ALL AMERICAN SPORTPARK INC
Form 10-K
March 23, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

x ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011

¨ 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) 798-7777

(Registrant’s telephone number, including area code)

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

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 x

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 ¨   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 in Part III of this Form 10-K or any amendment to this Form 10-K. x

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 x

(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 Exchange Act). Yes ¨ No x

As of June 30, 2011, the aggregate market value of voting stock held by non-affiliates of the registrant was approximately $476,000, based on the closing price of the Common Stock on the OTC Bulletin Board of $0.28 per share on that date.

The number of shares of Common Stock, $0.001 par value, outstanding March 19, 2012 was 4,522,123 shares.

All-American Sportpark, inc.

Form 10-K

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PART I

ITEM 1. BUSINESS

Business Development The Company's business began in 1974 when the Company's Chairman of the Board, Vaso Boreta opened a "Las Vegas Discount Golf and Tennis" retail store in Las Vegas, Nevada. This store subsequently began distributing catalogs and developing a mail order business for the sale of golf and tennis products. In 1984, the Company began to franchise the "Las Vegas Discount Golf & Tennis retail store concept and commenced the sale of franchises. As of February 26, 1997 when the franchise business was sold, the Company had 43 franchised stores in operation in 17 states and 2 foreign countries.

The Company was incorporated in Nevada on March 6, 1984, under the name "Sporting Life, Inc." The Company's name was changed to "St. Andrews Golf Corporation" on December 27, 1988, to "Saint Andrews Golf Corporation" on August 12, 1994, and finally to All-American SportPark, Inc. ("AASP") on December 14, 1998.

Sports Entertainment Enterprises, Inc. ("SPEN"), formerly known as Las Vegas Golf & Tennis, Inc. ("LVDG"), which had been a publicly traded company, acquired the Company in February 1988, from Vaso Boreta, who was the Company's sole shareholder. Vaso Boreta also served as SPEN's Chairman of the Board, President, and CEO until February 2005.

In December 1994, the Company completed an initial public offering of 1,000,000 Units, each Unit consisting of one share of Common Stock and one Class A Warrant. The net proceeds to the Company from this public offering were approximately $3,684,000. The Class A Warrants expired unexercised on March 15, 1999.

On July 12, 1996, the Company entered into a lease agreement covering approximately 65 acres of land in Las Vegas, Nevada, on which the Company developed its Callaway Golf Center and All-American SportPark, ("SportPark") properties. The property was located on the world famous Las Vegas "Strip" at the corner of Las Vegas Boulevard and Sunset Road which was just south of McCarran International Airport and the Mandalay Bay and MGM Resorts. The property was also adjacent to the Interstate 215 beltway that encircles the entire Las Vegas valley. On 42 acres of the property is the Callaway Golf Center that opened or business in October 1997. The remaining 23 acres was home to the discontinued SportPark that opened for business in October 1998 and was disposed of in May 2001. The lease for the Callaway Golf Center was for fifteen years with options to extend for two additional five-year terms. The lease for the Callaway Golf Center ™ commenced on October 1, 1997 when the golf center opened with a base rent of $33,173 per month.

During June 1997, the Company and Callaway Golf Company (“Callaway”) formed All-American Golf LLC (“LLC”), a California limited liability company that was owned 80% by the Company and 20% by Callaway; the LLC owned and operated the Callaway Golf Center. In May 1998, the Company sold its 80% interest in LLC to Callaway. On December 31, 1998, the Company acquired substantially all the assets of LLC subject to certain liabilities that resulted in the Company owning 100% of the Callaway Golf Center.

On October 19, 1998, the Company sold 250,000 shares of the Series B Convertible Preferred Stock to SPEN for $2,500,000. SPEN had earlier issued 2,303,290 shares of its common stock for $2,500,000 in a private transaction to ASI Group, L.L.C. (“ASI”). ASI also received 347,975 stock options for SPEN common stock. ASI is a Nevada limited liability company whose members include Andre Agassi, a former professional tennis player.

SPEN owned 2,000,000 shares of the Company’s common stock and 250,000 shares of the Company’s Series B Convertible Preferred Stock. In the aggregate, this represented approximately two-thirds ownership in the Company. On April 5, 2002, SPEN elected to convert its Series B Convertible Preferred Stock into common Stock on a 1 for 1 basis. On May 8, 2002, SPEN completed a spin-off of the Company’s shares held by SPEN to SPEN’s shareholders. This resulted in SPEN no longer having any ownership interest in the Company.

On June 15, 2010, the Company entered into a Stock Transfer Agreement with Saint Andrews pursuant to which the Company transferred 49% of the outstanding common stock of All-American Golf Center, Inc. ("AAGC"), a subsidiary of the Company, to Saint Andrews Golf Shop, Ltd. ("Saint Andrews") in exchange for the cancellation of $600,000 of debt owed by the Company to Saint Andrews. The transfer of 49% of the common stock of AAGC was authorized by the Company's Board of Directors at which all of the Company's Directors voted in favor of the transfer, except that Ronald Boreta abstained from such vote. In connection with this transaction, the Company engaged Houlihan Valuation Advisors ("HVA") to provide an estimate of the fair market value of a 49% interest in AAGC. As a result of their analysis, HVA was of the opinion that the fair market value of a 49% interest in AAGC was approximately $600,000. The Board of Directors determined to use this value as the amount to be received from Saint Andrews for the 49% interest.

Saint Andrews is owned by Ronald Boreta and John Boreta, his brother. John Boreta is also a principal shareholder of the Company. The debt owed by the Company to Saint Andrews was from advances made in the past by Saint Andrews to provide the Company with working capital.

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 Callaway Golf Center operated by AAGC. Callaway is a major golf equipment manufacturer and supplier.

Saint Andrews, which subleases space at the Callaway Golf Center and operates a golf equipment store at the Callaway Golf Center, is owned by Ronald Boreta, the Company's President, and John Boreta, the brother of Ronald Boreta and a principal shareholder of the Company.

The Customer Agreement with Callaway provides that Callaway will provide Saint Andrews with a $250,000 annual advertising contribution in the form of golf related products. In addition, Saint Andrews will have an opportunity to earn additional credits upon reaching a sales threshold.

In connection with the signing of the Customer Agreement, AAGC received a one-time payment of $750,000 marked for operating expenses or other business expenses. AAGC also received a contribution of approximately $500,000 used for upgrading the driving range at the Callaway Golf Center. In addition, AAGC received $750,000 to remodel and improve the facilities at the Callaway Golf Center, which included the pro shop and retail area; upgraded fitting bay technology and graphics; and enhanced exterior signage. Callaway also is providing staff uniforms, range golf balls and rental golf equipment for AAGC's use at the Callaway Golf Center.

Both AAGC and Saint Andrews have agreed to exclusively sell only Callaway golf products at the Callaway Golf Center for the term of the Customer Agreement. The Customer Agreement will terminate on December 31, 2013 if Callaway gives notice during November 2013 and if no notice is given it will terminate on December 31, 2018.

As part of the Customer Agreement, Saint Andrews has agreed to reimburse AAGC for marketing expenses on an annual basis as agreed upon by the parties.

The original Las Vegas Golf and Tennis store closed to the public in May of 2010. The owner, Vaso Boreta has since retired.

BUSINESS OF THE COMPANY

In June 1997, the Company completed a final agreement with Callaway to form a limited liability company named All-American Golf, LLC (the “LLC”) for the purpose of operating a golf facility, to be called the “Callaway Golf Center” ™ (“CGC”), on approximately forty-two (42) acres of land located on Las Vegas Boulevard in Las Vegas, Nevada. The CGC opened to the public on October 1, 1997.

The Company’s operations consist of the CGC, located on 42 acres of leased land and strategically positioned within a few miles of the largest hotels and casinos in the world. Las Vegas has over 37,335,436 visitors each year with over 151,000 hotel rooms, in Las Vegas and according to the Las Vegas Convention and Visitors Authority, nineteen of the top twenty-five largest hotels in the world are within a few miles of the CGC including the MGM Grand, Mandalay Bay, Luxor, Bellagio, the Monte Carlo, and the new City Center. The CGC is also adjacent to McCarran International Airport, the 17th busiest airport in the world with 39,757,359 in passenger traffic during 2010 according to Las Vegas Convention and Visitors Authority. The Las Vegas valley residential population is approximately 1.8 million.

The CGC includes a two tiered, 110-station, driving range. The driving range is designed to have the appearance of an actual golf course with ten impact greens and island greens. Pro-line equipment and popular brand name golf balls are utilized through Callaway Golf. In addition to the driving range, the CGC has a lighted, nine-hole, par three golf courses, named the “Divine Nine.” The golf course has been designed to be challenging, and has several water features including lakes, creeks, water rapids and waterfalls, golf cart paths and designated practice putting and chipping areas. At the entrance to the CGC is a 20,000 square foot clubhouse which includes an advanced state of the art golf swing analyzing system developed by Callaway, and two tenant operations: (a) the St. Andrews Golf Shop featuring the latest in Callaway Golf equipment and accessories, and (b) a restaurant, which features an outdoor patio overlooking the golf course and driving range with the Las Vegas “Strip” in the background.

The Company subleases space in the clubhouse to SAGS. Base rent includes $13,104 per month through July 2012 with a 5% increase for each of the two 5-year options to extend in July 2012 and July 2017. For the years ended December 31, 2011 and 2010, the Company recognized rental income totaling $157,248 and $157,248 respectively.

In 1997, the LLC's original ownership was 80% by the Company and 20% by Callaway. Callaway agreed to contribute $750,000 of equity capital and loan the LLC $5,250,000. The Company contributed the value of expenses incurred relating to the design and construction of the golf center and cash in the combined amount of $3,000,000. Callaway's loan to the LLC had a ten-year term with interest at ten percent per annum. The principal was due in 60 equal monthly payments commencing five years after the CGC opened.

On May 5, 1998, the Company sold its 80% interest in the LLC to Callaway for $1.5 million in cash and the forgiveness of $3 million in debt, including accrued interest thereon, owed to Callaway by the Company. The Company retained the option to repurchase the 80% interest for a period of two years on essentially the same financial terms that it sold its interest. The sale of the Company's 80% interest in the LLC was completed in order to improve the Company's financial condition that, in turn, improved the Company's ability to complete the financing needed for the final construction stage of the SportPark.

On December 30, 1998, the Company acquired substantially all the assets of the LLC subject to certain liabilities. This resulted in the Company owning 100% of the CGC. Under the terms of the asset purchase agreement, the Company paid $1 million to Active Media Services in the form of a promissory note payable in quarterly installments of $25,000 over a 10-year period without interest. In turn, Active Media delivered a trade credit of $4,000,000 to the CGC. This promissory note was paid in full to Active Media in September of 2008.

In connection with this acquisition, the Company executed a trademark license agreement with Callaway pursuant to which the Company licenses the right to use the marks "Callaway Golf Center" and "Divine Nine" from Callaway for a term beginning on December 30, 1998 and ending upon termination of the lease on the CGC. The Company paid a one-time fee for the license agreement that was a component of the purchase price the Company paid for the CGC upon acquisition of the facility on December 30, 1998. Pursuant to this agreement, Callaway has the right to terminate the agreement upon the occurrence of any "Event of Termination" as defined in the agreement.

On June 1, 2001, the Company completed a transition pursuant to a Restructuring and Settlement Agreement with Urban Land of Nevada, Inc. (the "Landlord") to terminate the land lease for the discontinued SportPark, and to transfer all of the leasehold improvements and personal property located on the premises to the Landlord.

As part of the agreement, the Landlord agreed to waive all liabilities of the Company to the Landlord with respect to the discontinued SportPark, and with the exception of a limited amount of unsecured trade payables, the Landlord agreed to assume responsibility of all other continuing and contingent liabilities related to the SportPark. The Landlord also agreed to cancel all the Company's back rent obligations for the CGC for periods through April 30, 2001. The CGC remains the only operating business of the Company.

As part of the transaction, the Company transferred to the Landlord a 35 percent ownership interest in the Company's subsidiary that owns and operates the CGC. This subsidiary is All-American Golf Center, Inc. ("AAGC"). However, in connection with the settlement of litigation with the Landlord in 2008, the Landlord relinquished its ownership interest in AAGC.

On June 19, 2009, the Company entered into a "Customer Agreement" with Callaway Golf Company ("Callaway") and St. Andrews Golf Shop, Ltd. ("SAGS") through our majority owned subsidiary AAGC. As part of the agreement, that continues through 2013 and automatically extends until December 31, 2018, Callaway invested money to improve both AAGC's range facility as well as the golfing center. They also provide advertising expense each year paid for by AAGC and reimbursed in golf merchandise to SAGS. AAGC is then reimbursed by SAGS for AAGC's expenditures in advertising as incurred.

Pursuant to this agreement, AAGC is required to expend at least $250,000 for marketing and promotion of Callaway for a period of approximately three and one half years with an automatic extension to December 31, 2018 unless written notice of termination is received by November 2013. Additionally, pursuant to the Customer Agreement

AAGC has expended amounts to improve both its range facility as well as the golfing center. These improvements include Callaway Golf® branded elements. Callaway agreed to provide funding and resources in the minimum amount of $2,750,000 to be allocated as follows: 1) $750,000 towards operating expenses of AAGC; 2) $750,000 towards facility improvements for both AAGC and St. Andrews Golf Shop; 3) $500,000 in range landing area improvements of AAGC and 4) three payments each of $250,000 for annual advertising expenses paid by AAGC, which will be repaid in golf merchandise to SAGS. AAGC will then be reimbursed by SAGS for AAGC's expenditures in advertising as incurred.

LIABILITY INSURANCE

The Company has a comprehensive general liability insurance policy to cover possible claims for injury and damages from accidents and similar activities, with a limit of $2 million per occurrence, and an umbrella policy that provides an addition $2 million per occurrence for any amounts that exceed the limits of the general liability policy. Although management of the Company believes that its insurance levels are sufficient to cover all future claims, there is no assurance it will be sufficient to cover all future claims.

MARKETING

The marketing program for the CGC has a two-fold focus. The first is on local residents and the second is on tourists. The emphasis on the tourist market has been increasing because of the close proximity that CGC has to the Las Vegas resorts located on the strip. CGC has been working on creating a position that provides sales/marketing support to hotel guests, concierges and groups visiting Las Vegas. The CGC's marketing efforts in the local resident market has principally relied on print media. For the tourist market, the Company has instituted a taxi program, advertising cards placed in hotel lobbies and rooms, and print media in local tourist publications. Also, the CGC has implemented programs to attract more group events, clinics, and other special promotional events. A 30 ft. pylon sign with a reader board is located in front of the CGC. The sign makes the general public aware of various programs, specials and information on events and other activities taking place within the CGC. The CGC has undertaken random surveys of its customers about how they heard about the CGC. Over half of the customers stated that they came into the CGC because they saw the sign.

The CGC, which includes a nine-hole par 3 golf course, driving range, and clubhouse, is designed to provide a country club atmosphere for the general public.

The marketing efforts toward establishing additional CGC-type locations have been directed towards a number of large existing and potential markets for which there can be no assurance of financial success. Further, to expand the concept for CGC-type facilities beyond the Las Vegas location could require considerably more financial and human resources than presently exists at the Company.

In connection with the agreement with Callaway that was signed in June of 2009, during 2010 the Company hired R and R Partners, a local marketing and public relations firm to plan and implement strategic marketing for the facility. Beginning in 2011, the Company handled its own local marketing and public relations planning and implementing strategic marketing for the facility that would best reach their target audience.

The CGC uses social media, such as Facebook and Twitter, and also uses its own website to keep guests abreast on specific events and current pricing. The CGC also utilizes email blasts for its customer base. All of these help to keep the name of the CGC before its guests and potential guests creatively.

FIRST TEE PROGRAM

In March 2002, the CGC became the official home in southern Nevada for the national First Tee program. The First Tee program is a national initiative started in November 1997 by the World Golf Foundation. First Tee is a program sponsored by the PGA Tour, the LPGA, the PGA of America, the United States Golf Association, and Augusta National Golf Club. The First Tee program was formed to eliminate access and affordability issues for children, especially economically disadvantaged children, to participate in the game of golf. In research conducted by the National Golf Foundation, it was noted that only two percent of children through age 17 ever try golf and only five percent of our nation’s golfers were minorities. The CGC believes its participation in this program offers opportunities for greater public exposure.

COMPETITION

In the Las Vegas market, the Company has competition from other golf courses, family entertainment concerts, and entertainment provided by hotel/casinos. The Company’s management believes that the CGC has a competitive advantage in the Las Vegas market because of its strategic location, product branding, alliances, and extent of facilities balanced with competitive pricing that is unlike any competitor in the market.

The Company’s competition includes other golf facilities within the Las Vegas area that provide a golf course and driving range combination and/or a night lighted golf course. Management believes that the CGC is able to compete because it is unique in providing a branded partnership with Callaway and giving the Las Vegas community one of the largest golf training facilities in the western United States. In addition, several Las Vegas hotel/casinos own their own golf courses that cater to high-roller/VIP tourists. The CGC is able to compete against these facilities because it offers a competitively priced golf facility with close proximity to the Las Vegas “Strip” properties where a non-high-roller/VIP tourist can come to enjoy a Las Vegas golf experience.

EMPLOYEES

As of March 19, 2012, there were 4 full-time employees at the Company’s executive offices, and 3 full-time and 28 part-time employees at the CGC.

ITEM 1A. RISK FACTORS

Not required.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The Company's corporate offices are located inside the clubhouse building of the CGC at 6730 South Las Vegas Boulevard, Las Vegas, Nevada 89119. The CGC property occupies approximately 42 acres of leased land described in ITEM 1 – DESCRIPTION OF BUSINESS, BUSINESS DEVELOPMENT. The CGC was opened October 1, 1997. The property is in good condition both structurally and in appearance.

The CGC has two tenant operations. The first is the St. Andrews Golf Shop that occupies approximately 4,300 square feet for golf retail sales and pays a fixed monthly rent that includes a prorated portion of maintenance and property tax expenses of $13,104 for its retail and office space. The lease is for fifteen years through July 2012. The tenant has two option to extend for five years in July 2012 and July 2017 with a 5% rent increase for each extention.

The second tenant is the Upper Deck Grill and Sports Lounge that occupies approximately 3,000 square feet of restaurant space with an initial base rent of $4000 per month which increases by 4% each year. The lease between CGC and The 305 Group, operators of Upper Deck Grill and Sports Lounge, was signed on January 25, 2011 and the facility opened to the public in April of 2011. This lease is for a period of five years and increases 4% each year.

ITEM 3. LEGAL PROCEEDINGS

The Company is not presently a party to any legal proceedings, except for routine litigation that is incidental to the Company's business.

ITEM 4. (REMOVED AND RESERVED)

PART II

ITEM 5. MARKET FOR REGISTANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

MARKET INFORMTION. The Company's common stock is traded in the over-the-counter market and is quoted on the OTC Bulletin Board under the symbol AASP. The following table sets forth the high and low sales prices of the common stock for the periods indicated.

	HIGH	LOW
Year Ended December 31, 2011:		
First Quarter	$0.32	$0.15
Second Quarter	$0.68	$0.16

Third Quarter	$0.29	$0.15
Fourth Quarter	$0.16	$0.11
Year Ended December 31, 2010:		
First Quarter	$0.13	$0.12
Second Quarter	$0.165	$0.11
Third Quarter	$0.30	$0.07
Fourth Quarter	$0.40	$0.16

HOLDERS

The number of holders of record of the Company’s $.001 par value common stock as of March 19, 2012 was approximately 1,040. This does not include approximately 1,000 shareholders’ who hold stock in their accounts at broker/dealers.

DIVIDENDS

Holders of common stock are entitled to receive such dividends as may be declared by the Company's Board of Directors. No dividends have been paid with respect to the Company's common stock and no dividends are expected to be paid in the foreseeable future. It is the present policy of the Board of Directors to retain all earnings to provide for the growth of the Company. Payment of cash dividends in the future will depend, among other things, upon the Company's future earnings, requirements for capital improvements and financial condition.

SALES OF UNREGISTERED SECURITIES.

There were no sales of unregistered securities during the year ended December 31, 2011.

ISSUER PURCHASES OF EQUITY SECURITIES

None.

ITEM 6. SELECTED FINANCIAL DATA.

Not required.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANYLSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following information should be read in conjunction with the Company's Consolidated Financial Statements and the Notes thereto included in this report.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP") In connection with the preparation of the financial statements, we are required to make

assumptions and estimates about future events that affect the reported amounts of assets, liabilities, revenue, expenses and the related disclosures. We base our assumption and estimate on historical experience and other factors that management believes are relevant at the time our consolidated financial statements are prepared. On a periodic basis, management reviews the accounting policies, assumptions and estimates to ensure that our financial statements are presented fairly and in accordance with GAAP. However, because future events are their effects cannot be determined with certainty, actual results could differ from the estimates and assumptions, and such differences could be material.

Our significant accounting policies are discussed in Note 2, Summary of Significant Accounting Policies in the Notes to the Consolidated Financial Statements. The following accounting policies are most critical in fully understanding and evaluating our reported financial results.

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. The Company uses the Black-Scholes pricing model to calculate the fair market value of options and warrants issued to both employees and non-employees. Stock issued for compensation is valued on the date of the related agreement and using the market price of the stock. The Company currently does not have any options that are not fully vested.

LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment are stated at cost and are depreciated or amortized using the straight-line basis over the lesser of the lease term (including renewal periods, when the Company has both the intent and ability to extend the lease) or the useful lives of the assets, generally 3 to 15 years.

REVENUES

The Company primarily earns revenue from golf course green fees, driving range ball rentals and golf and cart rentals, which are recognized when received as payments for the services provided. The Company also receives marketing revenue associated with the Callaway Agreement which is realized on an equal monthly basis over the life of the agreement. Lease and sponsorship revenues are recognized as appropriate when earned.

RECENT ACCOUNTING PRONOUNCEMENTS

In May 2011, FASB issued ASU 2011-04 “Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.” The amendments in this update result in common fair value measurement and disclosure requirements in U.S. GAAP and IFRSs. Consequently, the amendments change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. For many of the requirements, the Board does not intend for the amendments in this update to result in a change in the application of the requirements in Topic 820. Some of the amendments clarify the Board’s intent about the application of existing fair value measurement requirements. Other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. For public entities, the new guideline is effective for interim and annual periods beginning after December 15, 2011 and should be applied prospectively. The Company does not expect that the guidance effective in future periods will have a material impact on its consolidated financial statements.

In May 2011, the FASB issued ASC Update No. 2011-05, Comprehensive Income (Topic 820): Presentation of Comprehensive Income. Update No. 2011-05 requires that net income, items of other comprehensive income and total comprehensive income be presented in one continuous statement or two separate consecutive statements. The amendments in this Update also require that reclassifications from other comprehensive income to net income be presented on the face of the financial statements. We are required to adopt Update No. 2011-05 for our first quarter ending March 31, 2012, with the exception of the presentation of reclassifications on the face of the financial statements, which has been deferred by the FASB under ASC Update No. 2011-12, Comprehensive Income (Topic 820): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of

Accumulated Other Comprehensive Income. Our adoption of Update No. 2011-05 is not expected to materially impact our future results of operations or financial position.

In December 2011, the Financial Accounting Standards Board ("FASB") released Accounting Standards Update No. 2011-10 ("ASU 2011-10"), Property, Plant and Equipment (Topic 360): Derecognition of in Substance Real Estate—a Scope Clarification (a consensus of the FASB Emerging Issues Task Force). ASU 2011-10 clarifies when a parent (reporting entity) ceases to have a controlling financial interest in a subsidiary that is in substance real estate as a result of default on the subsidiary's nonrecourse debt, the

reporting entity should apply the guidance for Real Estate Sale (Subtopic 360-20). The provisions of ASU 2011-10 are effective for public companies for fiscal years and interim periods within those years, beginning on or after June 15, 2012. When adopted, ASU 2011-10 is not expected to materially impact our consolidated financial statements.

OVERVIEW

Our operations consist of the management and operation of the Callaway Golf Center (CGC). The CGC includes a par 3 golf course fully lighted for night golf, a 110-tee two-tiered driving range, and a 20,000 square foot clubhouse, which includes the Callaway Golf fitting center, Saint Andrews Golf Shop exclusively carrying Callaway Golf product and Upper Deck Grill and Sports Lounge. CGC has been listed as the number one driving range in America by Golf Digest Magazine several times, as recently as August 2010.

The CGC has an ideal location at the end of the "Las Vegas strip" and near the international airport; however, much of the land immediately adjacent to the CGC has not yet been developed.

The Town Square Mall, which opened in November of 2007, has resulted in increased revenues for the Golf Center. The Town Square is a 1.5 million square foot super regional lifestyle center with a mix of retail, dining, and office space that is being developed across the street from the CGC. In addition, traffic from time-share condominium and new casinos at the far south end of the strip is expected to draw more local and tourist business to the CGC.

On June 19, 2009, the Company entered into a "Customer Agreement" with Callaway Golf Company ("Callaway") and St. Andrews Golf Shop, Ltd. ("SAGS") through our majority owned subsidiary AAGC. Pursuant to this agreement, AAGC shall expend an amount equal to or exceeding $250,000 for marketing and promotion of Callaway for a period of approximately three and one half years with an automatic extension to December 31, 2018 unless written notice of termination is received by November 2013. Additionally, pursuant to the Customer Agreement AAGC has expended amounts to improve both its range facility as well as the golfing center. These improvements include Callaway Golf® branding elements. Callaway agreed to provide funding and resources in the minimum amount of $2,750,000 to be allocated as follows: 1) $750,000 towards operating expenses of AAGC; 2) $750,000 towards facility improvements for both AAGC and St. Andrews Golf Shop; 3) $500,000 in range landing area improvements of AAGC and 4) three payments each of $250,000 for annual advertising expenses paid by AAGC, which will be repaid in golf merchandise to SAGS. AAGC will then be reimbursed by SAGS for AAGC's expenditures in advertising as incurred. Due to the fact that SAGS is a related party, the Company is also considered a customer of Callaway as it relates to the Customer Agreement. As a result, we recognized the contributions from Callaway as follows:

- Contribution of operating expenses totaling $750,000 (received July 2009) was treated as a reduction of operating expenses and therefore reduced our "General and administrative" expense by that amount.

- Contribution of range and other facility improvements totaling $554,552 were recorded as a reduction of the costs for those improvements. The contributions, which were made directly by Callaway to the applicable contractors and vendors completing the work, were exactly equal to the costs and therefore, no value as been recorded for these

improvements.

The annual payments for advertising began in 2010 and will continue as long as Callaway, AAGC and SAGS agree to maintain the agreement through the term of the Customer Agreement in December 2018. Such contributions from Callaway of up to $250,000 annually will be recorded as a reduction of the Company's costs for the related advertising. Additionally, the contributions are to be paid to SAGS in the form of golf related products. SAGS will then reimburse AAGC in the form of monies as the golf related products are received.

The advertising contribution provided by the Customer Agreement helped us to differentiate ourselves in the marketplace. In addition, the $750,000 of operating cash has helped us improve our facility and improve our services while lowering our interest expenses. The combined contribution of approximately $1,250,000 for improvement of our facilities has given us a competitive advantage, primarily due to the lack of capital available for improvements among our competitors, giving us the benefit of a state-of-the art driving range, upgraded fitting bay technology, graphics, and marketing improvements such as exterior signage.

As part of the Customer Agreement, Callaway provides up to 15,000 dozen driving range balls to the facility on a yearly basis as well as all employee uniforms. Prior to this agreement, we were paying approximately $40,000 a year to supply the driving range with quality golf balls to enhance the driving range experience. This provides significant operational cost savings each year to the Callaway Golf Center.

RESULTS OF OPERATIONS – YEAR ENDED DECEMBER 31, 2011 VERSUS YEAR ENDING DECEMBER 31, 2010.

REVENUES. Revenues of the Callaway Golf Center ("CGC") for 2011 increased by $162,017 to $2,121,541 compared to $1,959,524 in 2010. Golf course green fees held its own at $558,805 in 2011 compared to $558,660 in 2010. This is due to a new "Play All Day" promotion we instigated in 2011 that allows golfers to come in and play use our facility between 7 a.m. and 4 p.m. to golf and use the Driving Range as much as they want during that time period. Driving Range revenue increased for 2011 by $46,103 to $830,703 in 2011 compared to $784,601 in 2010. Although our rounds of golf are up this year, the driving range has continued to grow based on the value offered when using our driving range. Rentals for golf carts and golf clubs increased $37,880 in 2011 to $309,473, as compared to $271,593 in 2010. This increase is directly proportionate to our Play All Day promotion. Golf lesson revenues increased by $2,787 for 2011 to $95,680 compared to $92,893 for 2010. Our golf lessons have remained steady for 2011 due to an effort by our golf pros to increase visibility through advertising, including coupon deals through Groupon.com and organizing special events based around group lessons.

COST OF REVENUES

Costs of revenues decreased by $44,718 to $646,070 during 2011 as compared to $690,788 in 2010. This decrease is attributed to the managements conscious effort to reduce cost of sales where necessary, which included streamlining operations, including staff adjustments. Other cost of goods, mainly comprised of miscellaneous golf supplies, increased slightly to $66,759 in 2011 as compared to $70,107 in 2010.

GENERAL AND ADMINISTRATIVE (“G&A”)

G&A expenses consist principally of administrative payroll, rent, professional fees, and other corporate costs. These expenses decreased by $91,320 to $1,490,957 in 2011 from $1,582,277 in 2010. Our general and administrative expenses were down in general for 2011 with such accounts as electricity

being down $7,611, office supplies down $335, long distance phone service down $774 and supplies for operations being down $11,037, among others. Our legal expenses decreased by $13,676 to $24,123 in 2011 as compared to $37,799 in 2010. This was due to the fewer legal issues being encountered in 2011.

IMPAIRMENT ON PROPERTY AND EQUIPMENT

In 2011, an impairment on property and equipment was incurred for $36,533 due to an insurance claim for wind damage. There was no impairment on property and equipment in 2010.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization increased $11,423 in 2011 to $109,628 from $98,205 in 2010. This increase was primarily due to a capital lease that was signed in 2011 for a new phone system. This capital lease ends in 2015.

OTHER INCOME AND INTEREST EXPENSE

Interest expense decreased in 2011 by $23,956 to $493,044 in 2011 from $517,000 in 2010.

NET INCOME (LOSS)

In 2011, the net loss (before non-controlling interest) was $581,772 as compared to net loss of $933,912 in 2010. This decrease in net loss is attributed to an increase in revenue and a decrease in cost of goods and expenses.

LIQUIDITY AND CAPITAL RESOURCES

Working capital needs have been helped by favorable payment terms and conditions included in our notes payable to related parties. Management believes that additional notes could be negotiated, if necessary, with similar payment terms and conditions.

Our plan for satisfying our cash requirements for the next twelve months is by relying less on-related party financing and using the funds available through our Callaway agreement to help with any cash flow deficiencies. Because we have not anticipated generating sufficient amounts of positive cash flow to meet our working capital requirements, we have secured a customer agreement with Callaway Golf that will add additional capital to help fund our operations.

Given our operating history, predictions of future operating results are difficult to make. Thus, our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their various stages of commercial viability. Such risks include, but are not limited to, an evolving business model and the management of growth. To address these risks we, among other things, plan to continue to modify our business plan, implement and execute our marketing strategy, develop and upgrade our facilities in a response to our competitor's developments.

We believe that continued development of the south strip directly adjacent to the property of the golf center, will continue to result in increased revenues.

Nevertheless, for reasons described below and in Note 1 to the consolidated financial statements, in its report dated March 23, 2012 the Company's independent auditors have expressed substantial doubt as to the Company's ability to continue as a going concern.

As of December 2011, the Company had a working capital deficit of $10,226,855 as compared to a working capital deficit of $9,656,979 in December 2010. The incresase was due primarily to the continued increase in the interest associated with the notes payable for which the Company currently is responsible.

Management continues to seek out financing to help fund working capital needs of the Company. In this regard, management believes that our continuing operations may not be sufficient to fund operating cash needs and debt service requirements over at least the next 12 months. Although our recent transactions with Callaway Golf and the subsequent remodel of the driving range have provided us with greater cash flow, we nonetheless need to obtain additional financing to fund payment of obligations and to provide working capital for operations. Management believes additional borrowings against the CGC could be arranged although there can be no assurance that the Company would be successful in securing such financing or with terms acceptable to the Company. Management is always seeking additional financing, and is now looking for a merger or acquisition candidate. It is management's objective to review the acquisition of interests in various business opportunities, which in their opinion will provide a profit to the Company. Callaway Golf was one of these additional financing opportunities and management believes these efforts will generate sufficient cash flows from future operations to pay the Company's obligations and working capital needs. There is no assurance any of these transactions will occur. 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.

Among its alternative courses of action, management of the Company may seek out and pursue a business combination transaction with an existing private business enterprise that might have a desire to take advantage of the Company's status as a public corporation. There is no assurance that the Company will acquire a favorable business opportunity through a business combination. In addition, even if the Company becomes involved in such a business opportunity, there is no assurance that it would generate revenues or profits, or that the market price of the Company's common stock would be increased thereby.

FORWARD LOOKING STATEMENTS

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 impacting these risks and uncertainties include, but are not limited to:

- increased competitive pressures from existing competitors and new entrants;
- deterioration in general or regional economic conditions;
- adverse state or federal legislation or regulation that increases the costs of compliance, or adverse findings by a regulator with respect to existing operations;
- loss of customers or sales weakness;
- inability to achieve future sales levels or other operating results;
- the inability of management to effectively implement our strategies and business plans; and
- the other risks and uncertainties detailed in this report.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements are set forth on pages F-1 through F-17 hereto.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

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.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the Securities Exchange Act of 1934 Rule 13a-15(f).

Our Chief Executive Officer and Chief Financial Officer conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO Framework"). Based on our evaluation under the COSO Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2011.

The annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by Section 989G of the Dodd Frank Wall Street Reform and Consumer Protection Act.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were several changes in internal control over financial reporting that occurred during the third quarter of the fiscal year that materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting. For the reasons described below, we created new policies and controls to ensure our effectiveness as of the end of the period covered by this report.

During the third quarter we became aware that an employee theft had taken place over a period of several months. We discovered than an employee had been ringing up cash transactions for buckets of balls, would zero out the dollar value of the receipts, provide the codes for customers to receive buckets of balls for our driving range, and then pocket the cash. Because the items were zeroed out, the accounting reports for the transactions showed that nothing was sold for zero dollars. Once the weakness was found, the employee was terminated and the Company has worked out a plan of restitution with the employee.

As a Company, we evaluated this weakness and have taken several steps to make sure there is never a reason to zero out a transaction. First, we print out all invoices from the prior daily sales to confirm that there were no zero transactions processed. Secondly, we have created extra buttons on our registers for any type of ball bucket combination including free buckets of balls ("comps"). Third, we have created a comp sheet requiring that customers fill out their personal information and a manager must approve the comp before it is rung up. This has created an environment where there is never a reason for a receipt to be zeroed out and these types of transactions would be obvious now when daily paperwork is being reviewed.

ITEM 9B. OTHER INFORMATION

None

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

The Directors and Executive Officers of the Company are as follows:

NAME	AGE	POSITIONS AND OFFICES HELD
Ronald S. Boreta	49	President, Chief Executive Officer, Treasurer, Secretary and Director
Vaso Boreta	77	Chairman of the Board of Directors
William Kilmer	71	Director
Cara Corrigan	50	Director

Except for the fact that Vaso Boreta and Ronald Boreta are father and son, respectively, there is no family relationship between and Director or Officer of the Company.

The Company does not currently have an audit committee or an “audit committee financial expert” because it is not legally required to have one and due to the limited size of the Company's operations, it is not deemed necessary. The Company presently has no compensation or nominating committee.

All Directors hold office until the next Annual Meeting of Shareholders.

Officers of the Company are elected annually by, and serve at the discretion of, the Board of Directors.

The following sets forth biographical information as to the business experience of each officer and director of the Company for at least the past five years.

RONALD S. BORETA has served as President of the Company since 1992, Chief Executive officer (Principal Executive Officer) since August 1994, Principal Financial Officer since February 2004, and a Director since its inception in 1984. The Company has employed him since its inception in March 1984, with the exception of a 6-month period in 1985 when he was employed by a franchisee of the Company located in San Francisco, California. Prior to his employment by the Company, Mr. Boreta was an assistant golf professional at San Jose Municipal Golf Course in San Jose, California, and had worked for two years in South San Francisco, California. Mr. Boreta devotes 90% of his time to the business of the Company. Ronald S. Boreta was selected to be a Director of the Company because of his long experience with the Company and because he has served as its sole executive officer for many years. He has also served as an executive officer and director of another publicly-held company, Sports Entertainment Enterprises, Inc. (now named "CKX, Inc.").

VASO BORETA has served as Chairman of the Board of Directors since August 1994, and has been an Officer and Director of the Company since its formation in 1984. In 1974, Mr. Boreta first opened a specialty business named “Las Vegas Discount Golf & Tennis,” which retailed golf and tennis equipment and accessories. He was one of the first retailers to offer pro-line golf merchandise at a discount. He also developed a major mail order catalog sales program from his original store. Mr. Boreta operated his original store, which moved to a new location near the corner of Flamingo and Paradise roads in Las Vegas until that store closed in 2010. Vaso Boreta was selected to serve as a Director because of his long experience in the retail golf merchandise business.

WILLIAM KILMER has served as a Director of the Company since August 1994. Mr. Kilmer is a retired professional football player, having played from 1961 to 1978 for the San Francisco Forty-Niners, the New Orleans Saints, and the Washington Redskins. Since 1978, he has toured as a public speaker and has served as a television analyst. Mr. Kilmer received a Bachelor's Degree in Physical Education from the University of California at Los Angeles. Mr. Kilmer was selected to serve as a Director because of his extensive business experience and service as a Director of the Company for 16 years, has used his business experience and skills as a golfer to help him make informed decisions on behalf of the Company.

CARA CORRIGAN was an employee of the Company beginning in 1997 starting as the Assistant Controller and then became the Executive Assistant to the President (Ronald Boreta) in 1999 and served as his assistant until June of 2008 when she left to work for the Reno Sparks Convention Center as a Catering Sales Manager. She worked for the Reno Sparks Convention Center from June 2008 to June 2009. In June of 2009, she returned to the Company and has served as its Corporate Controller since that time. Ms. Corrigan has been a dedicated employee with the Company and has been well aware of the activities and direction of the Company. She has gained knowledge about the golf industry through the many individuals she has met while employed with the Company, and has used that information to help advise the Company with regard to many aspects of its business.

SECTION 16(A) BENEFICIAL REPORTING COMPLIANCE

Based solely on a review of Forms 3 and 4 and amendments thereto furnished to the Company during its most recent fiscal year, and Forms 5 and amendments thereto furnished to the Company with respect to its most recent fiscal year and certain written representations, no persons who were either a director, officer, beneficial owner of more than 10% of the Company's common stock, failed to file on a timely basis reports required by Section 16(a) of the Exchange Act during the most recent fiscal year.

CODE OF ETHICS

The Board of Directors adopted a Code of Ethics on March 26, 2008. The Code of Ethics was filed as Exhibit 14 to the Company's Report on Form 10-KSB for the year ended December 31, 2007.

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth information concerning the compensation received for services rendered in all capacities to the Company for the years ended December 31, 2011 by the Company's President. The Company has no other executive officers.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	SALARY ($)	BONUS ($)(1)	STOCK AWARDS ($)	OPTION AWARDS ($)	ALL OTHER COMPEN-SATION ($) (2)	TOTAL ($)
Ronald S.	2009	$120,000	--	--	--	$29,919	$149,919
Boreta,	2010	$120,000	$5,000	--	--	$23,207	$148,207
President	2011	$120,000	$25,000	--	--	$29,992	$179,992

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(1) Beginning in 2010, Ronald S. Boreta received payment related to bonuses aggregating $31,798 which he earned over ten years ago, but were never paid. He was paid $5,000 in 2010 and $25,000 in 2011. The remaining balance will be paid to him during 2012.

(2) Represents amounts paid for country club memberships for Ronald S. Boreta, and an automobile and related auto expenses for his personal use. For 2009, these amounts were $13,604 for club memberships and $16,315 for an automobile. For 2010, these amounts were $10,093 for club memberships and $13,114 for an automobile. For 2011, these amounts were an auto and related auto expense, monthly membership due and club membership with auto expenses totaling $19,037, membership dues were $408 and club membership was $10,547.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

There were no outstanding equity awards held by executive officers at December 31, 2011.

COMPENSATION OF DIRECTORS

Directors who are not employees of the Company do not receive any fees for meetings that they attend, but they are entitled to reimbursement for reasonable expenses incurred while attending such meetings. In October 2006, William Kilmer received 34,000 shares for his prior service as a director. In 2007, Cara Brunette received 34,000 shares of stock as an employee of the Company. During 2011 and 2010, no compensation was paid to the Company's directors for their services in that capacity.

Cara Corrigan is an employee of the Company and receives an annual salary of $73,000 as its Corporate Controller.

EMPLOYMENT AGREEMENT

Effective August 1, 1994, the Company entered into an employment agreement with Ronald S. Boreta, the Company's President, and Chief Executive Officer, pursuant to which he receives base salary of $100,000 per year plus annual increases as determined by the Board of Directors. His salary was increased to $120,000 beginning the year ended December 31, 1996. The employment agreement is

automatically extended for additional one-year periods unless 60 day's- notice of the intention not to extend is given by either party. Ronald S. Boreta also receives the use of an automobile, for which the Company pays all expenses and full medical and dental coverage. The Company also pays all dues and expenses for membership at a local country club at which Ronald S. Boreta entertains business contacts for the Company. Ronald S. Boreta has agreed that for a period of three years from the termination of his employment agreement that he will not engage in a trade or business similar to that of the Company. As part of the Callaway agreement signed in June of 2010, Mr. Boreta's employment agreement was extended until 2018 or as long as Callaway Golf Company is involved in the Callaway Golf Center.

1998 STOCK INCENTIVE PLAN

The company approved a 1998 Stock Incentive Plan that was subsequently approved by shareholders. That plan expired in 2008.

ITEM 12. SECUIRTY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth, as of March 16, 2012 the stock ownership of each person known by the Company to be the beneficial owner of five percent or more of the Company's common stock, each Executive Officer and Director individually, and all Directors and Executive Officers of the Company as a group. Except as noted, each person has sole voting and investment power with respect to the shares.

NAME AND ADDRESS OF BENEFICIAL OWNERS	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	PERCENT OF CLASS
Ronald S. Boreta	650,484 (1)	14.40%
6730 Las Vegas Blvd. S.		
Las Vegas, NV 89119		
ASI Group, LLC	1,589,167 (5)	35.10%
Investment AKA, LLC		
c/o Agassi Enterprises, Inc.		
3883 Howard Hughes Pkwy, 8th Fl.		
Las Vegas, NV 89109		
John Boreta	511,890 (2)	11.30%
6730 Las Vegas Blvd. South		
Las Vegas, NV 89119		
Boreta Enterprises, Ltd.	360,784 (4)	8.00%

6730 Las Vegas Blvd. South		
Las Vegas, NV 89119		
Vaso Boreta	3,853 (3)	0.01%
6730 Las Vegas Blvd. South		
Las Vegas, NV 89119		
William Kilmer	34,000 (6)	0.08%
1853 Monte Carlo Way		
Coral Springs, FL 33071		
Cara Corrigan	34,000 (6)	0.08%
10337 Tiger Paws Place		
Las Vegas, NV 89183		
All Directors and Executive	722,337 (7)	14.57%
Officers as a Group (4 persons)		

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(1) Includes 402,229 shares held directly and 248,255 shares which represents Ronald Boreta's share of the Common Stock held by Boreta Enterprises, Ltd.

(2) Includes 403,168 shares held directly and 108,704 shares, which represents John Boreta's share of the Common Stock held by Boreta Enterprises Ltd.

(3) Includes 28 shares held directly and 3,825 shares, which represents Vaso Boreta's share of the

Common Stock held by Boreta Enterprises, Ltd.

(4) Direct ownership of shares held by Boreta Enterprises Ltd., a limited liability company owned by Vaso, Ronald, and John Boreta. Boreta Enterprises Ltd. Percentage ownership is as follows:

Ronald S. Boreta	68.81%
John Boreta	30.13%
Vaso Boreta	1.06%

(5) ASI Group LLC and Investment AKA, LLC are both Nevada limited liability company's whose members include Andre K. Agassi.

(6) All shares are owned directly.

(7) Includes shares beneficially held by the four named Directors and Executive Officers.

EQUITY COMPENSATION PLAN INFORMATION

As of December 31, 2011, the Company had no compensation plans (including individual compensation arrangements) under which equity securities of the Company were authorized for issuance.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Related Party Transactions

The Company's employees have provided administrative/accounting support for a) three golf retail stores one named Saint Andrews Golf Shop ("SAGS") and the other two named Las Vegas Golf and Tennis ("District Store" and "Westside Store"), owned by the Company's President and his brother, and (c) Durpat, LLC, which is owned by the Chairman, Vaso Boreta. Durpat is a management company. The SAGS store is the retail tenant in the CGC. The Paradise Store closed during 2010.

Administrative/accounting payroll and employee benefits expenses are allocated based on an annual review of the personnel time expended for each entity. Amounts allocated to these related parties by the Company approximated $90,814 and $84,194 for the years ended December 31, 2011 and 2010, respectively. The Company records 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, his brother, and Chairman. These funds helped pay for office supplies, phone charges, postages, and salaries. The net amount due to these stores totaled $1,370,830 and $1,231,696 as of December 31, 2011 and 2010, respectively. The amounts are 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.

Lease to SAGS

The Company subleases space in the clubhouse to SAGS. Base rent includes $13,104 per month through July 2012 with a 5% increase for each of two 5-year options to extend in July 2012 and July 2017. For the years ended December 31, 2011 and 2010, the Company recognized rental income totaling $157,248 and $157,248.

Notes to Related Parts

The Company has various notes and interest payable to the following entities as of December 31, 2011 and 2010:

	2010	2011
Various notes payable to the Paradise Store bearing 10% per annum and due on demand	$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	100,000	100,000
Various notes payable to SAGS, bearing 10% per annum and due on demand	693,846	630,846
Various notes payable to the District Store, bearing 10% per annum and due on demand	85,000	85,000
Note payable to SAGS for phone system, payable in monthly payments of $457 through 2011	-	2,182
Note payable to BE III, LLC, bearing 10% Per annum and due on demand	105,500	75,000
TOTAL	$4,184,495	$4,093,177

In 2005, ANR, LLC ("ANR"), advanced the Company $800,000, to complete the settlement of action involving Sierra SportService Inc. Andre K. Agassi owns ANR. Mr. Agassi also owns ASI Group LLC, which is a principal shareholder of the Company. Ronald S. Boreta, the Company's President, personally guarantees the promissory notes representing these obligations. Interest accrues at 5% per annum, and the notes, including related interest, are payable on demand. The accrued interest payable balance at December 31, 2010 was $114,255. The principal of the note was paid off on September 30, 2008 with the proceeds from the Urban Land Settlement. However, in September of 2010 stock was issued as a means to compensate for the interest due to Investment AKA, LLC, a company involving Andre Agassi, for 952,123 shares. This share amount was derived by the average stock price for the 30 days prior to the transaction dated September 28, 2010, which was 12 cents a share.

All maturities of related party notes payable and the related accrued interest payable as of December 31, 2010 are due and payable upon demand. At December 31, 2011, the Company has no loans or other obligations with restrictive debt or similar covenants.

On June 15, 2009, we 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 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 our outstanding loan due to St. Andrews Golf Shop, Ltd. In March 2009, we 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 December 31, 2011 and 2010, accrued interest payable - related parties related to the notes payable – related parties totaled $4,550,848 and $4,140,745, respectively.

John Boreta has been employed by All-American Golf Center (“AAGC”), a subsidiary, as its general manager for over 12 years. On June 15, 2009, AAGC entered into an employment agreement with John Boreta. The employment agreement is for a period through May 31, 2012 and provides for a base annual salary of $75,000. During 2011, he received compensation of $81,000 for his services in that capacity, which includes an auto allowance. He also receives health insurance that is fully paid for by AGC at a current cost of $1,001 per month. John Boreta is a principal shareholder of the Company and is also the brother of Ronald Boreta and the son of Vaso Boreta.

Saint Andrews is owned by Ronald Boreta and his brother, John Boreta. John Boreta is also a principal shareholder of the Company. The debt owed by the Company to Saint Andrews was from advances made in the past by Saint Andrews to provide the Company with working capital.

The Company’s Board of Directors believes that the terms of the above transactions were on terms no less favorable to the Company than if they transactions were with unrelated third parties.

Director Independence

The Company has determined that William Kilmer is an independent director as defined under the rules used by the NASDAQ Stock Market.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

AUDIT FEES

The aggregate fees billed for fiscal years ended December 31, 2011 and 2010 by LL Bradford for professional services rendered for the audit of the Company’s annual financial statements and review of financial statements

included in the Company’s quarterly reports on Form 10-Q were $36,000 during each year.

AUDIT RELATED FEES

Not Applicable.

TAX FEES

The aggregate fees billed for tax services rendered by LL Bradford for tax compliance and tax advice for the fiscal years ended December 31, 2011 and 2010, were $5,000 during each year.

ALL OTHER FEES

None.

AUDIT COMMITTEE PRE-APPROVAL POLICY

Under provisions of the Sarbanes-Oxley Act of 2002, the Company's principal accountant may not be engaged to provide non-audit services that are prohibited by law or regulation to be provided by it, and the Board of Directors (which serves as the Company's audit committee) must pre-approve the engagement of the Company's principal accountant to provide audit and permissible non-audit services. The Company's Board has not established and policies or procedures other than those required by applicable laws and regulations.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

EXHIBIT NUMBER	DESCRIPTION	LOCATION
2	Agreement for the Purchase And Sale of Assets, as amended	Incorporated by reference to Exhibit 10 to the Registrant's Current Report on Form 8-K dated February 26, 1997
3.1	Restated Articles of Incorporation	Incorporated by reference to Exhibit 3.1 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
3.2	Certificate of Amendment To Articles of Incorporation	Incorporated by reference to Exhibit 3.2 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
3.3	Revised Bylaws	Incorporated by reference to Exhibit 3.3 to the Registrant's Form SB-2 Registration Statement (No. 33-08424)
3.4	Certificate of Amendment Articles of Incorporation	Incorporated by reference to Exhibit 3.4 to the Registrant's

	Series A Convertible Preferred	Annual report on Form 10-KSB for the year ended December 31, 1998
3.5	Certificate of Designation Series B Convertible Preferred	Incorporated by reference to Exhibit 3.5 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 1998
3.6	Certificate of Amendment to Articles of Incorporation - Name change	Incorporated by reference to Exhibit 3.6 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 1998
10.1	Employment Agreement With Ronald S. Boreta	Incorporated by reference to Exhibit 10.1 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
10.2	Stock Option Plan	Incorporated by reference to Exhibit 10.2 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
10.3	Promissory Note to Vaso Boreta	Incorporated by reference to Exhibit 10.11 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
10.4	Lease Agreement between Urban Land of Nevada and All-American Golf Center, LLC	Incorporated by reference to Exhibit 10.17 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)

10.5	Operating Agreement for All-American Golf, LLC, a limited liability Company	Incorporated by reference to Exhibit 10.18 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
10.6	Lease and Concession Agreement with Sport Service Corporation	Incorporated by reference to Exhibit 10.20 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
10.7	Promissory Note of All-American SportPark, Inc. For $3 million payable to Callaway Golf Center	Incorporated by reference to Exhibit 10.23 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 1998
10.8	Guaranty of Note to Callaway Golf Company	Incorporated by reference to Exhibit 10.24 to the Registrant's Annual Report on Form 10-KSB for The year ended December 31, 1998
10.9	Forbearance Agreement Dated March 18, 1998 With Callaway Golf Company	Incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 1998
10.10	Promissory Note to Saint Andrews Golf, Ltd.	Incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form-KSB for the year ended December 31, 2005
10.11	Promissory Note to BE	Incorporated by reference to

	Holdings I, LLC	Exhibit 10.11 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 2005
10.12	Promissory Notes to Saint Andrews Golf Shop Ltd. And BE District, LLC During 2007	Incorporated by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 2007
10.13	Settlement Agreement with Urban Land of Nevada, Inc.	Incorporated by reference to Exhibit 10.11 to the Registrant's Quarterly Report on Form 10-Q for The quarter ended September 31, 2008
10.14	Customer Agreement among All-American SportPark, Inc.; All-American Golf Center, Inc.; Saint Andrews Golf Shop, Ltd.; and Callaway Golf Company dated June 19, 2009	Incorporated by reference to Exhibit 10.1 to the Registrant's Report on Form 8-K filed on June 19, 2009
10.15	Stock Transfer Agreement among All-American SportPark, Inc.; Saint Andrews Golf Shop, Ltd. and All-American Golf Center, Inc. dated June 15, 2009	Incorporated by reference to Exhibit 10.2 to the Registrant's Report on Form 8-K filed on June 19, 2009
10.16	Employment Agreement between John Boreta and All-American Golf Center, Inc. dated June 19, 2009	Incorporated by reference to Exhibit 10.3 to the Registrant's Report on Form 8-K filed on June 19, 2009
10.17	Addendum No. 2 to Employment Agreement between Ronald Boreta and All-American SportPark, Inc. dated	Incorporated by reference to Exhibit 10.4 to the Registrant's

	June 15, 2009.	Report on Form 8-K filed on June 19, 2009
10.18	Agreement with AKA Investments, LLC dated September 23, 2009	Incorporated by reference to Exhibit 10.1 to the Registrant's Report on Form 8-K filed on September 24, 2009.
14	Code of Ethics	Incorporated by reference to Exhibit 14 to the Registrant's Annual Report on Form 10-KSB for The year ended December 31, 2007
21	Subsidiaries of the Registrant	Incorporated by reference to Exhibit 21 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
31	Certification of Chief Executive Officer and Principal Financial Officer Pursuant to Section 302 or the Sarbanes-Oxley Act of 2002	Filed herewith electronically
32	Certification of Chief Executive Officer and Principal Financial Officer Pursuant to Section 18 U. S. C. Section 1350	Filed herewith electronically

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of All-American SportPark, Inc.
Las Vegas, Nevada

We have audited the accompanying balance sheets of All-American SportPark, Inc. as of December 31, 2011 and 2010, and the related statements of income, stockholders' deficit, and cash flows for each of the years in the two year period ended December 31, 2011. All-American SportPark Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of All-American SportPark, Inc. as of December 31, 2011 and 2010, and the results of its operations and its cash flows for each of the years in the two year period ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that The Company will continue as a going concern. As discussed in Note 1d to the consolidated financial statements, current liabilities exceed current assets and the Company has incurred recurring losses, all of which raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regards to these matters are also described in Note 1d. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ L.L. Bradford & Company, LLC
L.L. Bradford & Company, LLC

March 23, 2012
Las Vegas, Nevada

All-American Sportpark, Inc.

Consolidated Balance Sheets

		December 31, 2011		December 31, 2010
Assets				
Current assets:				
Cash	$	1,900	$	10,647
Accounts receivable		2,807		6,421
Prepaid expenses and other		107,472		12,650
Total current assets		112,179		29,718
Property and equipment, net of accumulated depreciation of $856,025 and $783,211 as of 2011 and 2010 respectively		693,364		729,754
Total Assets	$	805,543	$	759,472
Liabilities and Stockholders' Deficit				
Current liabilities:				
Cash in excess of available funds	$	29,184	$	-
Accounts payable and accrued expenses		160,469		198,664
Current portion of notes payable - related parties		4,184,494		4,093,177
Current portion of due to related parties		1,370,830		1,231,696
Current portion of capital lease obligation		43,208		22,415
Accrued interest payable - related party		4,550,848		4,140,745
Total current liabilities		10,339,034		9,686,697
Long-term liabilities:				
Long-term portion of capital lease obligation		29,469		58,349
Deferred rent liability		699,435		695,048
Total long-term liabilities		728,903		753,397
Commitments and Contingencies				
Stockholders' (deficit):				
Preferred stock, Series "B", $0.001 par value, 10,000,000 shares				

authorized, no shares issued and outstanding as of December 31, 2011 and December 31, 2010, respectively		-		-
Common stock, $0.001 par value, 50,000,000 shares authorized, 4,522,123 and 4,522,123 shares issued and outstanding				
as of December 31, 2011 and December 31, 2010, respectively		4,522		4,522
Additional paid-in capital		14,387,972		14,387,972
Accumulated deficit		(24,976,480)		(24,282,617)
Total All-American SportPark, Inc. stockholders' (deficit)		(10,583,986)		(9,890,123)
Non-controlling interest in subsidiary		321,592		209,501
Total stockholder's (deficit)		(10,262,394)		(9,680,622)
Total Liabilities and Stockholders' Deficit	$	805,543	$	759,472

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

All-American Sportpark, Inc.

Consolidated Statements of Operations

	For the Years Ended December 31, 2011		2010	
Revenue	$	1,964,293	$	1,802,276
Revenue – Related Party		157,248		157,248
Total Revenue		2,121,541		1,959,524
Cost of revenue		646,070		690,788
Gross profit		1,475,471		1,268,736
Expenses:				
General & administrative		1,490,957		1,582,277
Depreciation and amortization		109,628		98,205
Total expenses		1,600,585		1,680,482
Loss from operations		(125,114)		(411,746)
Other income (expense):				
Interest expense		(493,044)		(517,000)
Interest income		-		27
Gain on property or equipment		36,533		
Other income (expense)		(147)		-
Total other income (expense)		(456,658)		(516,973)
Net loss before provision for income tax		(581,772)		(928,719)
Provision for income tax expense		-		(5,193)
Net loss		(581,772)		(933,912)
Net income (loss) attributable to non-controlling interest		112,091		(49,825)
Net loss attributable to All-American SportPark, Inc.	$	(693,863)	$	(884,087)
Weighted average number of common shares outstanding-basic and fully diluted		4,522,123		3,815,204
Net loss per share – basic and fully diluted	$	(0.15)	$	(0.23)

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

All-American Sportpark, Inc.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

FOR THE YEARS ENDED DECEMBER 31, 2011 and 2010

	Common Stock		**Additional Paid-In**	**Accumulated**	**Non-**
	Shares	**Amount**	**Capital**	**Deficit**	**Controlling Interest**
Balance, December 31, 2009	3,570,000	$3,570	$14,274,669	$(23,398,530)	$259,326
Capital Contribution in the form of debt Extinguishment	952,123	952	113,303		-
Net Loss			-	(884,087)	(49,825)
Balance December 31, 2010	4,522,123	4,522	14,387,972	(24,282,617)	209,501
Net Loss	-	-	-	(693,863)	112,091
Balance December 31, 2011	4,522,123	$4,522	$14,387,972	$(24,976,480)	$321,592

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

All-American Sportpark, Inc.

consolidated statements of cash flows

	FOR THE YEARS ENDED DECEMBER 31, 2011	2010
Cash flows from operating activities		
Net loss	$ (581,772)	$ (933,912)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation expense	109,628	98,205
Impairment on property and equipment	(36,533)	-
Changes in operating assets and liabilities:		
Accounts receivable	3,614	(5,228)
Prepaid expenses	(4,822)	11,142
Cash in excess of available funds	29,184	-
Accounts payable and accrued expenses	(38,195)	44,573
Deferred rent liability	4,387	4,412
Accrued interest payable – related parties	410,103	364,142
Net cash used in operating activities	(104,406)	(416,666)
Cash flows from investing activities		
Deposits on property and equipment	(90,000)	-
Proceeds from insurance settlement	46,436	-
Purchase of property and equipment	(83,141)	(37,064)
Net cash used in investing activities	(126,705)	(37,064)
Cash flows from financing activities		
Net proceeds from related parties	139,134	142,656
Payments on capital lease obligation	(8,087)	(18,235)
Proceeds from notes payable – related parties	93,499	67,207
Payments on notes payable	(2,182)	-
Net cash provided by financing activities	222,364	191,627
Net increase (decrease) in cash	(8,747)	262,103
Cash – beginning	10,647	272,750
Cash – ending	$ 1,900	$ 10,647

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Supplemental disclosures:				
Interest paid	$	142	$	362,097
Income taxes paid	$	-	$	5,193
Supplemental disclosures of non-cash financing activities:				
Assumption of capital lease obligation	$	21,171	$	99,000
Stock issued for accrued interest	$	-	$	114,255

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

All-American Sportpark, Inc.

Notes to Consolidated Financial Statements

NOTE 1. ORGANIZATIONAL STRUCTURE AND BASIS OF PRESENTATION

a. PRINCIPLES OF CONSOLDIATION

The consolidated financial statements of All-American SportPark, Inc. (“AASP”) include the accounts of AASP and its 51% owned subsidiary, All-American Golf Center, Inc. (“AAGC”), collectively the “Company”. All significant intercompany accounts and transactions have been eliminated. The Company’s business operations consists solely of the Callaway Golf Center (“CGC”) are included in AAGC.

b. BUSINESS ACTIVITIES

The CGC includes the Divine Nine par 3 golf course fully lighted for night golf, a 110-tee two-tiered driving range, a 20,000 square foot clubhouse which includes the Callaway Golf fitting center and two tenants: the St. Andrews Golf Shop retail store, and Upper Deck Grill and Sports Lounge restaurant.

Because our business activities are not structured on the basis of different services provided, the above activities are reviewed, evaluated and reported as a single reportable segment. The Company is based in and operates solely in Las Vegas, Nevada, and does not receive revenues from other geographic areas although its tourist customers come from elsewhere. No one customer of the Company comprises more than 10% of the Company's revenues.

c. CONCENTRATIONS OF RISK

The Company has implemented various strategies to market the CGC to Las Vegas tourists and local residents. Should attendance levels at the CGC not meet expectations in the short-term, management believes existing cash balances would not be sufficient to fund operating expenses and debt service requirements for at least the next 12 months.

d. GOING CONCERN MATTERS

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying consolidated financial statements, for 2011, the Company had net loss of $(693,864). As of December 31, 2011, the Company had a working capital deficit of $10,226,855 and a shareholders' equity deficiency of $10,262,395.

AASP management believes that its continuing operations may not be sufficient to fund operating cash needs and debt service requirements over at least the next 12 months. As such, management plans on seeking other sources of funding including the restructuring of current debt as needed, which may include Company officers or directors and/or other related parties. In addition, management continues to analyze all operational and administrative costs of the Company and has made and will continue to make the necessary cost reductions as appropriate. The inability to build attendance to profitable levels beyond a 12-month period may require the Company to seek additional debt, restructure existing debt or equity financing to meet its obligations as they come due. There is no assurance that the Company would be successful in securing such debt or equity financing in amounts or with terms acceptable to the Company.

Nevertheless, management continues to seek out financing to help fund working capital needs of the Company. In this regard, management believes that additional borrowings against the CGC could be arranged although there can be no assurance that the Company would be successful in securing such financing or with terms acceptable to the Company.

Among its alternative courses of action, management of the Company may seek out and pursue a business combination transaction with an existing private business enterprise that might have a desire to take advantage of the Company's status as a public corporation. There is no assurance that the Company will acquire a favorable business opportunity through a business combination. In addition, even if the Company becomes involved in such a business opportunity, there is no assurance that it would generate revenues or profits, or that the market price of the Company's common stock would be increased thereby.

The consolidated financial statements do not include any adjustments relating to the recoverability of assets and the classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

e. ESTIMATES USED IN THE PREPARATION OF FINANCIAL STATEMENTS

Preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that may require revision in future periods.

f. RECLASSIFICATIONS

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

NOTE 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a. INCOME TAXES

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. The Company records net deferred tax assets to the extent the Company believes these assets will more likely than not be realized. In making such determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected

future taxable income, tax planning strategies and recent financial operations. A valuation allowance is established against deferred tax assets that do not meet the criteria for recognition. In the event the Company were to determine that it would be able to realize deferred income tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the valuation allowance which would reduce the provision for income taxes.

The Company follows the accounting guidance which provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Income tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized initially and in subsequent periods. Also included is guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

b. STOCK-BASED COMPENSATION

The Company accounts for all compensation related to stock, options or warrants using a fair value based method whereby compensation cost is measured at the grant date based on the value of the award and is recognized over the service period, which is usually the vesting period. The Company uses the Black-Scholes pricing model to calculate the fair value of options and warrants issued to both employees and non-employees. Stock issued for compensation is valued using the market price of the stock on the date of the related agreement.

c. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment (Note 5) are stated at cost. Depreciation and amortization is provided for on a straight-line basis over the lesser of the lease term (including renewal periods, when the Company has both the intent and ability to extend the lease) or the following estimated useful lives of the assets:

Furniture and equipment	3-10 years
Leasehold improvements	15-25 years

d. ADVERTISING

The Company expenses advertising costs as incurred. Advertising costs charged to continuing operations amounted to $228,052 and $250,000 in 2011 and 2010, respectively. The amount, up to $250,000 is then reimbursed by the St. Andrews Golf Shop, per the Callaway Golf Agreement of 2010 leaving a net amount of $0 on the books for 2011.

e. REVENUES

The Company primarily earns revenue from golf course green fees, driving range ball rentals and golf and cart rentals, which are recognized when received as payments for the services provided. The Company also receives marketing revenue associated with the Callaway Agreement that they realize equally on a monthly basis over the life of the agreement. Lease and sponsorship revenues are recognized as appropriate when earned.

f. COST OF REVENUES

Cost of revenues is primarily comprised of golf course and driving range employee payroll and benefits, operating supplies (e.g., driving range golf balls and golf course scorecards, etc.), and credit card/check processing fees.

g. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses consist principally of management, accounting and other administrative employee payroll and benefits, land lease expense, utilities, landscape maintenance costs, and other expenses (*e.g.*, office supplies, marketing/advertising, and professional fees, etc.).

h. IMPAIRMENT OF LONG-LIVED ASSETS

Long-lived assets, including property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the long-lived asset may not be recoverable. If the long-lived asset or group of assets is considered to be impaired, an impairment charge is recognized for the amount by which the carrying amount of the asset or group of assets exceeds its fair value. Long-lived assets to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell. Due to a wind storm in March of 2011, the Company had to retire some fencing and netting replacing it through an insurance claim. The amount written off to impairment was $36,533 for the year ended December 31, 2011.

i. LEGAL DEFENSE COSTS

The Company does not accrue for estimated future legal and related defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when the services are rendered.

j. LEASES

The Company leases land and equipment. Leases are evaluated and classified as operating or capital leases for financial reporting purposes. The lease term used for lease evaluation related to the land includes option periods as the Company believes the option period can be reasonably assured and failure to exercise such option would result in an economic penalty. For equipment, option periods are included only in instances in which the exercise of the option period can be reasonably assured and failure to exercise such options would result in economic penalty.

k. RECENT ACCOUNTING POLICIES

In May 2011, FASB issued ASU 2011-04 “Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.” The amendments in this update result in common fair value measurement and disclosure requirements in U.S. GAAP and IFRSs. Consequently, the amendments change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. For many of the requirements, the Board does not intend for the amendments in this update to result in a change in the application of the requirements in Topic 820. Some of the amendments clarify the Board’s intent about the application of existing fair value measurement requirements. Other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. For public entities, the new guideline is effective for interim and annual periods beginning after December 15, 2011 and should be applied prospectively. The Company does not expect that the guidance effective in future periods will have a material impact on its consolidated financial statements.

In May 2011, the FASB issued ASC Update No. 2011-05, Comprehensive Income (Topic 820): Presentation of Comprehensive Income. Update No. 2011-05 requires that net income, items of other comprehensive income and total comprehensive income be presented in one continuous statement or two separate consecutive statements. The amendments in this Update also require that reclassifications from other comprehensive income to net income be

presented on the face of the financial statements. We are required to adopt Update No. 2011-05 for our first quarter ending March 31, 2012, with the exception of the presentation of reclassifications on the face of the financial statements, which has been deferred by the FASB under ASC Update No. 2011-12, Comprehensive Income (Topic 820): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income. Our adoption of Update No. 2011-05 is not expected to materially impact our future results of operations or financial position.

In December 2011, the Financial Accounting Standards Board ("FASB") released Accounting Standards Update No. 2011-10 ("ASU 2011-10"), Property, Plant and Equipment (Topic 360): Derecognition of in Substance Real Estate—a Scope Clarification (a consensus of the FASB Emerging Issues Task Force). ASU 2011-10 clarifies when a parent (reporting entity) ceases to

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have a controlling financial interest in a subsidiary that is in substance real estate as a result of default on the subsidiary's nonrecourse debt, the reporting entity should apply the guidance for Real Estate Sale (Subtopic 360-20). The provisions of ASU 2011-10 are effective for public companies for fiscal years and interim periods within those years, beginning on or after June 15, 2012. When adopted, ASU 2011-10 is not expected to materially impact our consolidated financial statements.

NOTE 3. EARNINGS (LOSS) PER SHARE

Basic earnings per share excludes any dilutive effects of options, warrants, and convertible securities. Basic earnings per share is computed using the weighted average number of shares of common stock and common stock equivalent shares outstanding during the period. Common stock equivalent shares are excluded from the computation if their effect is antidilutive. The Company did not have any stock equivalent shares for the years ended December 31, 2011 and 2010.

Loss per share is computed by dividing reported net loss by the weighted average number of common shares outstanding during the period. The weighted-average number of common shares used in the calculation of basic loss per share was 4,522,123 and 3,518,204 in 2011 and 2010, respectively.

NOTE 4. RELATED PARTY TRANSACTIONS

Due to related parties

The Company's employees provide administrative/accounting support for (a) a management company, wholly-owned by the Company's Chairman, named Durpat, LLC, and b) three golf retail stores, one of which is named Saint Andrews Golf Shop ("SAGS") and the others named Las Vegas Golf and Tennis ("District Store") and Las Vegas Golf and Tennis ("Westside, 15 Store"), owned by the Company's President and his brother. The SAGS store is the retail tenant in the CGC.

Administrative/accounting payroll and employee benefits expenses are allocated based on an annual review of the personnel time expended for each entity. Amounts allocated to these related parties by the Company approximated $90,814 and $84,194 for the years ended December 31, 2011 and 2010, respectively. The Company records 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, his brother, and Chairman. These funds helped pay for office supplies, phone charges, postages, and salaries. The net amount due to these stores totaled $1,370,830 and $1,231,696 as of December 31, 2011 and 2010, respectively. The amounts are 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.

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Notes and Interest Payable to Related Parties:

The Company has various notes and interest payable to the following entities as of December 31, 2011 and 2010:

	2010	2011
Various notes payable to the Paradise Store bearing 10% per annum and due on demand	$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	100,000	100,000
Various notes payable to SAGS, bearing 10% per annum and due on demand	693,846	630,846
Various notes payable to the District Store, bearing 10% per annum and due on demand	85,000	85,000
Note payable to SAGS for phone system, payable in monthly payments of $457 through 2011	-	2,182
Note payable to BE III, LLC, bearing 10% Per annum and due on demand	105,500	75,000
TOTAL	$4,184,495	$4,093,177

In 2005, ANR, LLC ("ANR"), advanced the Company $800,000, to complete the settlement of action involving Sierra SportService Inc. Andre K. Agassi owns ANR. Mr. Agassi also owns ASI Group LLC, which is a principal shareholder of the Company. The promissory notes representing these obligations are personally guaranteed by Ronald S. Boreta, the Company's President. Interest accrues at 5% per annum, and the notes, including related interest, are payable on demand. The accrued interest payable balance at December 31, 2010 was $114,255. The interest payable as of December 31, 2008 is $114,255. The principal of the note was paid off on September 30, 2008 with the proceeds from the Urban Land Settlement. However, in September of 2011 stock was issued as a means to compensate for the interest due to Investment AKA, LLC, a company involving Andre Agassi, for 952,123 shares. This share amount was derived by the average stock price for the 30 days prior to the transaction dated September 28, 2011, which was 12 cents a share.

All maturities of related party notes payable and the related accrued interest payable as of December 31, 2011 are due and payable upon demand. At December 31, 2011, the Company has no loans or other obligations with restrictive debt or similar covenants.

On June 15, 2010, we 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 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 our outstanding loan due to St. Andrews Golf Shop, Ltd. In March 2010, we 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 December 31, 2011 and 2010, accrued interest payable - related parties related to the notes payable – related parties totaled $4,550,948 and $4,140,745, respectively.

John Boreta has been employed by All-American Golf Center (“AAGC”), a subsidiary, as its general manager for over 12 years. On June 15, 2010, AAGC entered into an employment agreement with John Boreta. The employment agreement is for a period through May 31, 2012 and provides for a base annual salary of $75,000. During 2011, he received compensation of $79,550 for his services in that capacity. He also receives health insurance that is fully paid for by AGC at a current cost of $1,188 per month. John Boreta is a principal shareholder of the Company and is also the brother of Ronald Boreta and the son of Vaso Boreta.

Effective August 1, 1994, the Company entered into an employment agreement with Ronald S. Boreta, the Company's President, and Chief Executive Officer, pursuant to which he receives base salary of $100,000 per year plus annual increases as determined by the Board of Directors. His salary was increased to $120,000 beginning the year ended December 31, 1996. The employment agreement is automatically extended for additional one-year periods unless 60 day’s notice of the intention not to extend is given by either party. Ronald S. Boreta also receives the use of an automobile, for which the Company pays all expenses and full medical and dental coverage. The Company also pays all dues and expenses for membership at a local country club at which Ronald S. Boreta entertains business contacts for the Company. Ronald S. Boreta has agreed that for a period of three years from the termination of his employment agreement that he will not engage in a trade or business similar to that of the Company. As part of the Callaway agreement signed in June of 2010, Mr. Boreta's employment agreement was extended until 2018 or as long as Callaway Golf Company is involved in the Callaway Golf Center.

Lease to SAGS

The Company subleases space in the clubhouse to SAGS. Base rent includes $13,104 per month through July 2012 with a 5% increase for each of two 5-year options to extend in July 2012 and July 2017. For the years ended December 31, 2011 and 2010, the Company recognized rental income totaling $157,248 and $157,248, respectively.

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment included the following as of December 31:

	2010	2011
Furniture and Equipment	$ 144,955	$ 136,402
Other Leasehold	339,121	289,696
Improvement		
Signage	203,171	206,359
Building	252,866	252,866
Land Improvements	380,480	380,480
Landscape Equipment	38,901	40,597
Other	72,315	109,261
Leased Equipment	115,884	99,000
	1,512,965	1,549,389
Less accumulated depreciation and amortization	(856,025)	(783,211)
	$ 693,364	$ 729,754

NOTE 6. COMMITMENTS

Leases

The land underlying the CGC is leased under an operating lease that expires in 2012 and has 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 recognizes the minimum rental expense on a straight-line basis over the term of the lease, which includes the two five year renewal options.

At December 31, 2011, minimum future lease payments under non-cancelable operating leases are as follows:

2012	$ 529,840
2013	529,840
2014	529,840
2015	529,840
2016	529,840
Thereafter	3,536,216
	$ 6,185,416

Total rent expense for all operating leases was $481,673 for 2011 and $481,673 for 2010.

Customer Agreement

On June 19, 2009, the Company entered into a “Customer Agreement” with Callaway Golf Company (“Callaway”) and St. Andrews Golf Shop, Ltd. (“SAGS”) through our majority owned subsidiary AAGC. Pursuant to this agreement, AAGC shall expend an amount equal to or exceeding $250,000 for marketing and promotion of Callaway for a period of approximately three and one half years with an automatic extension to December 31, 2018 unless written notice of termination is received by November 2013. Additionally, AAGC will expend amounts to improve both their range facility as well as the golfing center. These improvements are to include Callaway Golf® branding elements. Callaway has agreed to provide funding and resources in the minimum amount of $2,750,000 to be allocated as follows: 1) $750,000 towards operating expenses of AAGC; 2) $750,000 towards facility improvements for both AAGC and St. Andrews Golf Shop; 3) $500,000 in range landing area improvements of AAGC and 4) three payments each of $250,000 for annual advertising expenses paid by AAGC which will be repaid in golf merchandise to SAGS. AAGC will then be reimbursed by SAGS for AAGC’s expenditures in advertising as incurred. In substance, due to the related party nature of SAGS, the Company is also considered a customer of Callaway as it relates to this agreement. Therefore, we recognized the contributions from Callaway as follows:

- Contribution of operating expenses totaling $750,000 (received July 2010) was presumed to be a reduction of such operating expenses and therefore reduced our “General and administrative” expense by that amount.

- Contribution of range and other facility improvements totaling $554,552 were recorded as a reduction of the costs for those improvements. The contributions, which were made directly by Callaway to the applicable contractors and vendors completing the work, were exactly equal to the costs and therefore, no value as been recorded for these improvements.

The annual payments for advertising began in 2011 and will continue as long as Callaway, AAGC and SAGS agree to maintain the agreement through the term of the Customer Agreement in December 2018. Such contributions from Callaway of up to $250,000 annually will be recorded as a reduction of the Company's costs for the related advertising. Additionally, the contributions are to be paid to SAGS in the form of golf related products. SAGS will then reimburse AAGC in the form of monies as the golf related products are received.

During 2011 Callaway hired R & R Partners, a local advertising agency to handle the advertising of our facility. Their contracted work was for a total of $150,000 for the year. During this year, such advertising through R & R included regular radio advertising: a concierge event in conjunction with Where Magazine; advertising on taxi tops for a month; redesign of the CGS website, initiation of social networking with Facebook and Twitter; as well as magazine and newspaper advertisements.

NOTE 7. INCOME TAXES

Income tax expense (benefit) consists of the following:

	2011	2010
Current	$ (203,348)	$ (216,448)
Deferred	203,348	216,448
	$ -	$ -

The components of the deferred tax asset (liability) consisted of the following at December 31:

	2011	2010
Deferred tax liabilities:		
Temporary differences related to:		
Depreciation	$ (209,433)	$ (201,665)
Deferred tax assets:		
Net operating loss carryforward	4,536,245	4,434,511
Related party interest	1,547,287	1,407,854
Other	2,396	41,800
Net deferred tax asset before evaluation allowance	5,874,099	5,681,500
Valuation allowance	(5,874,099)	(5,681,500)

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	$ -	$ -
	==========	==========

As of December 31, 2011 and 2010, the Company has available for income tax purposes approximately $21.0 and $20.0 million respectively in federal net operating loss carryforwards, which may be available to offset future taxable income. These loss carryforwards expire in 2019 through 2028. The Company may be limited by Internal Revenue Code Section 382 in its ability to fully utilize its net operating loss carryforwards due to possible future ownership changes. A 100% valuation allowance has been effectively established against the net deferred tax asset since it appears more likely than not that it will not be realized.

The provision (benefit) for income taxes attributable to income (loss) from continuing operations does not differ materially from the amount computed at the federal income tax statutory rate. The Company paid $- 0- in income tax for the year ended 2010.

NOTE 8. CAPITAL STOCK, STOCK OPTIONS, AND INCENTIVES

a. CAPITAL STOCK

There are no unusual rights or privileges related to the ownership of the Company's common stock.

b. STOCK OPTION PLANS

There were no outstanding stock option plans at December 31, 2011.

NOTE 9. SUBSEQUENT EVENTS

The Company evaluated subsequent events through the date the accompanying financial statements were issued.

The Company is working on a construction project to reduce the size of the lake on the fourth hole to combat a chronic leakage problem that continues to cause high water bills. The Company has installed new piping and a new pump for the lake and is reducing the size of the lake while putting in eco friendly landscaping. The project began in November 2011 and is expected to be completed by the end of March 2012. As of December 31, 2011, the Company made deposits totaling $90,000 towards these improvements which have been recognized as prepaid expenses and other on the accompanying balance sheet.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned there under duly authorized.

ALL-AMERICAN SPORTPARK, INC.

Dated: March 23, 2012 By: /s/ Ronald S. Boreta

Ronald S. Boreta, Chief Executive Officer
(Principal Executive Officer and
Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
/s/Vaso Boreta	Chairman of the Board	March 23, 2012
Vaso Boreta	and Director	
/s/ Ronald S. Boreta	President (Chief	March 23, 2012

Ronald S. Boreta	Executive Officer), Treasurer (Principal Financial Officer) and Director	
____________________________ William Kilmer	Director	
/s/ Cara Corrigan Cara Corrigan	Director	March 23, 2012