

FAMOUS DAVES OF AMERICA INC  
Form 10-Q  
August 17, 2016  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

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

For the Quarterly Period Ended July 3, 2016

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

Commission File No. 0-21625

**FAMOUS DAVE S of AMERICA, INC.**

(Exact name of registrant as specified in its charter)

Minnesota  
(State or other jurisdiction of  
incorporation or organization)

41-1782300  
(I.R.S. Employer  
Identification No.)

12701 Whitewater Drive, Suite 200

Minnetonka, MN 55343

(Address of principal executive offices) (Zip code)

Registrant s telephone number, including area code (952) 294-1300

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 ..

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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 definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer  (Do not check if a smaller reporting company)

Smaller reporting company

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

As of August 12, 2016, 6,957,628 shares of the registrant's Common Stock were outstanding.

**Table of Contents**

**FAMOUS DAVE S OF AMERICA, INC.**

**TABLE OF CONTENTS**

	Page
<b>PART I</b>	<b><u>FINANCIAL INFORMATION</u></b>
Item 1	<u>Consolidated Financial Statements (unaudited)</u>
	<u>Consolidated Balance Sheets As of July 3, 2016 and January 3, 2016</u> 3
	<u>Consolidated Statements of Operations For the three and six months ended July 3, 2016 and June 28, 2015</u> 4
	<u>Consolidated Statements of Cash Flows For the six months ended July 3, 2016 and June 28, 2015</u> 5
	<u>Notes to Consolidated Financial Statements</u> 6
Item 2	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> 21
Item 3	<u>Quantitative and Qualitative Disclosures About Market Risk</u> 30
Item 4	<u>Controls and Procedures</u> 31
<b>PART II</b>	<b><u>OTHER INFORMATION</u></b>
Item 1	<u>Legal Proceedings</u> 31
Item 1A	<u>Risk Factors</u> 32
Item 5	<u>Other Information</u> 32
<b><u>SIGNATURES</u></b>	
<b>CERTIFICATIONS</b>	

**Table of Contents****PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****FAMOUS DAVE S OF AMERICA, INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****JULY 3, 2016 AND JANUARY 3, 2016***(in thousands, except per share data)*

	<b>July 3, 2016</b>	<b>January 3, 2016</b>
	(Unaudited)	
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 6,308	\$ 5,300
Restricted cash	2,868	1,087
Accounts receivable, net	5,041	4,677
Inventories	1,940	2,070
Deferred tax assets	181	181
Prepaid expenses and other current assets	1,659	1,671
Assets held for sale	88	2,211
<b>Total current assets</b>	<b>18,085</b>	<b>17,197</b>
<b>Property, equipment and leasehold improvements, net</b>	<b>30,121</b>	<b>32,491</b>
<b>Other assets:</b>		
Intangible assets, net	2,878	2,902
Deferred tax assets	4,411	4,411
Other assets	1,259	824
	<b>\$ 56,754</b>	<b>\$ 57,825</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
<b>Current liabilities:</b>		
Current portion of long-term debt and financing lease obligation	\$ 2,819	\$ 2,193
Accounts payable	6,239	5,685
Accrued compensation and benefits	1,387	1,390
Deferred tax liabilities	101	101
Other current liabilities	3,408	3,406
Liabilities held for sale		1,747
<b>Total current liabilities</b>	<b>13,954</b>	<b>14,522</b>
<b>Long-term liabilities:</b>		
Line of credit	1,855	
Long-term debt, less current portion	6,992	10,200
Financing lease obligation, less current portion	2,539	2,757
Other liabilities	8,299	8,285

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<b>Total liabilities</b>	33,639	35,764
<b>Shareholders equity:</b>		
Common stock, \$0.01 par value, 100,000 shares authorized, 6,958 shares issued and outstanding at July 3, 2016 and January 3, 2016, respectively	66	66
Retained earnings	23,049	21,995
<b>Total shareholders equity</b>	23,115	22,061
	\$ 56,754	\$ 57,825

See accompanying notes to consolidated financial statements.

Table of Contents

## FAMOUS DAVES OF AMERICA, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF OPERATIONS

JULY 3, 2016 AND JUNE 28, 2015

*(in thousands, except per share data)**(Unaudited)*

	Three Months Ended		Six Months Ended	
	July 3, 2016	June 28, 2015	July 3, 2016	June 28, 2015
<b>Revenue:</b>				
Restaurant sales, net	\$ 23,022	\$ 27,509	\$ 42,014	\$ 51,253
Franchise royalty revenue	4,686	4,620	8,851	8,951
Franchise fee revenue		250	135	255
Licensing and other revenue	336	335	584	520
<b>Total revenue</b>	<b>28,044</b>	<b>32,714</b>	<b>51,584</b>	<b>60,979</b>
<b>Costs and expenses:</b>				
Food and beverage costs	7,089	8,332	13,112	15,506
Labor and benefits costs	7,401	8,672	14,254	16,658
Operating expenses	6,353	7,719	12,063	14,420
Depreciation and amortization	956	1,144	1,936	2,323
General and administrative expenses	4,836	4,937	8,611	9,786
Asset impairment and estimated lease termination and other closing costs	1,056	881	1,064	976
Pre-opening expenses				1
Net loss (gain) on disposal of property	19	48	(185)	25
<b>Total costs and expenses</b>	<b>27,710</b>	<b>31,733</b>	<b>50,855</b>	<b>59,695</b>
<b>Income from operations</b>	<b>334</b>	<b>981</b>	<b>729</b>	<b>1,284</b>
<b>Other expense:</b>				
Interest expense	(225)	(220)	(403)	(421)
Interest income	1		2	5
Other income, net	1	2	1	
<b>Total other expense</b>	<b>(223)</b>	<b>(218)</b>	<b>(400)</b>	<b>(416)</b>
<b>Income before income taxes</b>	<b>111</b>	<b>763</b>	<b>329</b>	<b>868</b>
<b>Income tax benefit (expense)</b>	<b>2</b>	<b>(216)</b>	<b>(67)</b>	<b>(212)</b>
<b>Net income from continuing operations</b>	<b>113</b>	<b>547</b>	<b>262</b>	<b>656</b>
<b>Net income from discontinued operations, net of tax</b>	<b>27</b>	<b>107</b>	<b>708</b>	<b>195</b>
<b>Net income</b>	<b>\$ 140</b>	<b>\$ 654</b>	<b>\$ 970</b>	<b>\$ 851</b>
<b>Basic net income per common share from continuing operations</b>	<b>\$ 0.02</b>	<b>\$ 0.07</b>	<b>\$ 0.04</b>	<b>\$ 0.09</b>

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<b>Basic net income per common share from discontinued operations</b>	\$	\$ 0.02	\$ 0.10	\$ 0.03
<b>Basic net income per common share</b>	\$ 0.02	\$ 0.09	\$ 0.14	\$ 0.12
<b>Diluted net income per common share from continuing operations</b>	\$ 0.02	\$ 0.07	\$ 0.04	\$ 0.09
<b>Diluted net income per common share from discontinued operations</b>	\$	\$ 0.02	\$ 0.10	\$ 0.03
<b>Diluted net income per common share</b>	\$ 0.02	\$ 0.09	\$ 0.14	\$ 0.12
<b>Weighted average common shares outstanding basic</b>	6,949	6,974	6,949	7,016
<b>Weighted average common shares outstanding diluted</b>	6,958	6,993	6,958	7,037