

YOUTHSTREAM MEDIA NETWORKS INC
Form 10-Q
August 13, 2004

U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended June 30, 2004

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

For the Transition Period from to

Commission File Number: 0-27556

YOUTHSTREAM MEDIA NETWORKS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation of Organization)

13-4082185
(I.R.S. Employer
Identification Number)

244 Madison Avenue, PMB #358 New York, NY
(Address of Principal Executive Offices)

10016
(Zip Code)

(212) 883-0083
(Registrant's Telephone Number, including Area Code)

Check 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 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 ý No o

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Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).

As of July 31, 2004, the registrant had 39,242,000 shares of common stock, \$0.01 par value, issued and outstanding.

Documents incorporated by reference: None.

YOUTHSTREAM MEDIA NETWORKS, INC. AND SUBSIDIARIES

INDEX

<u>PART I FINANCIAL INFORMATION</u>	3
<u>ITEM 1. FINANCIAL STATEMENTS</u>	3
<u>Condensed Consolidated Balance Sheets</u> <u>June 30, 2004 (Unaudited) and September 30, 2003</u>	3
<u>Condensed Consolidated Statements of Operations (Unaudited)</u> <u>Three Months and Nine Months Ended June 30, 2004 and 2003</u>	4
<u>Condensed Consolidated Statement of Stockholders' Deficiency (Unaudited)</u> <u>Nine Months Ended June 30, 2004</u>	5
<u>Condensed Consolidated Statements of Cash Flows (Unaudited)</u> <u>Nine Months Ended June 30, 2004 and 2003</u>	6
<u>Notes to Condensed Consolidated Financial Statements</u> <u>Three Months and Nine Months Ended June 30, 2004 and 2003 (Unaudited)</u>	7
<u>ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	13
<u>ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	19
<u>ITEM 4. CONTROLS AND PROCEDURES</u>	19
<u>PART II OTHER INFORMATION</u>	20
<u>ITEM 1. LEGAL PROCEEDINGS</u>	20
<u>ITEM 5. OTHER INFORMATION</u>	20
<u>ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K</u>	20
<u>SIGNATURES</u>	21

PART I

FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

YOUTHSTREAM MEDIA NETWORKS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	June 30, 2004 (Unaudited)	September 30, 2003
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 783	\$ 531
Prepaid expenses	35	188
Total current assets	818	719
Property and equipment, net	30	45
Note receivable, including accrued interest	471	
Investment in KES Holdings	125	125
Assets of discontinued operations		5,190
Total assets	\$ 1,444	\$ 6,079
LIABILITIES AND STOCKHOLDERS DEFICIENCY		
Current liabilities:		
Accounts payable	\$ 810	\$ 858
Accrued employee compensation	241	266
Accrued expenses	628	613
Current liabilities of discontinued operations	2,437	4,859
Total current liabilities	4,116	6,596
Long-term debt:	4,914	4,913
Preferred stock subject to mandatory redemption; issued and outstanding at June 30, 2004 and September 30, 2003 - 1,000 shares of Series A 4% cumulative, non-convertible, redeemable preferred stock, mandatory redemption and liquidation value of \$4.00 per share, plus cumulative dividends, or \$5,269	5,269	5,269
Total liabilities	14,299	16,778
Commitments and contingencies		
Stockholders' deficiency:		

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Preferred stock, \$0.01 par value, authorized - 5,000 shares; issued and outstanding at June 30, 2004 and September 30, 2003 - 1,000 shares of Series A preferred stock (classified in long-term liabilities as preferred stock subject to mandatory redemption)		
Common stock, \$0.01 par value, 100,000 shares authorized, 39,850 shares issued and 39,242 outstanding at June 30, 2004 and September 30, 2003, respectively	398	398
Additional paid-in capital	331,200	331,200
Accumulated deficit	(343,624)	(341,468)
Treasury stock, 608 shares, at cost	(829)	(829)
Total stockholders' deficiency	(12,855)	(10,699)
Total liabilities and stockholders' deficiency	\$ 1,444	\$ 6,079

See accompanying notes to condensed consolidated financial statements.

YOUTHSTREAM MEDIA NETWORKS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2004	2003	2004	2003
General and administrative expenses - corporate	\$ 150	\$ 485	\$ 850	\$ 2,012
Depreciation and amortization	5	5	15	15
Loss from operations	(155)	(490)	(865)	(2,027)
Interest income	19	1	30	35
Interest expense	(10)		(31)	(905)
Gain on debt settlement				2,800
Loss before provision for income taxes	(146)	(489)	(866)	(97)
Provision (benefit) for income taxes	(1)	4	(14)	8