

WESTERN SIZZLIN CORP

Form 10-Q

November 14, 2008

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2008, or

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

For the transition period from to

Commission file number 0-25366

Western Sizzlin Corporation

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(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

416 South Jefferson Street, Suite 600, Roanoke, Virginia

(Address of Principal Executive Offices)

86-0723400

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

24011

(Zip Code)

(540) 345-3195

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(Registrant's Telephone Number Including Area Code)

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act. (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 November 15, 2008, there were 2,831,884 shares of common stock outstanding.

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PART I. FINANCIAL INFORMATION

WESTERN SIZZLIN CORPORATION

Consolidated Balance Sheets

September 30, 2008 and December 31, 2007

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	September 30, 2008 (unaudited)	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 745,414	\$ 727,378
Money market investments	3,758,124	
Trade accounts receivable, net of allowance for doubtful accounts of \$284,990 in 2008 and \$198,425 in 2007	956,128	994,085
Current installments of notes receivable, less allowance for impaired notes of \$62,926 in 2008 and \$50,904 in 2007	175,523	219,501
Other receivables	69,809	132,283
Income taxes receivable	131,713	90,161
Inventories	87,845	73,017
Prepaid expenses	221,859	228,396
Deferred income taxes	512,404	404,334
Total current assets	6,658,819	2,869,155
Notes receivable, less allowance for impaired notes receivable of \$6,980 in 2008 and \$15,501 in 2007, excluding current installments	483,701	625,231
Property and equipment, net	1,588,752	1,877,694
Investment in real estate	3,745,152	3,745,152
Investments in marketable securities	20,663,013	15,896,865
Franchise royalty contracts, net of accumulated amortization of \$9,296,857 in 2008 and \$8,824,135 in 2007	157,574	630,296
Goodwill	6,415,262	4,310,200
Financing costs, net of accumulated amortization of \$194,304 in 2008 and \$192,832 in 2007	5,906	7,378
Investment in unconsolidated joint venture	305,581	304,996
Deferred income taxes	336,388	235,655
Other assets	12,516	6,450
	\$ 40,372,664	\$ 30,509,072
Liabilities and Stockholders Equity		
Current liabilities:		
Note payable line of credit	\$	\$ 2,000,000
Due to broker	51,611	342,022
Current installments of long-term debt	107,084	118,783
Current installment of long-term debt, secured by land held for investment	264,122	
Accounts payable	646,099	733,983
Accrued expenses and other	1,762,477	1,283,237
Total current liabilities	2,831,393	4,478,025
Long-term debt, excluding current installments	485,017	566,272
Long-term debt, secured by land held for investment, excluding current installments	2,377,098	
Other long-term liabilities	1,294,855	89,039
	6,988,363	5,133,336
Minority interests	11,418,506	1,873,748
Commitments and contingencies		
Stockholders equity:		
Convertible preferred stock, series A, \$10 par value (involuntary liquidation preference of \$10 per share). Authorized 25,000 shares; none issued and outstanding		
Convertible preferred stock, series B, \$1 par value (involuntary liquidation preference of \$1 per share). Authorized 875,000 shares; none issued and outstanding		
Common stock, \$0.01 par value. Authorized 10,000,000 shares; issued and outstanding 2,831,884 in 2008 and 2,696,625 in 2007	28,320	26,967
Additional paid-in capital	22,235,872	20,415,785
Retained earnings	110,887	2,978,189
Accumulated other comprehensive income (loss) unrealized holding gains (losses), net of taxes	(409,284)	81,047
Total stockholders equity	21,965,795	23,501,988
	\$ 40,372,664	\$ 30,509,072