

CUCOS INC  
Form 10QSB  
May 23, 2001

**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, DC 20549**

**FORM 10-QSB**

(Mark One)

Quarterly Report under Section 13 or 15 (d) of the Securities Exchange Act of 1934

For the quarterly period ended April 8, 2001.

OR

Transition Report Pursuant to Section 13 Or 15 (D) of the Securities Exchange Act Of 1934

Commission file number 0-12701

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

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CUCOS INC.

(Exact name of small business issuer as specified in its charter)

|   |                                      |
|---|--------------------------------------|
| LOUISIANA   | 72-0915435                           |
| (State or other jurisdiction of<br>incorporation or organization) | (IRS Employer<br>Identification No.) |

|  |            |
|--|------------|
| 110 Veterans Blvd., Suite 222, Metairie, Louisiana | 70005      |
| (Address of principal executive offices)           | (Zip Code) |

Issuer's telephone number, including area code--504-835-0306

Check whether the issuer: (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Exchange Act during the post 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 2,663,605 shares of common stock, no par value, as of May 2, 2001.

Transitional Small Business Disclosure Format (check one):

Yes [ ] No [ X ]

**PART I--FINANCIAL INFORMATION**

**ITEM I. FINANCIAL STATEMENTS**

Omission of Financial Statements.

The interim financial statements required to be included in this Form 10-QSB have not been reviewed by independent auditors in accordance with SAS 71, Interim Financial Information, and, accordingly, have been omitted from this Form 10-QSB. The Company expects to file an amended Form 10-QSB to supply the reviewed interim financial statements.

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

The interim financial statements required to be included in this Form 10-QSB have not been reviewed by independent auditors in accordance with SAS 71, Interim Financial Information, and, accordingly, have been omitted from this Form 10-QSB. The Company expects to file an amended Form 10-QSB to supply the reviewed interim financial statements.

**PART II -- OTHER INFORMATION**

**ITEM 1. LEGAL PROCEEDING**

None, except as previously reported.

**ITEM 2. CHANGES IN SECURITIES.**

In August 2000, pursuant to a tender offer to the Company's shareholders, the Jacksonville Restaurant Acquisition Corp. (JRAC) purchased 1.2 million shares of the Company's Common Stock for \$1,200,000 in cash. During fiscal 2000, JRAC purchased 400,000 shares of convertible Preferred Stock at \$1 per share.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES.**

The Company has a credit facility with a commercial lending institution. This credit facility consists of a term loan to be repaid in monthly payments through December 2007, and is secured by the restaurant operating properties.

On May 4, 2001, the Company and its commercial lender entered into a Forbearance Agreement to replace a prior Forbearance Agreement under which the Company was in default. Under the new Forbearance Agreement, the Company's commercial lender agreed to defer the Company's principal payments with respect to various loans previously made by the lender until the end of June, 2001, and to accept reduced monthly payments in the interim. In return for this Forbearance Agreement, the Company has agreed to pursue selling the Company and/or obtaining alternate financing to pay off the debt to the lender and has stipulated that the indebtedness owing under with respect to the loans totaled \$4,803,460.53 as of April 17, 2001. These loans are part of a pool of loans financed by the commercial lender at a stated interest rate of 11.6%. However, these loans require the Company to pay additional interest each month if certain loan pool conditions are not met. These monthly payments, if required, would increase interest incurred by a maximum of \$400,000 over the life of the loans. During the Current Three Quarters, the Company incurred additional interest of \$37,000 as a result of these requirements. The loan agreements also contain a provision that required the Company to pay prepayment premiums in the event the loans are paid prior to their maturity. At April 8, 2001, this premium was approximately \$660,000. At the end of June, 2001, if the lender determines that the sale or refinancing is, or is not, viable, the lender can end the agreement or extend it on a month to month basis.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None

ITEM 5. OTHER INFORMATION.

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

a. Exhibits.

None

b. Reports on Form 8-K

None.

CUCOS INC.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CUCOS INC.

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(Registrant)

Date: May 23, 2001

By: /s/ James W. Osborn

James W. Osborn, President and Chief

Executive Officer