ALL AMERICAN SPORTPARK INC
Form 10-Q
May 15, 2013

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

FORM 10-Q

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

For the quarterly period ended March 31, 2013

¨ 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 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. Yesx 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). Yesx No¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See 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¨ (Do not check if a smaller reporting company) Smaller reporting companyx

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes Nox

The number of shares of Common Stock, $0.001 par value, outstanding on May 6, 2013 was 4,522,123 shares.

ALL-AMERICAN SPORTPARK, INC.

FORM 10-Q

INDEX

PART 1 – FINANCIAL INFORMATION
ITEM 1 FINANCIAL STATEMENTS
ALL -AMERICAN SPORT PARK , INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
Unaudited

	March 31, 2013	December 31, 2012
Assets		
Current assets:		
Cash	$ 57,464	$ 5,500
Accounts receivable	168	5,942
Prepaid expenses and other current assets	215,340	5,733
Total current assets	272,972	17,175
Property and equipment, net of accumulated depreciation of $730,078 and $702,488, as of 2013 and 2012, respectively	659,789	669,441
Total Assets	$ 932,761	$ 686,616
Liabilities and Stockholders' Deficit		
Current liabilities:		
Cash in excess of available funds	$ 4,413	$ 5,594
Accounts payable and accrued expenses	337,981	359,907
Current portion of deferred revenue	100,000	-
Current portion of notes payable - related parties	4,329,495	4,329,495
Current portion due to related parties	1,558,297	1,416,843
Current portion of capital lease obligation	31,541	35,120
Accrued interest payable - related party	5,085,318	4,978,335
Total current liabilities	11,447,045	11,125,294
Long-term liabilities:		
Long-term portion of capital lease obligation	1,734	6,529
Deferred revenue	100,000	-
Deferred rent liability	680,835	691,780
Total long-term liabilities	782,569	698,309

Commitments and Contingencies		
Stockholder's deficit:		
Preferred stock, Series "B", $0.001 par value, 10,000,000 shares authorized, no shares issued and outstanding as of March 31, 2013 and December 31, 2012, 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 March 31, 2013 and December 31, 2012, respectively	4,522	4,522
Additional paid-in capital	14,387,972	14,387,972
Accumulated deficit	(26,064,231)	(25,877,864)

Total All-American SportPark, Inc. stockholders' deficit		(11,671,737)		(11,485,370)
Non-controlling interest in net assets of subsidiary		374,884		348,383
Total stockholders' deficit		(11,296,853)		(11,136,987)
Total Liabilities and Stockholders' Deficit	$	932,761	$	686,616

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

ALL-AMERICAN SPORTPARK, INC.
Condensed Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ending March 31, 2013	2012
Revenue	$ 484,501	$ 524,364
Revenue - related party	40,950	39,312
Total revenue	525,451	563,676
Cost of revenue	169,139	199,399
Gross profit	356,312	364,277
Expenses:		
General and administrative expenses	353,966	349,407
Depreciation and amortization	27,590	29,443
Total expenses	381,556	378,850
Net operating (loss)	(25,244)	(14,573)
Other income (expense):		
Interest expense	(134,622)	(135,326)
Gain on property and equipment	-	1,673
Total other expense	(134,622)	(133,653)
Net loss before provision for income tax	(159,866)	(148,226)
Provision for income tax expense	-	-
Net loss	(159,866)	(148,226)
Net income attributable to non-controlling interest	26,501	25,094
Net loss attributable to All-American SportPark, Inc.	$ (186,367)	$ (173,320)
Net loss per share – basic and fully diluted	$ (0.04)	$ (0.04)

Weighted average number of common shares outstanding - basic and fully diluted	4,522,123	4,522,123

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

ALL-AMERICAN SPORTPARK, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ending March 31, 2013	2012
Cash flows from operating activities		
Net (loss)	$ (159,866)	$ (148,226)
Adjustments to reconcile net loss to net cash provided by (used) in operating activities:		
Depreciation and amortization expense	27,590	29,443
Gain on disposal of property and equipment	-	(1,673)
Changes in operating assets and liabilities:		
Accounts receivable	5,774	2,657
Prepaid expenses and other current assets	(209,607)	6,655
Cash issued in excess of available funds	(1,181)	(29,184)
Accounts payable and accrued expenses	(21,926)	(28,180)
Deferred revenue	200,000	-
Deferred rent liability	(10,945)	822
Accrued interest payable - related party	106,983	106,525
Net cash used in operating activities	(63,178)	(61,161)
Cash flows from investing activities		
Proceeds from sale on property and equipment	-	1,675
Purchase of property and equipment	(17,938)	(36,893)
Net cash used in investing activities	(17,938)	(35,218)
Cash flows from financing activities		
Proceeds from related parties	141,454	52,579
Payment on capital lease obligation	(8,374)	(7,401)
Proceeds from notes payable – related parties	-	95,001
Net cash provided by financing activities	133,080	140,179
Net increase in cash	51,964	43,800
Cash - beginning	5,500	1,900
Cash - ending	$ 57,464	$ 45,700

Supplemental disclosures:

Interest paid	$	1,242	$	2,217
Income taxes paid	$	-	$	-
Supplemental disclosure of non-cash investing activities				
Cash payment for equipment in prior year	$	-	$	90,000

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

ALL-AMERICAN SPORTPARK, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Note 1 – Basis of presentation

The condensed consolidated interim financial statements included herein, presented in accordance with United States generally accepted accounting principles and stated in US dollars, have been prepared by All-American SportPark, Inc. (the "Company"), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, consisting of normal recurring adjustments, which, in the opinion of management, are necessary for fair presentation of the information contained therein. It is suggested that these consolidated interim financial statements be read in conjunction with the consolidated financial statements of the Company for the year ended December 31, 2012 and notes thereto included in the Company's Form 10-K. The Company follows the same accounting policies in the preparation of consolidated interim reports.

Results of operations for interim periods may not be indicative of annual results.

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

Note 2 – Going concern

As of March 31, 2013, we had an accumulated deficit of $26,064,231. In addition, the Company's current liabilities exceed its current assets by $11,174,073 as of March 31, 2013. These conditions have raised substantial doubt about the Company's ability to continue as a going concern. Although our recent growth has greatly improved cash flows, we nonetheless need to obtain additional financing to fund payment of obligations and to provide working capital for operations. Management is 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. 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.

Note 3 – Recent accounting Policies

In January 2013, the Financial Accounting and Standards Board (FASB) issued Accounting Standards Update ("ASU") ASU 2013-01, Balance Sheet (Topic 210): Clarifying the Scope of

Disclosure about Offsetting Assets and Liabilities. The ASU clarifies disclosures required for derivatives accounted for in accordance with Topic 815, Derivatives and Hedging, including bifurcated embedded derivatives, repurchase agreements, and securities borrowing and lending transactions that are either offset in accordance with Section 310-20-45 or Section 815-10-46 or subject to an enforceable master netting arrangement or similar agreement. The ASU is effective for annual and interim periods beginning after January 1, 2013. There will be no changes in our presentation with regards to this new standard as it does not affect our Consolidated Financial Statements.

In February 2013, the FASB issued ASU No. 2013-02, Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income". The ASU requires an entity to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net income if the amount being reclassified is required under U.S. GAAP to be reclassified in its entirety to net income. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety from accumulated other comprehensive income to net income in the same reporting period, an entity is required to cross-reference other disclosures required under U.S. GAAP that provide additional detail about those amounts. The ASU is effective for annual and interim periods beginning after January 1, 2013. There will be no changes in our presentation with regards to this new standard as it does not affect our Consolidated Financial Statements.

The Company believes there are no additional new accounting pronouncements adopted but not yet effective that is relevant to the readers of our financial statements.

Note 4 – Non controlling interest

Non-controlling interest represents the minority stockholders' proportionate share of the equity of All-American Golf Center ("AAGC') which is a 51% owned subsidiary of the Company. At March 31, 2013, we owned 51% of AAGC's capital stock, representing voting control and a majority interest. Our controlling ownership interest requires that AAGC's operations be included in the Condensed Consolidated Financial Statements contained herein. The 49% equity interest that is not owned by us is shown as "Non-controlling interest in consolidated subsidiary" in the Condensed Consolidated Statements of Operations and Condensed Consolidated Balance Sheets. As of March 31, 2013, St. Andrews Golf Shop, our minority interest partner and a related party held a $374,884 interest in the net asset value of our subsidiary AAGC and a $26,501 interest in the net income from operations of AAGC.

Note 5 – Related party transactions

Due to related parties

The Company's employees provide administrative/accounting support for (a) three golf retail stores, one of which is named Saint Andrews Golf Shop ("SAGS") and the other two Las Vegas Golf and Tennis ("Boca Store") and Las Vegas Golf and Tennis Superstore ("Westside"), 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 $14,206 and $22,892 for the three months ended March 31, 2013 and 2012, 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 $1,558,297 and $1,416,843 as of March 31, 2013 and December 31, 2012, 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.

Both the Company's President and his brother have continued to defer half of their monthly salaries until the Company is in a more positive financial state. The amounts deferred for first quarter of 2013 are $15,000 and $9,375, respectively.

Notes and Interest Payable to Related Parties:

The Company has various notes and interest payable to the following entities as of March 31, 2013, and December 31, 2012, respectively:

		2013		2012
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		743,846		693,846
Various notes payable to the District Store, bearing 10% per annum and due on demand		85,000		85,000
Note payable to BE, III bearing 10% per annum and due on demand		200,500		200,500
Total	$	4,329,495	$	4,279,495

All maturities of related party notes payable and the related accrued interest payable as of March 31, 2013 are due and payable upon demand. At March 31, 2013, the Company has no loans or other obligations with restrictive debt or similar covenants.

On June 15, 2009, the Company 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 the Company’s outstanding loan due to St. Andrews Golf Shop, Ltd. In March 2009, the Company 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 March 31, 2013 and December 31, 2012, accrued interest payable - related parties related to the notes payable – related parties totaled $5,085,318 and $4,978,335 respectively .

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 three month ending March 31, 2013 and 2012, the Company recognized rental income totaling $40,950 and $39,312, respectively.

Note 6 – Commitments

Lease agreements

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 March 31, 2013, minimum future lease payments under non-cancelable operating leases are as follows:

2013		397,380
2014		529,840
2015		529,840
2016		529,840
Thereafter	$	3,443,965
	$	5,430,865

Total rent expense for this operating lease was $132,460 and $121,244 for the three months ended March 31, 2013 and 2012.

Capital Lease

The Company entered into a capital lease for new Club Car gas powered golf carts. The lease is 47 months in length and started on March 1, 2010. The Company pays $2,612 a month in principal and interest expense related to the lease.

The Company entered into a capital lease for a new telephone system during the third quarter of 2011. The lease is 36 months in length and started in July of 2011. The Company pays $642 a month in principal and interest expense related to the lease.

The following is a schedule by year of future minimum payments required under these lease agreements.

2013		28,853
2014		6,767
Total payments		35,620
Less interest		(2,345)
Total principal		33,275
Less current portion		(31,541)
Long-term portion	$	1,734

Accumulated depreciation for the capital leases as of March 31, 2013 and December 31, 2012 was $87,785 and $56,880, respectively.

Customer Agreement

On June 19, 2009, AAGC entered into a Customer Agreement with Callaway Golf Company (“Callaway”) and Saint Andrews pursuant to which Callaway 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 subleases space at the Callaway Golf Center and operates a golf equipment store at the Callaway Golf Center.

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

In connection with the signing of the Customer Agreement, AAGC received several concessions to help in the operation of the business, upgrading certain areas, and remodel of some portions of the AAGC facility. Callaway also provided staff uniforms, range golf balls and rental golf equipment for AAGC’s use at the Callaway Golf Center. Both AAGC and Saint Andrews agreed to exclusively sell only Callaway golf products at the Callaway Golf Center for the term of the Customer Agreement.

On March 9, 2013, AAGC entered into an amendment to its Customer Agreement with Callaway (the “Amendment”). The effective date of the Amendment is January 20, 2013. The Amendment provides that AAGC is to use all reasonable efforts to negotiate and enter into a non-exclusive written contract with an alternate retail branding partner. In the event that AAGC is successful in executing a written contract with an alternative retail branding partner, the Customer Agreement will terminate on June 30, 2013. In the event that an agreement with an alternative retailed branding partner is not entered into by June 30, 2013, the Customer Agreement will terminate on that date but AAGC will have the right to continue to feature its products in a second position at the Callaway Golf Center after termination of Customer Agreement, under certain terms and conditions.

On March 27, 2013, AAGC entered into a Golf Center Sponsorship Agreement with Taylor Made Golf Company, Inc., doing business as TaylorMade-adidas Golf Company (“TMaG”) pursuant to which the golf center operated by AAGC will be rebranded using TaylorMade® and other TMaG trademarks.

As part of the Agreement, TMaG has agreed to reimburse AAGC for the reasonable costs associated with the rebranding efforts, including the costs associated with the build-out of the golf center and a new performance lab (described below), up to a specified maximum amount. In addition, AAGC received a payment of $200,000 within a few days of signing the Agreement and, so long as AAGC continues to operate the golf center and comply with the terms and conditions of the Agreement TMaG will make additional payments to AAGC on each of March 26, 2014 and March 26, 2015. The Company will recognize these payments as revenue on a straight-line basis over the term of the agreement.

The Agreement provides that TMaG will install a performance lab at AAGC’s facility which will include one nine-camera motion analysis system and one putting lab, and will provide additional services, equipment, supplies and resources for the golf center.

The Agreement includes provisions concerning the display of TMaG merchandise, payment terms, retail sales targets and other related matters. Also, Saint Andrews Golf Shop, a tenant of AAGC which is owned by Ronald Boreta, the Company’s President, and John Boreta, a Director of the Company, will receive a quarterly rebate based on the wholesale price of the TMaG merchandise purchased at the golf center. In addition, provided that the Las Vegas Golf and Tennis stores owned by Ronald Boreta and John Boreta maintain TMaG as its premier vendor at its locations, TMaG will pay such stores a quarterly rebate based on the wholesale price of the TMaG Merchandise purchased at those locations.

The initial term of the Agreement is for five years. AAGC and TMaG may mutually agree in writing to extend the Agreement for an additional four year period; provided that the option to renew the Agreement shall be determined by the parties not later than ninety (90) days prior to the end of the initial term and shall be consistent with the AAGC’s lease on its golf center property.

Note 7 – Stockholders' deficit

We are authorized to issue 10,000,000 shares of $0.001 par value preferred stock and 50,000,000 shares of $0.001 par value common stock.

Preferred stock

As of March 31, 2013, we had no preferred shares issued and outstanding.

Common stock

As of March 31, 2013, we had 4,522,123 shares of our $0.001 par value common stock issued and outstanding. We had no new issuances during the period ended March 31, 2013.

Note 8 – Subsequent Events

Upon our evaluation of events and transactions that have occurred subsequent to the balance sheet date, William Kilmer, a board member for many years resigned from the board effective April 16, 2013. He has been replaced by Steven Miller, President of Agassi Enterprises, Inc. and Agassi/Graff Holdings.

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

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 affecting 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.

Overview of Current Operations

On June 19, 2009, AAGC entered into a Customer Agreement with Callaway Golf Company ("Callaway") and Saint Andrews pursuant to which Callaway 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 subleases space at the Callaway Golf Center and operates a golf equipment store at the Callaway Golf Center.

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

In connection with the signing of the Customer Agreement, AAGC received several concessions to help in the operation of the business, upgrading certain areas, and remodel of some portions of the AAGC facility. Callaway also provided staff uniforms, range golf balls and rental golf equipment for AAGC's use at the Callaway Golf Center. Both AAGC and Saint Andrews agreed to exclusively sell only Callaway golf products at the Callaway Golf Center for the term of the Customer Agreement.

On March 9, 2013, AAGC entered into an amendment to its Customer Agreement with Callaway (the "Amendment"). The effective date of the Amendment is January 20, 2013. The Amendment provides that AAGC is to use all reasonable efforts to negotiate and enter into a non-exclusive written contract with an alternate retail branding partner. In the event that AAGC is successful in executing a written contract with an alternative retail branding partner, the Customer Agreement will terminate on June 30, 2013. In the event that an agreement with an alternative retailed branding partner is not entered into by June 30, 2013, the Customer Agreement will terminate on that date but AAGC will have the right to continue to feature its products in a second position at the Callaway Golf Center after termination of Customer Agreement, under certain terms and conditions.

On March 27, 2013, AAGC entered into a Golf Center Sponsorship Agreement with Taylor Made Golf Company, Inc., doing business as TaylorMade-adidas Golf Company ("TMaG") pursuant to which the golf center operated by AAGC will be rebranded using TaylorMade® and other TMaG trademarks.

As part of the Agreement, TMaG has agreed to reimburse AAGC for the reasonable costs associated with the rebranding efforts, including the costs associated with the build-out of the golf center and a new performance lab (described below), up to a specified maximum amount. In addition, AAGC received a payment of $200,000 from TMaG in early April 2013 and, so long as AAGC continues to operate the golf center and comply with the terms and conditions of the Agreement TMaG will make additional payments to AAGC on each of March 26, 2014 and March 26, 2015.

The Agreement provides that TMaG will install a performance lab at AAGC's facility which will include one nine-camera motion analysis system and one putting lab, and will provide additional services, equipment, supplies and resources for the golf center.

The Agreement includes provisions concerning the display of TMaG merchandise, payment terms, retail sales targets and other related matters. Also, Saint Andrews Golf Shop, a tenant of AAGC which is owned by Ronald Boreta, the Company's President, and John Boreta, a Director of the Company, will receive a quarterly rebate based on the wholesale price of the TMaG merchandise purchased at the golf center. In addition, provided that the Las Vegas Golf and Tennis stores owned by Ronald Boreta and John Boreta maintain TMaG as its premier vendor at its locations, TMaG will pay such stores a quarterly rebate based on the wholesale price of the TMaG Merchandise purchased at those locations.

The initial term of the Agreement is for five years. AAGC and TMaG may mutually agree in writing to extend the Agreement for an additional four year period; provided that the option to renew the Agreement shall be determined by the parties not later than ninety (90) days prior to the end of the initial term and shall be consistent with the AAGC's lease on its golf center property.

On January 25, 2011, The 305 Group leased the restaurant lease at the Callaway Golf Center. They have renamed the restaurant The Upper Deck Grill and Sports Lounge. The tenant remodeled the entire restaurant space and opened to the public on April 28, 2011. They now offer fresh made foods for the restaurant and bar. The tenant is paying $4,000 a month in rent increasing by 4% each month and potential percentage rent could be paid if the tenant's sales reach certain levels.

Results of Operations for the three months ended March 31, 2013 and 2012 compared.

The following tables summarize selected items from the statement of operations for the three months ended March 31, 2013 compared to the three months ended March 31, 2012.

INCOME:

	For the three months ended March 31,		**Increase (Decrease)**	
	2013	**2012**	**$**	**%**
Revenue	$ 484,501	$ 524,364	$ (39,863)	(7.60)%
Revenue – Related Party	40,950	39,312	1,638	4.17 %
Cost of Sales	169,139	199,399	(30,260)	(15.18)%
Gross Profit	$ 356,312	$ 364,277	$ (7,965)	(2.19)%
Gross Profit Percentage of Sales	67.81 %	64.63 %		

Revenue

Our revenue for the three months ended March 31, 2013 was $484,501 compared to $524,364 in the three months ended March 31, 2012, a decrease of 39,863, or 7.60%. The decrease in revenues was directly related to the months of January and February 2013 being colder than normal.

14

Revenue-Related Party for the three months ended March 31, 2013 was $40,950, compared to $39,312 in 2012, an increase of $1,638 or 4.17%. Revenue – Related Party increased because of an increase in rent in July 2012.

Cost of Sales/Gross Profit Percentage of Sales

Cost of sales currently consists mainly of payroll and benefits expenses of the AAGC staff, and operating supplies. Our cost of sales for the three months ended March 31, 2013 was $169,139, a decrease of $30,260 or 15.18% from $199,399 for the three month period ending March 31, 2012. The decrease is directly related to management staff changes as well as some administrative contract changes that reduced expenses for the Company.

Gross profit as a percentage of sales increased to 67.81%, for the three months ended March 31, 2013. Gross profit as a percentage of sales was 64.63% for the three months ended March 31, 2012. This increase is due to the factors discussed above.

EXPENSES:

	For the Three Months Ending March 31,		Increase (Decrease)	
	2013	2012	$	%
	Amount	Amount		
Expenses:				
General and administrative expense	$ 353,966	$ 349,407	4,559	1.30 %
Depreciation and amortization	27,590	29,443	(1,853)	(6.29)%
Total expenses	381,556	378,850	2,706	0.71 %
Net operating (loss)	(25,244)	(14,573)	10,671	73.22 %
Other income (expenses)				
Interest expense	(134,622)	(135,326)	(704)	(0.43)%
Gain on property and equipment	-	1,673	(1,673)	-
Total other income (expense)	(134,622)	(133,653)	(969)	(0.73)%
Net (loss) before provision for income tax	(159,866)	(148,226)	(11,640)	(7.85)%
Provision for income tax expense	-	-	-	-
Net (loss)	(159,866)	(148,226)	(11,640)	(7.85)%
Net (income (loss) attributable to non-controlling interest	26,501	25,094	1,407	5.61 %
Net (loss) attributable to All-American Sportpark, Inc.	$ (186,367)	$ (173,320)	(13,047)	(7.53)%

General and Administrative Expenses

General and administrative expenses for the three months ended March 31, 2013 were $353,966, an increase of $4,559 or 1.30%, from $349,407 for the three months ended March 31, 2012. Expenses were virtually unchanged for the first quarter of 2013and 2012.

Depreciation and amortization expenses for the three months ended March 31, 2013 were $27,590, a decrease of $1,853, or 6.29% from $29,443 for the three months ended March 31, 2012. The decrease is related to the disposal of assets that took place last year, resulting in a decrease in depreciation and amortization expenses for the first quarter of 2013.

Total Expenses

Our overall operating expenses increased to $381,556 for the three months ended March 31, 2013 as compared to

$378,850 for the three months ended March 31, 2012. The increase in total expenses was $2,706 or 0.71 % and was virtually unchanged from 2012.

Net Loss from Operations

We had a net loss from operations of $25,244 for the three months ended March 31, 2013 as compared to a net loss from operations of $14,573 for the three months ended March 31, 2012 an increase in loss of $10,671 or 73.22%. The increase in net loss from operations was due the decrease in revenue experienced from cold weather in January and February 2013.

Interest Expense

Our interest expense decreased by 0.43% or $704 from $135,326 for the three months ended March 31, 2012 to $134,622 for the three months ended March 31, 2013. Interest expense was virtually the same in 2013 as in 2012.

Net Loss

The net loss before non-controlling interest for the three months ended March 31, 2013 was $159,866 as compared to $148,226 for the same period in 2012. The increase of $11,640 or 7.85% is attributed to the cold weather in January and February 2013.

The net loss attributable to non-controlling interest for the first quarter of 2012 was $26,501 as compared to $25,094 for the same period in 2012. That resulted in net loss attributable to All-American Sport Park of $186,367 for 2013 as compared to $173,320 for 2012 an increase of $13,047 or 7.53%.

Liquidity and Capital

A critical component of our operating plan impacting our continued existence is the ability to obtain additional capital through additional equity and/or debt financing. We have partnered with TaylorMade/adidas Golf Company ("TMaG") to create an updated facility with a new name and brand. In so doing, TMaG has agreed to provide us with cash influx over the next 5 years of the agreement, $200,000 of which was paid within a few days of signing the agreement. This will help us in generating positive internal operating cash flow.

The following table summarizes our current assets, liabilities, and working capital at March 31, 2013 compared to December 31, 2012.

	March 31, 2012	December 31, 2012	Increase / (Decrease) $	%
Current Assets	$ 272,972	$ 17,175	$ 255,797	1,489.36 %
Current Liabilities	11,447,045	11,125,294	321,751	2.89 %
Working Capital Deficit	$ 11,174,073	$ 11,108,119		

Internal and External Sources of Liquidity

Cash Flow . Since inception, we have primarily financed our cash flow requirements through related party debt transactions. If that source of funding is eliminated it may have a material, adverse effect on our operations. We are currently operating at a loss but with positive cash flow because of deferring related party payables and interest payments. Though this has allowed us to currently minimize the deferral of our payables, we continue to depend on this source of financing. Should we lose our ability to defer those payables, without a return to profitability, our cash resources will be limited.

Satisfaction of our cash obligations for the next 12 months.

As of March 31, 2013, our cash balance was $57,464. Our plan for satisfying our cash requirements for the next twelve months is to use the $200,000 received from TMaG in early April 2013 for working capital. So long as AAGC continues to operate the golf center and comply with the terms and conditions of the Agreement TMaG will make additional payments to AAGC on each of March 26, 2014 and March 26, 2015.

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.

Going Concern

The financial statements included in this filing have been prepared in conformity with generally accepted accounting principles that contemplate the continuance of the Company as a going concern. Management intends to use borrowings and security sales to mitigate the effects of its cash position, however no assurance can be given that debt or equity financing, if and when required will be available. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue existence.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results or operations, liquidity, capital expenditures or capital resources that is material to investors.

Critical Accounting Policies and Estimates

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. Stock issued for compensation is valued on the date of the related agreement and using the market price of the stock.

Related party transactions: In accordance with accounting standards concerning related party transactions, there now are established requirements for related party disclosures and the policy provides guidance for the disclosures of transactions between related parties.

Subsequent events: In accordance with accounting standards concerning subsequent events, states that a company is not required to disclose the date through with subsequent events have been evaluated. The adoption of this ASU did not have a material impact on our consolidated financial statements.

Recent Accounting Developments

In January 2013, the Financial Accounting and Standards Board (FASB) issued Accounting Standards Update (“ASU”) ASU 2013-01, Balance Sheet (Topic 210): Clarifying the Scope of Disclosure about Offsetting Assets and Liabilities. The ASU clarifies disclosures required for derivatives accounted for in accordance with Topic 815, Derivatives and Hedging, including bifurcated embedded derivatives, repurchase agreements, and securities borrowing and lending transactions that are either offset in accordance with Section 310-20-45 or Section 815-10-46 or subject to an enforceable master netting arrangement or similar agreement. The ASU is effective for annual and interim periods beginning after January 1, 2013. There will be no changes in our presentation with regards to this new standard as it does not affect our Consolidated Financial Statements.

In February 2013, the FASB issued ASU No. 2013-02, Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income”. The ASU requires an entity to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net income if the amount being reclassified is required under U.S. GAAP to be reclassified in its entirety to net income. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety from accumulated other comprehensive income to net income in the same reporting period, an entity is required to cross-reference other disclosures required under U.S. GAAP that provide additional detail about those amounts. The ASU is effective for annual and interim periods beginning after January 1, 2013. There will be no changes in our presentation with regards to this new standard as it does not affect our Consolidated Financial Statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to the Company’s management, including its Chief Executive Officer and Principal Financial Officer to allow timely decisions regarding required financial disclosure.

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.

Changes in Internal Control over Financial Reporting

There were no changes in internal control over financial reporting that occurred during the first quarter of the fiscal year covered by this report that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

PART II--OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

There are no legal proceedings in which the Company is involved at this time.

ITEM 1A. RISK FACTORS.

Not required

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

We did not have any unregistered sales of equity securities during the quarter ended March 31, 2013 that have not been reported in a Current Report on Form 8-K.

We did not repurchase any of our equity securities during the quarter ended March 31, 2013.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Exhibit number	Exhibit description	Filed herewith	Form	Period ending	Exhibit No.	Filing date
10.1	First Amendment to Customer Agreement with Callaway Golf Company.		10-K	12-31-2013	10.19	4-1-2013
10.2	Golf Center Sponsorship Agreement with Taylor Made Golf Company, Inc. *	X				
31.1	Certification of Chief Executive and Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X				

32.1	Certification of Chief Executive and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X

* Confidential treatment has been requested for portions of this agreement.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ALL-AMERICAN SPORTPARK, INC.
(Registrant)

Date: May 15, 2012	By: /s/ Ronald Boreta
	Ronald Boreta, President, Chief Executive Officer, and Treasurer (On behalf of the Registrant and as Principal Financial Officer)