97%, from $277,907 for the nine months ended September 30, 2016. This decrease was from a change in the finance staff and associated salary, benefit and tax costs.

General and administrative expenses for the discontinued operations for the nine months ended September 30, 2016 were $825,202, an increase of $30,431 from $794,771 for the nine months ended September 30, 2015.

Depreciation and amortization expenses for the discontinued operations for the nine months ended September 30, 2016 were $84,502 an increase of $3,706, from $80,796 for the nine months ended September 30, 2015.

**Interest Expense**

Our interest expense from continued operations decreased from $307,294 for the nine months ended September 30, 2015 to $273,132 for the nine months ended September 30, 2016

**Net Loss**

We had a net loss of $(457,431) for the nine months ended September 30, 2016 compared to a net loss of $(455,524) for the nine months ended September 30, 2015. The slight increase in net loss was a result of the factors described above.

**Net Income (Loss) Attributed to Non-Controlling Interest**

The net income attributable to non-controlling interest for the nine months ended September 30, 2016 was $35,012 as compared to $63,542 for the same period in 2015. That resulted in net loss attributable to All-American Sport Park of $492,443 for 2016 as compared to $519,066 for 2015.

**Liquidity and Capital Resources**

The following table summarizes our current assets, liabilities, and working capital at September 30, 2016 compared to December 31, 2015.

| | September 30, 2016 | December 31, 2015 | Increase / (Decrease) $ | % |
|---|---|---|---|---|
| Current Assets | $453 | $272 | $181 | 66.5% |
| Assets Held for Sale | 480,659 | 565,215 | (84,556) | (15.0%) |
| Current Liabilities | 10,490,417 | 10,157,953 | 332,464 | 3.3% |
| Liabilities Held for Sale | 3,764,207 | 3,725,448 | 38,759 | (1.0%) |
| Working Capital Deficit | $13,773,512 | $13,317,914 | $455,598 | 3.4% |

***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 effect 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.

***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. 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 of 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. 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.

***Recent Accounting Developments***

The Company believes there is no additional new accounting guidance adopted but not yet effective that are relevant to the readers of our financial statements.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

Not applicable.

**ITEM 4. CONTROLS AND PROCEDURES.**

*Evaluation of Disclosure Controls and Procedures*

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Principal Financial Officer to allow timely decisions regarding required financial disclosure.

As of the end of the period covered by this report, the Company's management carried out an evaluation, under the supervision of and with the participation of the Chief Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15 and 15d-15 under the Exchange Act). Based upon that evaluation, the Company's Chief Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report, to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, completely and accurately, within the time periods specified in SEC rules and forms.

*Changes in Internal Control over Financial Reporting*

There were no changes in internal control over financial reporting that occurred during the quarter ended September 30, 2016 that have materially affected, or are reasonably likely to affect, the Company's 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 September 30, 2016.

We did not repurchase any of our equity securities during the quarter ended September 30, 2016.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

### ITEM 5. OTHER INFORMATION.

None.

**ITEM 6. EXHIBITS.**

| Exhibit number | Exhibit description | Filed herewith | Incorporated by reference 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: November 14, 2016 By: /s/Ronald Boreta

Ronald Boreta, President, Chief Executive Officer,

and Treasurer (On behalf of the Registrant and as

Principal Financial Officer)

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