

SPARK NETWORKS INC
Form 10-Q
May 12, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2014

OR

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: 001-32750

SPARK NETWORKS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization) 20-8901733
(I.R.S. Employer Identification No.)

11150 Santa Monica Boulevard, Suite 600

Los Angeles, California
(Address of principal executive offices) 90025
(Zip Code)

(310) 893-0550

(Registrant's telephone number, including area code)

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(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 website, 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 definition 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

The registrant had 23,832,938 shares of common stock, par value \$0.001 per share, outstanding as of May 9, 2014.

SPARK NETWORKS, INC.

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PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

SPARK NETWORKS, INC.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	March 31, 2014 (unaudited)	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 10,938	\$ 14,723
Restricted cash	1,279	1,296
Accounts receivable, net of allowance of \$0	1,263	1,569
Deferred tax asset – current	11	10
Prepaid expenses and other	1,800	1,787
Total current assets	15,291	19,385
Property and equipment, net	3,949	3,901
Goodwill	9,274	9,305
Intangible assets, net	2,259	2,269
Deferred tax asset – non-current	157	186
Deposits and other assets	212	208
Total assets	\$ 31,142	\$ 35,254
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,969	\$ 1,516
Accrued liabilities	5,061	5,761
Deferred revenue	8,963	8,830
Deferred tax liability – current	526	526
Total current liabilities	16,519	16,633
Deferred tax liability – non-current	1,784	1,781
Other liabilities	1,705	1,717
Total liabilities	20,008	20,131
Commitments and contingencies (Note 10)		
Stockholders' equity:		
10,000,000 shares of Preferred Stock, \$0.001 par value, 450,000 of which are designated as Series C Junior Participating Cumulative Preferred Stock, with no shares of Preferred Stock issued or outstanding	—	—
100,000,000 shares of Common Stock, \$0.001 par value, with 23,800,958 and 24,001,937 shares of Common Stock issued and outstanding at March 31, 2014 and December 31, 2013, respectively:	26	24

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Additional paid-in-capital	69,649	70,747
Accumulated other comprehensive income	775	776
Accumulated deficit	(59,316)	(56,424)
Total stockholders' equity	11,134	15,123
Total liabilities and stockholders' equity	\$31,142	\$ 35,254

See accompanying notes

SPARK NETWORKS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(unaudited, in thousands, except per share data)