

MAUI LAND & PINEAPPLE CO INC
Form 10-Q
August 04, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2010

OR

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

Commission file number 001-06510

MAUI LAND & PINEAPPLE COMPANY, INC.

(Exact name of registrant as specified in its charter)

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HAWAII
(State or other jurisdiction
of incorporation or organization)

99-0107542
(IRS Employer
Identification No.)

870 HALIIMAILE ROAD, MAKAWAO, MAUI, HAWAII 96768-9768

(Address of principal executive offices)

Registrant's telephone number, including area code: **(808) 877-3351**

NONE

(Former name, former address and former fiscal year, if changed since last report)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) 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 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 ☒

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class
Common Stock, no par value

Outstanding at August 3, 2010
18,813,668 shares

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MAUI LAND & PINEAPPLE COMPANY, INC.
AND SUBSIDIARIES

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS****(UNAUDITED)**

	Three Months Ended,	
	6/30/2010	6/30/2009
	(in thousands except share amounts)	
OPERATING REVENUES		
Product revenues	\$ 2,602	\$ 3,086
Service revenues	5,722	5,663
Total Operating Revenues	8,324	8,749
OPERATING COSTS AND EXPENSES		
Cost of product revenues	841	1,125
Cost of service revenues	7,468	9,058
Selling and marketing	393	1,152
General and administrative	1,363	6,627
Impairment charges (Note 8)		14,286
Total Operating Costs and Expenses	10,065	32,248
Operating Loss	(1,741)	(23,499)
Equity in losses of affiliates (Note 11)		(23,273)
Interest expense	(2,543)	(3,067)
Interest income	15	195
Loss from Continuing Operations Before Income Taxes	(4,269)	(49,644)
Income Tax Expense		415
Loss from Continuing Operations	(4,269)	(50,059)
Loss from Discontinued Operations (Note 7) net of income taxes of \$0	(318)	(4,160)
NET LOSS	(4,587)	(54,219)

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Pension Benefit Adjustment net of income taxes of \$0		(807)		
COMPREHENSIVE LOSS	\$	(5,394)	\$	(54,219)
LOSS PER COMMON SHARE BASIC AND DILUTED				
Continuing Operations	\$	(0.53)	\$	(6.23)
Discontinued Operations		(0.04)		(0.52)
Net Loss	\$	(0.57)	\$	(6.75)

See accompanying Notes to Condensed Consolidated Financial Statements.

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MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(UNAUDITED)

	Six Months Ended,	
	6/30/2010	6/30/2009
	(in thousands except share amounts)	
OPERATING REVENUES		
Product revenues	\$ 7,566	\$ 6,791
Service revenues	11,467	12,666
Total Operating Revenues	19,033	19,457
OPERATING COSTS AND EXPENSES		
Cost of product revenues	2,048	2,572
Cost of service revenues	14,789	18,886
Selling and marketing	1,530	2,404
General and administrative	3,255	12,679
Impairment charges (Note 8)		14,286
Total Operating Costs and Expenses	21,622	50,827
Operating Loss	(2,589)	(31,370)
Equity in losses of affiliates (Note 11)		(24,403)
Interest expense	(5,886)	(4,543)
Interest income	25	378
Loss from Continuing Operations Before Income Taxes	(8,450)	(59,938)
Income Tax Expense	85	800
Loss from Continuing Operations	(8,535)	(60,738)
Income (Loss) from Discontinued Operations (Note 7) net of income taxes of \$0	1,243	(6,704)
NET LOSS	(7,292)	(67,442)
Pension Benefit Adjustment net of income taxes of \$0	615	
COMPREHENSIVE LOSS	\$ (6,677)	\$ (67,442)
EARNINGS (LOSS) PER COMMON SHARE BASIC AND DILUTED		
Continuing Operations	\$ (1.06)	\$ (7.57)
Discontinued Operations	0.16	(0.83)
Net Loss	\$ (0.90)	\$ (8.40)

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See accompanying Notes to Condensed Consolidated Financial Statements.

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	6/30/2010	12/31/2009
	(in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,333	\$ 1,881
Accounts receivable, less allowance of \$868 and \$452 for doubtful accounts	2,356	3,684
Refundable income taxes		4,331
Inventories	3,083	3,387
Prepaid expenses and other assets	1,624	377
Assets held for sale	13,487	15,227
Total Current Assets	21,883	28,887
PROPERTY	147,693	144,903
Accumulated depreciation	(64,058)	(60,189)
Net Property	83,635	84,714
OTHER ASSETS	13,876	14,447
TOTAL	\$ 119,394	\$ 128,048
LIABILITIES & STOCKHOLDERS DEFICIENCY		
CURRENT LIABILITIES		
Current portion of long-term debt and capital lease obligations	\$ 63,956	\$ 1,817
Trade accounts payable	5,613	6,581
Payroll and employee benefits	3,571	4,947
Income taxes payable	3,916	2,626
Other accrued liabilities	13,333	12,072
Total Current Liabilities	90,389	28,043
LONG-TERM LIABILITIES		
Long-term debt and capital lease obligations	36,206	94,824
Accrued retirement benefits	24,073	28,076
Plantation Golf Course (PGC) deferred credit (Note 10)	45,409	46,338
Other noncurrent liabilities	6,585	7,708
Total Long-Term Liabilities	112,273	176,946
COMMITMENTS AND CONTINGENCIES (Note 17)		
STOCKHOLDERS DEFICIENCY		
Common stock no par value, 43,000,000 shares authorized, 8,112,266 and 8,087,334 shares issued and outstanding	35,707	35,437
Additional paid in capital	9,099	9,019
Accumulated deficit	(124,015)	(116,723)

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Accumulated other comprehensive loss		(4,059)		(4,674)
Stockholders' Deficiency		(83,268)		(76,941)
TOTAL	\$	119,394	\$	128,048

See accompanying Notes to Condensed Consolidated Financial Statements.

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MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIENCY)

(UNAUDITED)

For the Six Months Ended June 30, 2010 and 2009

(in thousands)

	Shares	Common Stock Amount	Additional Paid in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total
Balance, January 1, 2010	8,087	\$ 35,437	\$ 9,019	\$ (116,723)	\$ (4,674)	\$ (76,941)
Pension benefits adjustment (Note 13)					615	615
Share-based compensation expense			428			428
Vested restricted stock issued	42	348	(348)			
Shares cancelled to pay tax liability	(17)	(78)				(78)
Net loss				(7,292)		(7,292)
Balance, June 30, 2010	8,112	\$ 35,707	\$ 9,099	\$ (124,015)	\$ (4,059)	\$ (83,268)
Balance, January 1, 2009	8,021	\$ 34,791	\$ 8,363	\$ 6,558	\$ (18,024)	\$ 31,688
Share-based compensation expense			969			969
Vested restricted stock issued	37	428	(428)			
Shares cancelled to pay tax liability	(11)	(95)				(95)
Net loss				(67,442)		(67,442)
Balance, June 30, 2009	8,047	\$ 35,124	\$ 8,904	\$ (60,884)	\$ (18,024)	\$ (34,880)

See accompanying Notes to Condensed Consolidated Financial Statements.

Table of Contents**MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(UNAUDITED)**

	Six Months Ended	
	6/30/10	6/30/09
	(in thousands)	
NET CASH USED IN OPERATING ACTIVITIES	\$ (2,091)	\$ (15,138)
INVESTING ACTIVITIES		
Purchases of property	(2,321)	(547)
Proceeds from disposals of property	3,091	195
Other	(280)	1,575
NET CASH PROVIDED BY INVESTING ACTIVITIES	490	1,223
FINANCING ACTIVITIES		
Proceeds from long-term debt	11,000	6,600
Payments of long-term debt and capital lease obligations	(8,888)	(51,237)
Net proceeds from PGC (Note 10)		48,520
Reduction of PGC deferred credit	(929)	(952)
Debt issuance cost and other	(130)	(1,187)