

Edgar Filing: Courtside Acquisition Corp - Form 10QSB

Courtside Acquisition Corp
Form 10QSB
August 09, 2006
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2006

Transition report under Section 13 or 15(d) of the Exchange Act
For the transition period from _____ to _____

Commission File Number 001-32549

Courtside Acquisition Corp.

(Exact Name of Small Business Issuer as Specified in Its Charter)

Delaware
(State or other Jurisdiction of
Incorporation or Organization)

20-2521288
(I.R.S. Employer
Identification No.)

1700 Broadway, 17th Floor, New York, New York 10019

(Address of Principal Executive Office)

(212) 641-5000

(Issuer's Telephone Number, Including Area Code)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of August 8, 2006, 16,800,000 shares of common stock, par value \$.0001 per share, were issued and outstanding.

Transitional Small Business Disclosure Format (check one): Yes No

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Courtside Acquisition Corp.

We have reviewed the accompanying condensed balance sheet of Courtside Acquisition Corp. (a corporation in the development stage) as of June 30, 2006, the related condensed statements of operations for the three-month periods ended June 30, 2006 and June 30, 2005, the six-month period ended June 30, 2006, the period from March 18, 2005 (inception) to June 30, 2005, and the cumulative period from March 18, 2005 (inception) to June 30, 2006, the related condensed statements of stockholders' equity for the six-month period ended June 30, 2006 and the period from March 18, 2005 (inception) to June 30, 2006, and the condensed statements of cash flows for the six-month period ended June 30, 2006, the period from March 18, 2006 (inception) to June 15, 2005 and for the period from March 18, 2005 (inception) to June 30, 2006. These financial statements are the responsibility of the company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the condensed financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the condensed financial statements referred to above for them to be in conformity with United States generally accepted accounting principles.

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We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board, the condensed balance sheet of Courtside Acquisition Corp. as of December 31, 2005 and the related condensed statements of operations, stockholders' equity and cash flows for the period from March 18, 2005 (inception) to December 31, 2005 (not presented herein); and in our report dated February 16, 2006, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying condensed balance sheet as of December 31, 2005 is fairly stated, in all material aspects, in relation to the balance sheet from which it has been derived.

The accompanying financial statements have been prepared assuming Courtside Acquisition Corp. will continue as a going concern. As discussed in Note 1 to the financial statements, Courtside Acquisition Corp. may face a mandatory liquidation by January 7, 2007 if a business combination is not consummated, which raises substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Goldstein Golub Kessler LLP
GOLDSTEIN GOLUB KESSLER LLP
New York, New York

July 25, 2006

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Courtside Acquisition Corp.
(a corporation in the development stage)

Condensed Balance Sheet

	June 30, 2006 (unaudited)	December 31, 2005
Assets		
Current assets:		
Cash and cash equivalents (Note 1)	\$ 1,418,637	\$ 1,692,748
Cash equivalents held in Trust Fund (Note 1)	75,754,539	74,618,620
Deferred Federal Income Tax (Note 1)	—	—
Prepaid expenses	90,086	78,133
Total current assets	\$ 77,263,262	\$ 76,389,501
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 12,598	\$ 12,643
Deferred dividends	397,909	170,839
Taxes payable (Note 1)	157,093	78,725
Total current liabilities	\$ 567,600	\$ 262,207
	14,745,424	14,745,424

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Common stock, subject to possible conversion, 2,758,620 shares at conversion value (Note 1)

Commitments

Stockholders' equity (Notes 1 and 2)

Preferred stock, \$.0001 par value, Authorized 1,000,000 shares; none issued

Common stock, \$.0001 par value, Authorized 50,000,000 shares

Issued and outstanding 16,800,000 shares (which includes 2,758,620 subject to possible conversion)

	1,680	1,680
Additional paid-in capital	60,969,078	60,969,078
Earnings accumulated in the development stage	979,480	411,112
Total stockholders' equity	61,950,238	61,381,870
Total liabilities and stockholders' equity	\$ 77,263,262	\$ 76,389,501

See accompanying notes to unaudited condensed financial statements.

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Courtside Acquisition Corp.

(a corporation in the development stage)

Unaudited Condensed Statements of Operations

	Three Months Ended June 30, 2006	Three Months Ended June 30, 2005	Six Months Ended June 30, 2006	Period from March 18, 2005 (inception) to June 30, 2005	Period from March 18, 2005 (inception) to June 30, 2006
Revenues:					
Interest and dividend income	\$ 509,685	\$ 0	\$ 940,360	\$ 0	\$ 1,651,033
Expenses:					
Formation and operating costs	71,041	3,250	144,769	4,000	273,605
State and local capital taxes	7,723	—	30,223	—	76,348
Total expenses	78,764	3,250	174,992	4,000	349,953
Income (loss) for the period	430,921	(3,250)	765,368	(4,000)	1,301,080
Income taxes (Note 1)	106,000	0	197,000	0	321,600
Net Income (loss) for the period	\$ 324,921	\$ (3,250)	\$ 568,368	\$ (4,000)	\$ 979,480
Net income (loss) per share basic and diluted	\$ 0.02	\$ (0.00)	\$ 0.03	\$ (0.00)	
Weighted average shares outstanding	16,800,000	3,000,000	16,800,000	3,000,000	

See accompanying notes to unaudited condensed financial statements.

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Courtside Acquisition Corp.
(a corporation in the development stage)

Condensed Statement of Stockholders' Equity

	Common Stock Shares	Amount	Additional Paid-In Capital	Earnings Accumulated in the development stage	Total
Sale of 3,000,000 shares of common stock at \$.0083 per share to initial stockholders committed for on March 18, 2005	3,000,000	\$ 300	\$ 24,700	\$ —	\$ 25,000
Sale of 12,000,000 units, net of underwriters' discount and offering expenses on July 7, 2005 (includes 2,398,800 shares subject to possible conversion)	12,000,000	1,200	65,645,882	—	65,647,082
Proceeds subject to possible conversion of 2,398,800 shares	—	—	(12,737,628)	—	(12,737,628)
Proceeds from issuance of option	—	—	100	—	100
Sale of 1,800,000 units, net of underwriters' discount on July 11, 2005 (includes 359,820 shares subject to possible conversion)	1,800,000	180	10,043,820	—	10,044,000
Proceeds subject to possible conversion of 359,820 shares	—	—	(2,007,796)	—	(2,007,796)
Net income for the period	—	—	—	411,112	411,112
Balance, December 31, 2005	16,800,000	\$ 1,680	\$ 60,969,078	\$ 411,112	\$ 61,381,870
Unaudited:					
Net income for the six months ended June 30, 2006	—	—	—	568,368	568,368
Balance, June 30, 2006	16,800,000	\$ 1,680	\$ 60,969,078	\$ 979,480	\$ 61,950,238

See accompanying notes to unaudited condensed financial statements.

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Courtside Acquisition Corp.
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Unaudited Condensed Statement of Cash Flows

	Six Months Ended June 30, 2006	Period from March 18, 2005 (inception) to June 30, 2005	Period from March 18, 2005 (inception) to June 30, 2006
Cash Flows from Operating Activities			
Net income (loss)	\$ 568,368	\$ (4,000)	\$ 979,480
Adjustments to reconcile net income (loss) provided by (used in) operating activities:			
Increase in value of Trust Fund	(1,135,919)	—	(1,990,539)
Increase in prepaid expenses	(11,953)	—	(90,086)
Increase/(decrease) in accounts payable and accrued expenses	(45)	4,000	12,598
Increase in taxes payable	78,368	—	157,093
Increase in deferred dividends	227,070	—	397,909
Net cash used in operating activities	(274,111)	—	(533,545)
Cash Flows from Investing Activities			
Cash deposited in Trust Fund	—	—	(73,764,000)
Cash Flows from Financing Activities			
Gross proceeds of public offering	—	—	82,800,000
Proceeds from sale of shares of common stock	—	25,000	25,000
Proceeds from issuance of option	—	—	100
Proceeds from notes payable, stockholder	—	100,000	100,000
Payment of notes payable, stockholder	—	—	(100,000)
Payment of offering costs	—	(123,474)	(7,108,918)
Net cash provided by financing activities	—	1,526	75,716,182
Net increase (decrease) in cash and cash equivalents	(274,111)	1,526	1,418,637
Cash and cash equivalents at beginning of the period	1,692,748	—	—
Cash and cash equivalents at end of the period	\$ 1,418,637	\$ 1,526	\$ 1,418,637
Supplemental schedule of non-cash financing activities:			
Accrual of deferred offering costs	\$ —	\$ 409,052	\$ —

See accompanying notes to unaudited condensed financial statements.

Courtside Acquisition Corp.

(a corporation in the developmental stage)

Note to Unaudited Condensed Financial Statements

1. Organization and

Business

Operations

Courtside Acquisition Corp. (the “Company”) was incorporated in Delaware on March 18, 2005 as a blank check company whose objective is to acquire an operating business.

The financial information in this report has not been audited, but in the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary to present fairly such information have been included. See the Company’s Annual Report on Form 10-KSB for the year ended December 31, 2005 for additional disclosure relating to the Company’s condensed financial statements.

All activity from March 18, 2005 (inception) through July 7, 2005 relates to the Company’s formation and initial public offering described below. Subsequent to July 7, 2005, the Company has been seeking a business combination with an operating business (“Business Combination”).

The registration statement for the Company’s initial public offering (“Offering”) was declared effective June 30, 2005. The Company consummated the Offering for 12,000,000 units on July 7, 2005 and, on July 11, 2005, the representative of the underwriters (“Representative”) exercised its over-allotment option for 1,800,000 units, with the Company receiving total net proceeds of approximately \$75,691,000 (Note 2). The Company’s management has broad discretion with respect to the specific application of the net proceeds of this Offering, although substantially all of the net proceeds of this Offering are intended to be generally applied toward consummating a Business Combination. Furthermore, there is no assurance that the Company will be able to successfully effect a Business Combination. An amount of \$73,764,000 of the net proceeds was placed in an interest-bearing trust account (“Trust Account”) until the earlier of (i) the consummation of a Business Combination or (ii) liquidation of the Company. Under the agreement governing the Trust Account, funds will only be invested in United States “government securities” within the meaning of Section 2(a)(16) of the Investment Company Act of 1940 with a maturity of 180 days or less, or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act of 1940. At June 30, 2006, the value of the Trust Account amounted to \$75,754,539. The placing of funds in the Trust Account may not protect those funds from third

party claims against the Company. Although the Company will seek to have all vendors, prospective target businesses or other entities it engages, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to any monies held in the Trust Account, there is no guarantee that they will execute such agreements. Two of the Company's officers have severally agreed that they will be personally liable to ensure that the proceeds in the Trust Account are not reduced by the claims of target businesses or vendors or other entities that are owed money by the Company for services rendered or contracted for or products sold to the Company. However, there can be no assurance that these officers will be able to satisfy those obligations. The remaining net proceeds (not held in the Trust Account)

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may be used for tax payments and business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses.

The Company, after signing a definitive agreement for the acquisition of a target business, will submit such transaction for stockholder approval. In the event that stockholders owning 20% or more of the shares sold in the Offering vote against the Business Combination and exercise their conversion rights described below, the Business Combination will not be consummated.

All of the Company's stockholders prior to the Offering, including all of the officers and directors of the Company ("Initial Stockholders"), have agreed to vote their 3,000,000 founding shares of common stock in accordance with the vote of the majority in interest of all other stockholders of the Company ("Public Stockholders") with respect to any Business Combination. After consummation of a Business Combination, these voting safeguards will no longer be applicable.

With respect to a Business Combination which is approved and consummated, any Public Stockholder who voted against the Business Combination may demand that the Company convert his or her shares. The per share conversion price will equal the amount in the Trust

Account, calculated as of two business days prior to the consummation of the proposed Business Combination, divided by the number of shares of common stock held by Public Stockholders at the consummation of the Offering. Accordingly, Public Stockholders holding 19.99% of the aggregate number of shares owned by all Public Stockholders may seek conversion of their shares in the event of a Business Combination. Such Public Stockholders are entitled to receive their per share interest in the Trust Account computed without regard to the shares held by Initial Stockholders. In this respect, \$14,745,424 (19.99% of the original amount placed in the Trust Account) has been classified as common stock subject to possible conversion at June 30, 2006 and \$397,909 (19.99% of the dividend income held in the Trust Account) has been classified as deferred dividends at June 30, 2006.

The Company's Certificate of Incorporation, as amended, provides for mandatory liquidation of the Company in the event that the Company does not consummate a Business Combination within 18 months from the date of the consummation of the Offering (January 7, 2007), or 24 months from the consummation of the Offering if certain extension criteria have been satisfied. In the event of liquidation, it is likely that the per share value of the residual assets remaining available for distribution (including Trust Account assets) will be less than the initial public offering price per share in the Offering assuming no value is attributed to the Warrants contained in the Units sold (Note 2). There is no assurance that the Company will be able to successfully effect a Business Combination during this period. This factor raises substantial doubt about the Company's ability to continue as a going concern. The

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accompanying financial statements are prepared assuming the Company will continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In December 2004, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards No. 123 (revised 2004) (“SFAS 123(R)”), “Share Based Payment”. SFAS 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values. The Company adopted SFAS 123(R) effective January 1, 2006. The adoption of SFAS No. 123(R) did not have any impact on its financial condition or results of operations.

In July 2006, the FASB issued FASB Interpretation No. 48, “Accounting for Uncertainty in Income Taxes,” an interpretation of FASB Statement No. 109 (“FIN 48”), which provides criteria for the recognition, measurement, presentation and disclosure of uncertain tax positions. A tax benefit from an uncertain position may be recognized only if it is “more likely than not” that the position is sustainable based on its technical merits. The provisions of FIN 48 are effective for fiscal years beginning after December 15, 2006. We do not expect FIN 48 will have a material effect on our condensed financial condition or results of operations.

Management does not believe that any other recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying financial statements.

2. Initial Public Offering

On July 7, 2005, the Company sold 12,000,000 units (“Units”) in the Offering. On July 11, 2005, the Company sold an additional 1,800,000 Units pursuant to the Representative’s over-allotment option. Each Unit consists of one share of the Company’s common stock, \$.0001 par value, and two Redeemable Common Stock Purchase Warrants (“Warrants”). Each Warrant entitles the holder to purchase from the Company one share of common stock at an exercise price of \$5.00 commencing the later of the completion of a Business Combination or one year from the effective date of the Offering and expiring four years from the effective date of the Offering. The Warrants will be redeemable at a price of \$.01 per Warrant upon 30 days’ notice after the Warrants become exercisable, only in the event that the last sale price of the common stock is at least \$8.50 per share for any 20 trading days within a 30 trading day period ending on the third day prior to the date on which notice of redemption is given.

In connection with the Offering, the Company paid the underwriters an underwriting discount of 7% of the gross proceeds of the Offering and a non-accountable expense allowance of 1% of the gross proceeds of the Offering. In connection with the Offering, the Company also issued an option, for \$100, to the Representative to purchase

600,000 Units at an exercise price of \$7.50 per Unit. The Units issuable upon exercise of this

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Note to Unaudited Condensed Financial Statements

purchase option are identical to the Units sold in the Offering except that the Warrants included in the option have an exercise price of \$6.65 per share. The Company estimated that the fair value of this option was approximately \$1,224,000 (\$2.04 per Unit underlying such option) using a Black-Scholes option-pricing model. The fair value of the option was estimated as of the date of grant using the following assumptions: (1) expected volatility of 40.995%, (2) risk-free interest rate of 3.72% and (3) expected life of 5 years. The sale of the option was accounted for as a cost attributable to the Offering. Accordingly, there was no net impact on the Company's financial position or results of operations, except for the recording of the \$100 proceeds from the sale. The option may be exercised for cash or on a "cashless" basis, at the holder's option, such that the holder may use the appreciated value of the option (the difference between the exercise prices of the option and the underlying Warrants and the market price of the Units and underlying securities) to exercise the option without the payment of any cash.

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Note to Unaudited Condensed Financial Statements

ITEM 2 — MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

The following discussion should be read in conjunction with the Company's Consolidated Financial Statements and footnotes thereto contained in this report.

Forward Looking Statements

The statements discussed in this Report include forward looking statements that involve risks and uncertainties detailed from time to time in the Company's reports filed with the Securities and Exchange Commission.

We were formed on March 18, 2005, to serve as a vehicle to effect a merger, capital stock exchange, asset acquisition or other similar business combination with an operating business. We intend to utilize cash derived from the proceeds of our recently completed public offering, our capital stock, debt or a combination of cash, capital stock and debt, in effecting a business combination.

For the three months ended June 30, 2006, we had net income of \$324,921 consisting of interest and dividend income less operating expenses and state and local income and capital taxes. Our interest and dividend income includes dividend income of \$493,824 and \$1,619,472 for the three months ended June 30, 2006 and the period from March 18, 2005 (inception) through June 30, 2006, respectively, and our deferred dividends of \$397,909 and \$170,839 at June 30, 2006 and December 31, 2005, respectively, were derived from money market funds which are exempt from federal income taxes. For the three months ended June 30, 2006, our expenses consisted of operating costs and expenses of searching for a business combination, which were \$71,041, state capital taxes in the quarter of \$7,723, and state and local income taxes of \$106,000.

For the six months ended June 30, 2006, we had net income of \$568,368 consisting of interest and dividend income less operating expenses and state and local income and capital taxes. Our interest and dividend income includes dividend income of \$908,850 for the six months ended June 30, 2006 and our deferred dividends of \$397,909 at June 30, 2006 were derived from money market funds which are exempt from federal income taxes. For the six months ended June 30, 2006, our expenses consisted of operating costs and expenses of searching for a business combination, which were \$144,769, state capital taxes in the quarter of \$30,223, and state and local income taxes of \$197,000.

For the period from March 18, 2005 (inception) through June 30, 2006, we had net income of \$979,480 attributable to dividend and interest income less formation and operating expenses and state and local income and capital taxes respectively.

We consummated our initial public offering on July 7, 2005. On July 11, 2005, we consummated the closing of an additional 1,800,000 units that were subject to the over-allotment option. Gross proceeds from our initial public offering (including the over-allotment option) were \$82,800,000. We paid a total of \$6,516,000 in underwriting discounts and commissions, and approximately \$593,000 was paid for costs and expenses related to the offering. After deducting the underwriting discounts and commissions and the offering expenses, the total net proceeds to us from the offering were approximately \$75,691,000, of which \$73,764,000 was deposited into the trust account (or approximately \$5.35 per share sold in the offering). As of June 30, 2006, approximately \$75,754,539 (or approximately \$5.49 per share sold in the offering) is being held in the trust account. The remaining proceeds are available to be used by us to provide for business, legal and accounting due diligence on prospective acquisitions, tax payments and continuing general and administrative expenses. We intend to use substantially all of the net proceeds of this offering to acquire a target business, including identifying and evaluating prospective acquisition candidates, selecting the target business, and structuring, negotiating and consummating the business combination. To the extent that our capital stock is used in whole or in part as consideration to effect a business combination, the proceeds held in the trust fund as well as any other net proceeds not expended will be used to finance

the operations of the target business. We believe we will have sufficient available funds outside of the trust fund to operate through July 7, 2007, assuming that a business combination is not consummated during that time. From July 7, 2005 through July 7, 2007, we anticipate approximately \$300,000 of expenses for legal, accounting and other expenses attendant to the due diligence investigations, structuring and negotiating of a business combination, \$300,000 for expenses for the due diligence and investigation of a target business, \$180,000 for the administrative fee payable to Alpine Capital LLC (\$7,500 per month for two years), \$40,000 of expenses in legal and accounting fees relating to our SEC reporting obligations and \$1,107,000 for general working capital that will be used for tax payments, miscellaneous expenses and reserves, including approximately \$110,000 (through January 1, 2007) for director and officer liability insurance premiums. We do not believe we will need to raise additional funds following this offering in order to meet the expenditures required for operating our business. However, we may need to raise additional funds through a private offering of debt or equity securities if such funds are required to consummate a business combination that is presented to us. We would only consummate such a financing simultaneously with the consummation of a business combination.

Commencing on June 30, 2005 and ending upon the acquisition of a target business, we began incurring a fee from Alpine Capital LLC, an affiliate of Richard D. Goldstein, our chairman of the board and chief executive officer, Bruce M. Greenwald, our president and a member of our board of directors, Gregg H. Mayer, our vice president and controller, and Oded Aboodi, our special advisor, of \$7,500 per month for providing us with office space and certain general and administrative services. In addition, in April and May 2005, Richard D. Goldstein advanced an aggregate of \$100,000 to us for payment on our behalf of offering expenses. These loans were repaid following our initial public offering from the proceeds of the offering.

ITEM 3 — CONTROLS AND PROCEDURES.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in company reports filed or submitted under the Securities Exchange Act of 1934 (the “Exchange Act”) is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our chief executive officer and treasurer, as appropriate to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our chief executive officer and chief financial officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2006. Based upon their evaluation, they concluded that our disclosure controls and procedures were effective.

Our internal control over financial reporting is a process designed by, or under the supervision of, our chief executive officer and chief financial officer and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of our financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with the authorization of our board of directors and management; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

During the most recently completed fiscal quarter, there has been no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial

reporting.

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PART II.

OTHER INFORMATION

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

On July 7, 2005, we consummated our initial public offering of 12,000,000 Units, with each unit consisting of one share of our common stock and two warrants, each to purchase one share of our common stock at an exercise price of \$5.00 per share. On July 11, 2005, we closed on an additional 1,800,000 units that were subject to the over-allotment option. The units were sold at an offering price of \$6.00 per unit, generating total gross proceeds of \$82,800,000. EarlyBirdCapital, Inc. acted as lead underwriter. The securities sold in the offering were registered under the Securities Act of 1933 on a registration statement on Form S-1 (No. 333-124380). The Securities and Exchange Commission declared the registration statement effective on June 30, 2005.

We paid a total of \$6,516,000 in underwriting discounts and commissions, and approximately \$593,000 has been or will be paid for costs and expenses related to the offering.

After deducting the underwriting discounts and commissions and the offering expenses, the total net proceeds to us from the offering were approximately \$75,691,000, of which \$73,764,000 was deposited into the trust account (or approximately \$5.35 per share sold in the offering) and the remaining proceeds are available to be used to provide for business, legal and accounting due diligence on prospective business combinations and continuing general and administrative expenses.

For a description of the use of the proceeds generated in our initial public offering, see Part I, Item 2 of this Form 10-QSB.

ITEM 6: EXHIBITS

(a) Exhibits:

31.1 — Section 302 Certification by CEO

31.2 — Section 302 Certification by CFO

32.1 — Section 906 Certification by CEO

32.2 — Section 906 Certification by CFO

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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.

COURTSIDE ACQUISITION CORP.

Dated: August 8, 2006

/s/ Richard D. Goldstein

Richard D. Goldstein.

Chairman of the Board and Chief Executive Officer

/s/ Carl D. Harnick

Carl D. Harnick

Vice President and Chief Financial Officer