

HEARUSA INC
Form 10-Q
May 11, 2010

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 27, 2010

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 001-11655

HearUSA, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware (State of Other Jurisdiction of Incorporation or Organization)	22-2748248 (I.R.S. Employer Identification No.)
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1250 Northpoint Parkway, West Palm Beach, Florida (Address of Principal Executive Offices)	33407 (Zip Code)
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Registrant's Telephone Number, Including Area Code (561) 478-8770

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

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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," and "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Smaller reporting Company

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

On May 7, 2010, 45,447,645 shares of the Registrant's Common Stock were outstanding.

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Part I – Financial Information

Item 1. Financial Statements

HearUSA, Inc.
Consolidated Balance Sheets
(unaudited)

March 27, December 26,
2010 2009
(Dollars in thousands, except per
share amounts)

ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,531	\$ 7,037
Short-term marketable securities	3,606	4,106
Accounts and notes receivable, less allowance for doubtful accounts of \$690 and \$616	4,816	5,554
Inventories	1,419	1,844
Prepaid expenses and other	445	464
Total current assets	13,817	19,005
Property and equipment, net	3,658	4,021
Goodwill	51,527	51,495
Intangible assets, net	12,656	12,816
Deposits and other	709	731
Restricted cash and cash equivalents	3,247	3,245
Total Assets	\$ 85,614	\$ 91,313
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 6,987	\$ 7,070
Accrued expenses	2,453	2,253
Accrued salaries and other compensation	3,339	3,520
Current maturities of long-term debt	5,791	5,983
Income taxes payable	-	1,974
Dividends payable	35	35
Total current liabilities	18,605	20,835
Long-term debt	34,814	36,139
Deferred income taxes	7,555	7,335
Total long-term liabilities	42,369	43,474
Commitments and contingencies	-	-
Stockholders' equity		
Preferred stock (aggregate liquidation preference \$2,330, \$1 par, 7,500,000 shares authorized)		
Series H Junior Participating (none outstanding)	-	-
Series J (233 shares outstanding)	-	-
Total preferred stock	-	-

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Common stock: \$.10 par; 75,000,000 shares authorized 45,381,750 shares issued	4,538	4,538
Additional paid-in capital	138,081	137,863
Accumulated deficit	(117,638)	(114,982)
Treasury stock, at cost: 523,662 common shares	(2,485)	(2,485)
Total HearUSA, Inc. Stockholders' Equity	22,496	24,934
Noncontrolling interest	2,144	