

FEEL GOLF CO INC
Form 10-K
March 12, 2013

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

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT
TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT
OF 1934

For The Fiscal Year Ended December 31, 2012

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

Commission File No. 3330-153699

FEEL GOLF CO., INC.

(Exact name of issuer as specified in its charter)

California	77-0532590
(State or other	(I.R.S. Employer
jurisdiction of	Identification No.)
incorporation or	
organization)	

510 Central Park Drive	
Sanford, FL 32771	32771
(Address of principal	(Zip Code)
executive offices)	

Registrant's telephone number, including area
code: (321 397 2072)

Securities registered	None
under Section 12(b) of	
the Exchange Act:	

Securities registered	Common stock, par
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under Section 12(g) of value
the Exchange Act: \$0.0001 and Preferred
stock par
value \$0.0001 per share
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 has submitted electronically and posted on its corporate website, 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference Part III of this Form 10-K or any amendment to this Form 10-K.

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 Smaller reporting company
(Do not check if a smaller reporting company)

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

As of December 31, 2012, the registrant had 105,902,785 common shares issued and outstanding, and as of March 11, 2013, we have 130,602,785 outstanding.

On March 11, 2013, the aggregate market value of voting stock (based upon the closing price of the registrant's Common stock of the latest date being March 8, 2013) held by non-affiliates of the Registrant was \$1,820,000.

Documents Incorporated by Reference:
None.

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PART I

ITEM 1 - Description of Our Business

Feel Golf Co., Inc. (“Company”, “Feel Golf”, “we”) was incorporated on February 14, 2000 in the State of California. From 2000 to February 12, 2009, we operated as a private business and focused on developing products both in the golf club (equipment) and golf grip (accessory) categories. On February 12, 2009, the SEC approved our S-1 filing to become a publicly traded company. Research and Development costs were accounted for under our general selling and administrative costs (“GS&A”) during this time. Our annual revenues have historically ranged between \$500,000 and \$ 1.5 million. This has resulted in significant operating losses, requiring additional capital from our CEO, and private lenders, with total investment and loans to date of approximately \$6 million.

We produce golf clubs including drivers, irons and wedges, golf ball retrievers and other accessories.

Our wedges and irons are pressure cast and made of a blend of soft metals in what we believe to be a lower drag-coefficient thereby improving a golfer’s ability for more accurate shots. Manufacturing and assembly technologies assure that each wedge/iron has the same feedback and feel. Most of our golf clubs and golf grips conform to the rules of golf as set out by the United States Golf Association (USGA) and The Royal and Ancient Golf Club (R&A).

In late 2004, we introduced to the market a reverse-taper golf grip named “The Full Release “TM Performance grip. A “reverse taper” golf grip is simply a golf grip whose taper is the opposite (or reversed) of the industry standard golf grips used today. Specifically, a reverse taper golf grip is smaller in diameter at the butt end of a golf grip and gets larger in diameter towards the shaft end – the opposite of today’s standard golf grips. We believe the reverse taper golf grip is more ergonomically designed to better fit the fingers of a golfer’s hand, promoting a full release at impact and producing a more powerful golf swing. “The Full Release “TM Performance Grip was named “Top Discovery” at the International PGA Show in Orlando, FL, and is endorsed by the United States Schools of Golf (USSOG), as their “Official Golf Grip.” We are told the USSOG represents over 60 teaching facilities throughout the country. Also touted by a leading golf magazine as possibly “The most important change in golf over the last 100 years”

In 2013, our third generation reverse taper golf grip was launched as “The Pro Release”™ Performance golf grip and we offer this grip in four different colors.

The base manufacturing of all components including club heads, shafts, and grips is currently outsourced. Final assembly and shipping is handled in our corporate headquarters based in Sanford, FL, utilizing staff trained by PGA members trained in the art of club making. Manufacturing assembly techniques are used in compliance with our design and quality control requirements.

In January 2011, we launched a new wedge design called, the “Tour PVD” USGA conforming wedges. The new line added several non-conforming wedges and irons to our club line. Non-conforming means we intentionally do not conform to the new USGA 2010 groove rules.

We sell our golf clubs, grips, and accessories to U.S. and international distributors, wholesalers, and retailers, including retail sales on our website. We have international distribution channels through several countries covering the UK, most of Europe, Canada, Australia, Asian Pacific Rim countries, parts of Western Asia and South Africa.

Acquisition (s)

Acquisition # 1 ~ New to the Feel Golf product line in 2009 was Caldwell Golf’s highly advanced Ceramic product line. In August 2009, Feel Golf acquired the assets of Caldwell Golf of Carlsbad, CA for 12,500 shares of Feel Golf’s common stock. The fair market value appraised by a certified third party was approximately \$3,300,000.

The Caldwell Golf Company reportedly spent years developing Ceramic golf club technology into a final and an excellent Ceramic product line of putters, drivers, and fairway woods. The Caldwell Golf flagship product is their "Tsunami" putter line.

Acquisition # 2 ~ On February 11, 2011, we acquired Pro Line Sports (“Pro Line”), a distributor of golf ball retrievers and accessories. While we historically focused solely on golf clubs and golf grips, and since our acquisition of Pro Line Sports, we focused our business on golf grips, wedges, and Pro Line’s product lines. Their product line features golf accessories such as ball retrievers, and divot tools. Unfortunately, ongoing differences between Feel Golf and the Seller, and after numerous lawsuits mutually filed, the parties agreed on April 25, 2012 via mediated settlement to rescind the acquisition. The two companies are now separate entities.

As part of the mediated settlement, Feel Golf, which occupied Pro Line's building, was released without recourse from the 2-year property lease.

Due to the 2011 and 2012 events caused by the mutual lawsuit(s) which eventually led to the rescission of the Pro Line Sports acquisition, our now going forward focus is on increasing our accessory lines. In 2013, we will include unique products such as divot tools, state-of-the art patent pending Carbon Fiber 7 and 10 foot telescopic ball retrievers and our patent pending stainless steel 7 and 10 foot telescopic shaft(s). Also available is our Aluminum shaft retrievers in 12 and 15 foot lengths: The retrievers have our patent pending head and telescopic shaft design and are packaged in a clamshell including a free head cover; a Reverse "SBST" putter grip and an oversize putter grip; a new line of Pro Release reverse grips and the popular conforming 73 degree wedge (RH/LH).

We currently do not have the necessary capital to implement our growth campaign and even if we are successful in raising sufficient capital, there can be no assurance that this capital and/or increased marketing efforts will increase revenues. There can also be no assurance we will be successful in raising sufficient growth capital to implement this campaign. Assuming we are able to raise sufficient capital in support of our growth strategy, we plan to further develop and expand our sales channels:

Direct to Consumer: We plan to use direct response marketing in advertisement and commercials, running primarily on Radio and TV, websites and our new social media campaign.

Social Media: we have established presence on various social media sites such as Facebook, LinkedIn, and Twitter.

Wholesale Distribution: We plan to increase our combined sales from the team of existing sales reps calling on U.S. major golf retailers to unveil our 2013 Carbon Fiber ball retriever product line during this event.

Internet Sales: We've engaged an outside web marketing firm with the goal of increasing our web sales and overall ranking.

International: Asia is a prominent international market where golf as a sport is rapidly growing and we intend to add Asian distributors.

Call Center and Inside Sales: We intend to increase our in house telemarketing sales staff selling direct to our consumers and handle both inbound and outbound customer communications and sales.

Marketing

We anticipate that the additional product lines derived from our recent acquisitions and when coupled with our new Pro Release™ grip and wedges should be attractive to golfers of all skill levels and incomes. With our premium wholesale price, the global market could represent a very significant opportunity with even minor market share penetration - potentially representing significant growth in total revenues. With a marketing campaign that we are ready to implement upon obtaining sufficient marketing capital, we plan to advertise the benefits of our product lines and build brand awareness. We believe our golf grips can capture market share, similar to how Metal Woods, Graphite Shafts, and/or Soft Spikes garnered significant market share. However, there is no guarantee that we will be able to raise the capital needed to implement its campaign.

With respect to U.S. domestic marketing, we have vendor relationships with several major golf retail chains that represent the majority of US golf equipment sales. We believe that our largest customer base will be the major retail chains, but marketing awareness is required. With this opportunity clearly in mind, we will initially concentrate efforts to maximize sales results via marketing efforts geared to increase brand awareness and pre-sell the golfing customer. While we expect considerable efforts to sell to the major retailers and cultivating new, retailing chains, there remains literally tens of thousands of on course and off course pro shops in the market place.

We believe our international distributor network holds potential for sales growth and through these distributors' efforts, to grow the Feel Golf brand name recognition especially as was anticipated with the purchase of Pro Line Sports and its well-established product lines. While the acquisition was rescinded, Feel Golf retained some of the Pro Line sales reps, and several customers. The biggest setback during the lawsuits occurred when many customers and sales reps decided they did not want to be involved and decided not to carry either parties' product line. We intend to repair these relationships by offering new product lines as well as to continue marketing directly to the public through our website and with advertising programs designed to direct potential customers to retail customers, our on-line site or to our in-house sales personnel. Significant marketing efforts needs directed to this in-house channel with most sales at retail pricing bringing higher profit margins than realized via wholesale channels.

In mid 2013, we anticipate promoting our new one-of-a-kind patent pending Carbon Fiber ball retriever, wedges and grips.

Demand in the golf industry is partially driven by strong marketing and constant public relations. Likewise, successful product launches in the golf industry requires strategic marketing with strong awareness on the professional tours and the top teachers in golf. We intend to obtain endorsements of well-recognized PGA Teachers once capitalized, to validate our products to their Tour players and their recreational students and golfers worldwide. Additional strategic advertising and promotion plans includes: endorsements, company press releases, additional TV spots, major golf magazine print ads, media days for major magazine equipment writers sponsored by us, weekly schedules with retailer demo days, enhanced and continual in-store support programs, open-to-the-public as well as privately sponsored clinics, PGA & LPGA Tour presence, annual trade-shows, as well as a continuous in-house production of articles and editorials, as contributing writers, as offered by leading golf magazines. Our product marketing emphasizes our belief in the many ways in which our newly expanded products are performance enhancing. The products' unique selling points include the following:

We believe our products include quality components, excellent design characteristics and a quality control team trained by PGA professionals in compliance with exacting standards. We believe our patented and proprietary designs stand out among an otherwise dull product finish industry. Our club line originally was developed for Tour players by Tour players, for their own personal use in competitive play.

Quality manufacturing is a key component of our brand. Our clubs are neither "customized" for Tour players nor "mass-produced" for the public. We build only to orders and believe this is a most important distinction that creates a category of golf products that are made to exacting standards for high performance and playability that is unique among the major club manufacturers.

We believe our products' high performance characteristics can have a profound effect on a golfer's ability to play a better, more consistent game of golf. With independent testing verification, our marketing emphasizes that our clubs and grips provide golfers with better "feel" that allows for more distance, improved accuracy and the ability for lower scores.

We believe the Pro Release™ Performance Grip's reverse taper design, our new PVD and all White Wedges, our new 73 degree wedges, the PVD Competitor Tour irons, and Carbon Fiber ball retrievers, visually differentiate our products from those of its competitors, imparting the perception of high quality, high performance message at first glance.

There are numerous industry models of commodity class grips available, with MSRP prices ranging from ~\$3 to > \$9 per grip. We believe our new Pro Release™ Performance grips can position as a major advance in golf equipment technology. Therefore, our golf grip is premium priced at a Manufacturer's Suggested Retail Price (MSRP) of \$10 each.

Industry prices for leading golf wedges range from \$85 to over \$175 each. Many well known brands compete in the "professional grade" segment of the market with MSRP around \$125. Our wedges are priced the same (MSRP: \$89 - \$119) as many other brands, and we believe our quality and recognized playability imparts a higher

perceived value to the customer.

Our 2103 accessory line includes divot tools, oversized putter grips, patent pending ball retrievers, and the new “SBST” reverse putter grip. We also have the in house ability to produce customer promotional logos on our retrievers, divot tools, and wedges for no extra charge.

At present, we do not have sufficient capital to implement and support our growth campaign. We intend to raise funds through a private and/or secondary public offering to support our model. We estimate upwards of \$2,000,000 in capital will be required over the period (36 months) of our growth campaign to support acquisition(s) (via cash/stock) and sales.

Direct to Consumer: We plan to use direct response marketing in advertisement and TV commercials, running on The Golf Channel, web sites and national print media.

Wholesale Distribution: There are estimated to be more than 18,000 independent golf specialty stores in the U.S. alone, and over eight major USA retail golf chains, currently with an estimated 900 outlets and growing. Sales staff will provide ongoing service to the major retail outlets and larger independents. Our customers also include specialty golf catalog retailers reaching well over 15 million US golfers annually. We plan to launch this part of the campaign during the first quarter of the marketing campaign implementation.

Internet Sales: we intend to market our products on our web site at retail prices.

International: Our international sales alliances carry our clubs, grips, and other products into dozens of countries. Prominent in the international arena is Asia, where golf as a sport is rapidly growing and becoming a national pastime with millions playing the game. We plan on expanding our distributor base.

Call Center and Inside Sales: We have a small in house telemarketing sales force, which sell direct to our consumers, handle both inbound and outbound customer communications and sales, customer service, thus contributing significantly to over-all profit and revenues. We intend to ramp up the staff of the call center upon available capital and will increase staff based upon availability of qualified candidates.

Competition

The golf equipment industry is highly competitive. We believe that our thirteen years of history is a strong indicator that we have excellent products with an established niche within the golf industry. Our major larger competitors are

For Golf Clubs;

Callaway

Nike

Taylormade

Titleist

For Traditional Golf Grips:

Golfpride

Lamkin

Winn

In this competitive market, except for one other grip company, we believe we are the largest grip company that produces a reverse-taper golf grip with multiple patent protections. We believe all of our products are uniquely designed in appearance, are different in playability, feel, and are beneficial for golfers of all skill levels.

Intellectual Property

Our intellectual property portfolio contains multiple trademarks, and patents with several patent pending applications.

Trademark

We currently own ten (10) registered trademarks that protect our company's name as well as our products. Our products protected under these trademarks include golf clubs, golf grips, golf putters, golf bags, and golf bags. The ten (10) registered trademarks are (1) "Feel," (2) "Feel Golf," (3) "Sensation," (4) "Competitor," (5) "Dr. Feel," (6) "Designer Wedges," (7) "The Dart Thrower," (8) "The Heater," (9) "Full Release," and (10) "Pro Release."

Additional patents applications have been filed on new and unique golf ball retrievers.

Patents

Utility Patents

We currently have two issued utility patents titled “Improved Golf Club Grip”. These utility patents protect a golf club grip with a progressively reducing diameter from the cap end of the grip to the shaft end of the grip, commonly referred to as a reverse taper.

In the acquisition of Caldwell Golf two (2) additional utility and several design patents were acquired for the novel construction of golf club heads utilizing ceramics and cork. These patents have been assigned to Feel Golf by the patent office.

Design Patents

We also have nine issued design patents covering a variety of golf club head and grip designs.

Pending Patent Applications

We currently have pending additional patent applications for Golf Grips, Telescopic Shafts, Carbon Fiber ball retrievers and heads for the retriever.

Future Applications

We have utility and design patent applications that we may apply for over the next few years. Many of these inventions relate specifically to the golf clubs, grip, and ball retrievers.

ITEM 2 - Description of Property

In May 2011, Feel Golf relocated its corporate facility from California to Florida to occupy the former Pro Line Sports facility as part of the now rescinded Pro Line acquisition.

Our leased principal business office was located at 107 Commerce Way Sanford, FL 32771. As part of our Pro Line Sports rescission, we relocated our facility on May 1, 2012 to 510 Central Park Drive, Sanford, FL 32771 with a one year lease with a two year renewal option with no increase in the base rent of \$1890 a month. (See Form 8-K filed May 4, 2012)

ITEM 3 - Legal Proceedings

At this time, the Company has current 2012/2013 litigation.

- 1) January- On 1/21/2012, Feel Golf was served with a trademark and image preliminary injunction as an ongoing result of past law suits with Jim Light, Seller of Pro Line Sports. The acquisition unraveled due to discovery of material items not disclosed during due diligence. The mounting friction between the Seller and Buyer regarding these non-disclosures discovered post acquisition continued to increase. The injunction prevented Feel Golf from using the trademark and branded name of "Igotcha" and the image of Jim Light. Mediation ensued during February, March and into April without resolution from either counsel;
- 2) April- As common sense was authored by the Mediator, Feel Golf decided to rescind the acquisition and the parties entered into an April 25, 2012 mediated settlement. The settlement agreement is described in the Company's Form 8-K filed on May 4, 2012. Major points of the settlement are that Feel Golf vacated the Pro Line rented premises rented from Pro Line on May 1, 2012 and sold back selected inventory to Pro Line Sports for \$72,000. We also relinquished any rights to the Pro Line Sports Trademark "Igotcha".
- 3) September 2012 - Feel Golf was served with a new lawsuit by Igotcha Holdings, LLC (Pro Line Sports) with allegations of infringing on their telescopic shaft patent. On October 11, 2012, this suit was amended to include our former board of directors as conspirators to infringe. As of this filing date, settlement negotiations are in process. Our patent counsel opined that our new telescopic patent pending design does not infringe.

ITEM 4 – Mine Safety Disclosures

Not Applicable.

PART II

ITEM 5 - Market for Common Equity and Related Stockholder Matters

Market Information

Our common stock is traded on the OTCQB Pink Sheets under the ticker symbol “FEEL”. Accordingly, there can be no assurance as to the liquidity of any markets that may develop for our common stock, the ability of holders of our common stock to sell our common stock, or the prices at which holders may be able to sell our common stock.

The following table sets forth the quarterly high and low sales prices as reported during the last two fiscal years ended December 31, 2012 and December 31, 2011.

		Common Stock	
Year Ended December 31, 2012		High	Low
First Quarter		\$ 0.01	\$ 0.01
Second Quarter		\$ 0.015	\$ 0.0011
Third Quarter		\$ 0.005	\$.0003
Fourth Quarter		\$ 0.0045	\$ 0.0003
Year Ended December 31, 2011		High	Low
First Quarter		\$.42	\$.15
Second Quarter		\$.15	\$.05
Third Quarter		\$.05	\$0.02
Fourth Quarter		\$.03	\$0.01

These quotations represent interdealer prices, without retail markup, markdown, or commission, and may not reflect actual transactions.

Holders

As of December 31, 2012 in accordance with our transfer agent and CEDE records, there are 245 record holders of our Common Stock.

Dividends

To date, we have not declared or paid any dividends on our common stock. We currently do not anticipate paying any cash dividends in the foreseeable future on our common stock, when issued pursuant to this offering. Although we intend to retain our earnings, if any, to finance the exploration and growth of our business, our Board of Directors will have the discretion to declare and pay dividends in the future.