

Golden Pond Healthcare, Inc.  
Form 10-Q  
May 11, 2009  
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**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 31, 2009

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 001-33798

**GOLDEN POND HEALTHCARE, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**26-0183099**  
(I.R.S. Employer

Identification No.)

**1120 Post Road, 3rd Floor**

**Darien, CT 06820**

(Address of principal executive offices and Zip Code)

**(203) 202-3850**

(Registrant's telephone number, including area code)

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 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

(Do not check if a smaller reporting company)

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

Number of shares of Common Stock of Golden Pond Healthcare, Inc. issued and outstanding as of May 7, 2009: 21,093,750 shares of common stock, par value \$0.001 per share, of which 16,875,000 such shares are publicly traded.

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**Golden Pond Healthcare, Inc.**  
**(a corporation in the development stage)**

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**CERTIFICATIONS**

All other items called for by the instructions to Form 10-Q have been omitted because the items are not applicable or the relevant information is not material.

**Table of Contents****PART I****Item 1. Financial Statements****GOLDEN POND HEALTHCARE, INC.**

(a corporation in the development stage)

**CONDENSED BALANCE SHEETS**

|  | <b>March 31,<br/>2009<br/>(unaudited)</b> | <b>December 31,<br/>2008</b> |
|--|---|------------------------------|
| <b>ASSETS</b>  |   |                              |
| <b>Current assets</b>  |   |                              |
| Cash and cash equivalents  | \$ 70,000                                 | \$ 18,000                    |
| Interest receivable from Trust Account   | 541,000                                   | 647,000                      |
| Prepaid expenses   | 35,000                                    | 50,000                       |
| Total current assets   | 646,000                                   | 715,000                      |
| <b>Deferred tax asset</b>  | <b>959,000</b>                            | <b>875,000</b>               |
| <b>Investment in Trust Account</b> , excluding the portion of interest earned to date that is available for working capital  | <b>133,071,000</b>                        | <b>132,896,000</b>           |
|  | <b>\$ 134,676,000</b>                     | <b>\$ 134,486,000</b>        |
| <b>LIABILITIES AND STOCKHOLDERS EQUITY</b>   |   |                              |
| <b>Current liabilities</b>   |   |                              |
| Accounts payable and accrued expenses  | \$ 480,000                                | \$ 420,000                   |
| Income taxes payable   | 102,000                                   | 119,000                      |
| Total current liabilities  | 582,000                                   | 539,000                      |
| <b>Long-term liability</b> , deferred underwriters fee   | <b>4,050,000</b>                          | <b>4,050,000</b>             |
| <b>Commitments and contingencies</b>   |   |                              |
| <b>Common stock subject to redemption</b> , 5,062,499 shares at redemption value, approximately \$7.89 and \$7.88 per share, respectfully                          | <b>39,928,000</b>                         | <b>39,869,000</b>            |
| <b>Stockholders equity</b>   |   |                              |
| Preferred stock, \$.001 par value; 10,000,000 shares authorized; none issued   |   |                              |
| Common stock, \$.001 par value: 75,000,000 shares authorized; 21,093,750 shares issued and outstanding (including 5,062,499 shares subject to possible redemption) | 21,000                                    | 21,000                       |
| Additional paid-in capital   | 88,891,000                                | 88,950,000                   |
| Earnings accumulated during the development stage  | 1,204,000                                 | 1,057,000                    |
| Total stockholders equity  | 90,116,000                                | 90,028,000                   |

See accompanying notes to condensed financial statements

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(a corporation in the development stage)

**CONDENSED STATEMENTS OF OPERATIONS**

(unaudited)

|  | <b>Three months ended March 31,</b> |             | <b>May 15, 2007</b>        |
|--|-------------------------------------|-------------|----------------------------|
|  | <b>2009</b>                         | <b>2008</b> | <b>(date of inception)</b> |
|  | <b>\$</b>                           | <b>\$</b>   | <b>to March 31,</b>        |
|  |                                     |             | <b>2009</b>                |
|  | <b>\$</b>                           | <b>\$</b>   | <b>\$</b>                  |
| Revenue  |                                     |             |                            |
| Formation and operating costs  | 205,000                             | 275,000     | 1,067,000                  |
| Acquisition diligence costs  | 4,000                               |             | 1,385,000                  |
| Loss from operations   | (209,000)                           | (275,000)   | (2,452,000)                |
| Other income (expense)   |                                     |             |                            |
| Interest income, Trust Account   | 450,000                             | 1,382,000   | 4,452,000                  |
| Interest income, other   |                                     |             | 2,000                      |
| Interest expense   |                                     | (3,000)     | (12,000)                   |
| Income before income tax provision   | 241,000                             | 1,104,000   | 1,990,000                  |
| Income tax provision   | 94,000                              | 436,000     | 786,000                    |
| Net income   | 147,000                             | 668,000     | 1,204,000                  |
| Interest income earned in Trust Account, attributable to common stock subject to possible redemption, net of tax | (53,000)                            |             | (104,000)                  |
| Net income applicable to common stockholders   | \$ 94,000                           | \$ 668,000  | \$ 1,100,000               |
| Weighted average number of shares subject to possible redemption:  |                                     |             |                            |
|  | 5,062,000                           | 5,062,000   | 3,719,000                  |
| Net income per common share subject to possible redemption, basic and diluted                                    | \$ 0.01                             | \$          | \$ 0.03                    |
| Weighted average number of common shares outstanding, excluding shares subject to possible redemption:           |                                     |             |                            |
| Basic  | 16,031,000                          | 21,094,000  | 10,880,000                 |
| Diluted  | 16,829,000                          | 24,586,000  | 13,450,000                 |
| Net income per common share outstanding, excluding shares subject to possible redemption:                        |                                     |             |                            |
| Basic  | \$ 0.01                             | \$ 0.03     | \$ 0.10                    |
| Diluted  | \$ 0.01                             | \$ 0.03     | \$ 0.08                    |

See accompanying notes to condensed financial statements



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(a corporation in the development stage)

**CONDENSED STATEMENTS OF STOCKHOLDERS EQUITY**

For the period May 15, 2007 (date of inception) to March 31, 2009

|   | Common Stock |           | Additional<br>Paid-in<br>Capital | Earnings<br>Accumulated<br>During<br>Development<br>Stage | Total<br>Stockholders<br>Equity |
|---|--------------|-----------|----------------------------------|---|---------------------------------|
|   | Shares       | Amount    |                                  |   |                                 |
| Sale of 4,492,188 shares of Common Stock on July 16, 2007 to Founders at \$0.001 per share  | 4,492,188    | \$ 4,000  | \$                               | \$  | \$ 4,000                        |
| Sale of 16,875,000 units on November 13, 2007 at a price of \$8 per unit in the public offering (each unit consists of one share of common stock and one warrant to purchase a share of common stock) (including 5,062,499 shares subject to possible redemption Underwriters discount and offering costs related to the public offering and over-allotment option (includes \$4,050,000 payable upon a business combination) | 16,875,000   | 17,000    | 134,983,000                      |   | 135,000,000                     |
|   |              |           | (10,164,000)                     |   | (10,164,000)                    |
| Sale of 4,000,000 warrants at \$1 per warrant on November 13, 2007 to Pecksland Partners, LLC   |              |           | 4,000,000                        |   | 4,000,000                       |
| Common stock sold in the public offering subject to redemption (5,062,499 shares at redemption value)   |              |           | (39,817,000)                     |   | (39,817,000)                    |
| Repurchase 273,438 shares from Founders at \$0.001 pursuant to redemption agreement   | (273,438)    |           |                                  |   |                                 |
| Net income  |              |           |                                  | 301,000   | 301,000                         |
| Balances, at December 31, 2007  | 21,093,750   | 21,000    | 89,002,000                       | 301,000   | 89,324,000                      |
| Accretion of common stock subject to redemption, attributable to interest income earned in Trust Account  |              |           | (52,000)                         |   | (52,000)                        |
| Net income  |              |           |                                  | 756,000   | 756,000                         |
| Balances, at December 31, 2008  | 21,093,750   | 21,000    | 88,950,000                       | 1,057,000   | 90,028,000                      |
| Accretion of common stock subject to redemption, attributable to interest income earned in Trust Account (unaudited)  |              |           | (59,000)                         |   | (59,000)                        |
| Net income (unaudited)  |              |           |                                  | 147,000   | 147,000                         |
| Balances, at March 31, 2009 (unaudited)   | 21,093,750   | \$ 21,000 | \$ 88,891,000                    | \$ 1,204,000  | \$ 90,116,000                   |

See accompanying notes to condensed financial statements



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(a corporation in the development stage)

**CONDENSED STATEMENTS OF CASH FLOWS**

(unaudited)

|   | Three months ended<br>March 31, |                  | May 15, 2007<br>(date of inception)<br>to March 31,<br>2009 |
|---|---------------------------------|------------------|---|
|   | 2009                            | 2008             |   |
| <b>Cash flows from operating activities</b>   |                                 |                  |   |
| Net income  | \$ 147,000                      | \$ 668,000       | \$ 1,204,000  |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: |                                 |                  |   |
| Deferred income tax benefit   | (84,000)                        | (89,000)         | (959,000)   |
| Increase (decrease) in cash attributable to changes in operating assets and liabilities     |                                 |                  |   |
| Interest receivable from Trust Account  | 106,000                         | (1,331,000)      | (541,000)   |
| Prepaid expenses  | 15,000                          | (30,000)         | (35,000)  |
| Accounts payable and accrued expenses and other   | 60,000                          | 73,000           | 480,000   |
| Income taxes payable/(prepaid)  | (17,000)                        | 281,000          | 102,000   |
| <b>Net cash provided by (used in) operating activities</b>                                  | <b>227,000</b>                  | <b>(428,000)</b> | <b>251,000</b>  |
| <b>Cash flows used in investing activities - Change in Investment in Trust Account</b>      | <b>(175,000)</b>                |                  | <b>(133,071,000)</b>  |
| <b>Cash flows from financing activities</b>   |                                 |                  |   |
| Proceeds from issuance of common stock to Founders  |                                 |                  | 4,000   |
| Proceeds from notes payable, stockholder  |                                 | 245,000          | 455,000   |
| Repayment of notes payable, stockholder   |                                 |                  | (455,000)   |
| Proceeds from the initial public offering   |                                 |                  | 135,000,000   |
| Proceeds from the issuance of warrants in private placement                                 |                                 |                  | 4,000,000   |
| Payments of underwriters' discount and offering costs                                       |                                 | (189,000)        | (6,114,000)   |
| <b>Net cash provided by financing activities</b>  |                                 | <b>56,000</b>    | <b>132,890,000</b>  |
| <b>Net increase (decrease) in cash and cash equivalents</b>                                 | <b>52,000</b>                   | <b>(372,000)</b> | <b>70,000</b>   |
| <b>Cash and cash equivalents, beginning of period</b>                                       | <b>18,000</b>                   | <b>397,000</b>   |   |
| <b>Cash and cash equivalents, end of period</b>   | <b>\$ 70,000</b>                | <b>\$ 25,000</b> | <b>\$ 70,000</b>  |
| <b>Supplemental disclosure of cash flow information:</b>                                    |                                 |                  |   |
| Cash paid for interest  | \$                              | \$               | \$ 12,000   |
| Cash paid for income taxes  | \$ 195,000                      | \$ 244,000       | \$ 1,642,000  |
| <b>Supplemental disclosure of non-cash investing and financing activities:</b>              |                                 |                  |   |
| Deferred underwriters' fee  | \$                              | \$               | \$ 4,050,000  |
| Accretion of common stock subject to possible redemption                                    | \$ 59,000                       | \$               | \$ 111,000  |

See accompanying notes to condensed financial statements



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**GOLDEN POND HEALTHCARE, INC.**

(a corporation in the development stage)

**Notes to Condensed Financial Statements**

**NOTE A DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS; GOING CONCERN CONSIDERATION**

The accompanying condensed financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and disclosures required by accounting principles generally accepted in the United States of America. All adjustments which are of a normal recurring nature and, in the opinion of management, necessary for a fair presentation have been included. The results of operations for the three months ended March 31, 2009 are not necessarily indicative of results of operations to be expected for a full fiscal year. These statements should be read in conjunction with the more complete information and financial statements and notes thereto included in the Company's Annual Report on Form 10-K. All amounts in the accompanying condensed financial statements, except shares and per share amounts, are rounded to the nearest thousand dollars.

Golden Pond Healthcare, Inc. (a corporation in the development stage) (the Company) was incorporated in Delaware on May 15, 2007. The Company was formed to acquire, through a merger, asset acquisition, stock exchange or other similar business combination, or control through contractual arrangements, an operating business (the Business Combination). The Company is considered to be in the development stage as defined in Statement of Financial Accounting Standards (SFAS) No. 7, Accounting and Reporting By Development Stage Enterprises, and is subject to the risks associated with activities of development stage companies.

At March 31, 2009, the Company had not commenced any operations or generated operating revenues. All activity from inception through March 31, 2009 relates to the Company's formation, capital raising, the initial public offering described below and evaluation of potential acquisition candidates. Following the offering, the Company has not and will not generate any operating revenues until after completion of its initial business combination, at the earliest. The Company generates non-operating income in the form of interest income on cash and cash equivalents (held in escrow) from the proceeds derived from the offering.

The registration statement for the Company's initial public offering (the Offering) was declared effective on November 6, 2007 and the Offering was consummated on November 13, 2007, as discussed in Note E. Preceding the consummation of the Offering, an affiliate of the Company's officers purchased 4,000,000 warrants at \$1 per warrant in a private placement (the Private Placement) that is discussed further in Note F.

The Company's management has broad discretion with respect to the specific application of the net proceeds of the Offering, although substantially all of the net proceeds of the Offering are intended to be generally applied toward consummating a business combination with (or acquisition of) a Target Business (Business Combination). As used herein, Target Business shall mean one or more businesses that at the time of the Company's initial Business Combination has a fair market value of at least 80% of the Company's net assets (all of the Company's assets, including the funds then held in the Trust Account, less the Company's liabilities (excluding deferred underwriting discounts and commissions of approximately \$4,050,000, described below). Furthermore, there is no assurance that the Company will be able to successfully effect a Business Combination.

The Company's efforts in identifying a prospective Target Business will not be limited to particular companies; however, it expects to focus on operating businesses in the healthcare industry.

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 30% or more of the outstanding stock (excluding, for this purpose, those shares of common stock issued prior to the Offering) vote against the Business Combination, the Business Combination will not be consummated. If a majority of the shares of common stock voted by the Public Stockholders are not voted in favor of a proposed initial Business Combination but 24 months has not yet passed since closing of the Offering the Company may combine with another Target Business meeting the fair market value criterion described above.

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Public Stockholders is defined as the holders of common stock sold as part of the Units in the Offering or in the aftermarket. In the event that Initial Stockholders purchase any additional Units or shares of the Company's common stock in the after market following the Offering, the Company anticipates that they will vote any shares of common stock so acquired in favor of a Business Combination.

Public Stockholders voting against a Business Combination will be entitled to convert their stock into a pro rata share of the total amount on deposit in the Trust Account, before payment of underwriting discounts and commissions and including any interest earned on their portion of the Trust Account net of income taxes payable thereon, and net of any interest income of up to \$2,125,000 on the balance of the Trust Account previously released to the Company, if a Business Combination is approved and completed.

Going Concern Consideration: In the event that the Company does not consummate a Business Combination by November 6, 2009, its corporate existence will cease except for the purposes of winding up its affairs and it will liquidate. The Company is still actively pursuing a Business Combination with potential targets. However, there is no guarantee that such efforts will result in the consummation of a Business Combination by November 6, 2009. In the event that the Company does not consummate a Business Combination by November 6, 2009, its corporate existence will cease except for purposes of winding up its affairs and it will liquidate.

### **NOTE B INCOME PER SHARE OF COMMON STOCK**

The Company complies with accounting and disclosure requirements of SFAS No. 128, Earnings Per Share. Basic net income per common share is computed by dividing net income applicable to common stock by the weighted average number of common shares outstanding for the period. Income per share of common stock, assuming dilution, reflects the maximum potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock and would then share in the net income of the Company, except where the results would be antidilutive. At March 31, 2009, the Company had warrants outstanding to purchase 20,875,000 shares of common stock.

The Company uses the treasury stock method to calculate potentially dilutive shares, as if they were converted into common stock at the beginning of the period. For the three months ended March 31, 2009 and 2008 and for the period from May 15, 2007 (date of inception) to March 31, 2009, dilutive securities include 797,000, 3,492,000 and 2,570,000, respectively, warrants that represent incremental common shares, based on their assumed conversion to common stock, to be included in the weighted average number of common shares for the calculation of diluted income per common share.

The Company's statement of operations includes a presentation of income per share for common stock subject to possible conversion in a manner similar to the two-class method of income per share. Net income per common share, basic and diluted amount for the maximum number of shares subject to possible conversion is calculated by dividing the interest income, net of applicable income taxes, attributable to common shares subject to conversion (\$53,000, nil and \$104,000 for the three months ended March 31, 2009 and 2008 and for the period from May 15, 2007 (date of inception) to March 31, 2009, respectively) by the weighted average number of common shares subject to possible conversion.

### **NOTE C INVESTMENT IN TRUST ACCOUNT; MARKETABLE SECURITIES**

Since the closing of the Offering, an amount equal to approximately 98.3% of the gross proceeds has been held in a trust account ( Trust Account ). The Trust Account may be invested in U.S. government securities, defined as any Treasury Bill or equivalent securities issued by the United States government having a maturity of one hundred and eighty (180) days or less or money market funds meeting the conditions specified in Rule 2a-7 under the Investment Company Act of 1940, until the earlier of (i) the consummation of its first Business Combination or (ii) the distribution of the Trust Account as described below. The proceeds in the Trust Account includes \$4,050,000 of the gross proceeds representing deferred underwriting discounts and commissions that will be released to the underwriters on completion of a Business Combination.

Investment securities in the Company's Trust Account consist of (a) United States Federal Home Loan Board

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obligations and (b) a mutual fund that invests in United States Treasury securities. The Company classifies its United States Treasury and equivalent securities as held-to-maturity in accordance with SFAS No. 115, Accounting for Certain Debt and Equity Securities. Held-to-maturity securities are those securities which the Company has the ability and intent to hold until maturity. Held-to-maturity treasury securities are recorded at amortized cost and adjusted for the amortization or accretion of premiums or discounts. The Company's investment in the United States Treasury mutual fund account (approximately nil at March 31, 2009) is recorded at cost and adjusted for income distributions which occur monthly.

The carrying amount, including accrued interest, gross unrealized holding gains, and fair value of held-to-maturity securities at March 31, 2009 were as follows:

|                           | Carrying<br>amount | Gross<br>unrealized<br>holding<br>gains | Fair value     |
|---------------------------|--------------------|---|----------------|
| <b>Held-to-maturity:</b>  |                    |   |                |
| U. S. Treasury securities | \$ 133,612,000     | \$ 143,000                              | \$ 133,755,000 |

At March 31, 2009, approximately \$541,000 of the trust assets, representing interest income which is available to the Company for working capital purposes and taxes payable on income, is reflected as interest receivable from trust account in the accompanying condensed financial statements. During the period from May 15, 2007 (date of inception) to March 31, 2009, the Company transferred approximately \$3,562,000 from the Trust Account including approximately \$1,780,000 for payment of income and franchise taxes and approximately \$1,782,000 for use in working capital.

**NOTE D FAIR VALUE MEASUREMENTS**

In September 2006, the Financial Accounting Standards Board ( FASB ) issued SFAS No. 157, Fair Value Measurement. The objective of SFAS 157 is to increase consistency and comparability in fair value measurements and to expand disclosures about fair value measurements. SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 applies under other accounting pronouncements that require or permit fair value measurements and does not require any new fair value measurements. The provisions of SFAS No. 157 are effective for fair value measurements made in fiscal years beginning after November 15, 2007.

Effective January 1, 2008, the Company implemented SFAS No. 157, *Fair Value Measurement*, or SFAS 157, for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually.

The adoption of SFAS 157 did not have an impact on the Company's financial results for the periods presented in the accompanying financial statements.

The following table presents information about the Company's assets and liabilities that are measured at fair value on a recurring basis as of March 31, 2009, and indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and includes situations where there is little, if any, market activity for the asset or liability.

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| Description                            | Quoted Prices in  |                                |   |  |
|--|-------------------|--------------------------------|---|--|
|  | March 31,<br>2009 | Active<br>Markets<br>(Level 1) | Significant Other<br>Observable Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Assets:                                |                   |                                |   |  |
| Cash equivalents held in Trust Account | \$ Nil            | \$ Nil                         | \$  | \$   |
| <b>Total</b>                           | <b>\$ Nil</b>     | <b>\$ Nil</b>                  | <b>\$</b>   | <b>\$</b>  |

The fair values of the Company's cash equivalents held in the Trust Account are determined through market, observable and corroborated sources (see also, held to maturity securities in Note C).

**NOTE E PUBLIC OFFERING**

On November 13, 2007, the Company consummated the sale of 16,875,000 units ( Units ), including 1,250,000 Units exercised pursuant to an underwriters' overallotment option, at a price of \$8.00 per Unit. Each Unit consists of one share of the Company's common stock, \$0.001 par value, and one redeemable common stock purchase warrant ( Warrants ). Each Warrant entitles the holder to purchase from the Company one share of common stock at an exercise price of \$6.00 commencing on the later of (i) November 6, 2008 or (ii) the completion of a Business Combination with a target business, and will expire November 6, 2011. The Warrants are redeemable at a price of \$0.01 per Warrant upon 30 days prior notice after the Warrants become exercisable, only in the event that the last sale price of the common stock is at least \$11.50 per share for any 20 trading days within a 30 trading day period ending on the third business day prior to the date on which notice of redemption is given. If the Company is unable to deliver registered shares of common stock to the holder upon exercise of warrants during the exercise period, there will be no cash settlement of the warrants.

The Company paid an underwriting discount of 4% (\$5,400,000) of the gross offering proceeds (including the over-allotment option exercise) to the underwriters at the closing of the Offering, with an additional fee of 3% (\$4,050,000) of the gross offering proceeds payable upon the Company's consummation of a Business Combination. The underwriters are not entitled to any interest accrued on the deferred discount.

**NOTE F RELATED PARTY TRANSACTIONS**

During March 2008, the Company issued an aggregate \$245,000 unsecured 4.25% promissory notes to Pecksland Partners, LLC ( Pecksland ), a principal stockholder and affiliate of the Company's officers. On July 16, 2007, the Company issued a \$210,000 unsecured 5% promissory note to Pecksland. All of these notes were repaid, together with accrued interest of approximately \$12,000, in June 2008.

On July 16, 2007, the Company issued 4,492,188 shares of common stock ( Initial Shares ) to the initial stockholders of the Company ( Initial Stockholders ) for proceeds of \$4,492. On December 17, 2007, the Company repurchased 273,438 of such Initial Shares for \$273.44 pursuant to a redemption right related to the unexercised portion of the underwriters' overallotment option (1,093,750 unexercised Units). Such redemption right is now expired. After this redemption, there are 4,218,750 Initial Shares outstanding at December 31, 2007. The Initial Stockholders have agreed that the shares they owned prior to the Offering will not be transferable until one year from the date of the closing of the initial Business Combination and will be held in an escrow account maintained by Continental Stock Transfer & Trust Company.

The holders of a majority of the Initial Shares are entitled to make up to two demands that the Company register the resale of their shares and warrants and shares underlying the warrants. The holders of the majority of these shares may elect to exercise these registration rights at any time after completion of our initial Business Combination, subject to the transfer restrictions imposed by the lock-up agreements. In addition, these stockholders have certain "piggy-back" registration rights on registration statements filed subsequent to the completion of the Business Combination, subject to the transfer restrictions imposed by the lock-up agreements. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

On November 13, 2007, Pecksland, purchased, in a Private Placement, 4,000,000 warrants at \$1.00 per warrant ( the Insider Warrants ). The aggregate proceeds of the Private Placement are being held in the Trust Account described in Note A. The Insider Warrants are identical to the Warrants underlying the Units of the

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Offering except that if they are not subject to redemption, the Insider Warrants may be exercised on a cashless basis, and cannot be sold or transferred until 90 days subsequent to the Company's completion of a Business Combination. If the Company does not complete a Business Combination, then the \$4 million proceeds will be part of the liquidating distribution to the Public Stockholders and the warrants issued under this transaction will expire worthless.

**NOTE G INCOME TAXES**

The Company complies with SFAS No. 109, *Accounting for Income Taxes*, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in future taxable or deductible amounts, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Company also complies with the provisions of the Financial Accounting Standards Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FIN 48). FIN 48 prescribes a recognition threshold and measurement process for recording in the financial statements uncertain tax positions taken or expected to be taken in a tax return. FIN 48 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosures and transitions. The Company adopted FIN 48 on the inception date, May 15, 2007. The Company did not recognize any adjustments for uncertain tax positions during the three months ended March 31, 2009.

The Company recorded a deferred income tax asset of approximately \$959,000 for the tax effect of temporary differences, formation, operating and acquisition diligence costs, aggregating approximately \$2,452,000 at March 31, 2009.

The current and deferred components of taxes are comprised of the following for the three months ended March 31, 2008 and 2009 and for period from May 15, 2007 (date of inception) to March 31, 2009:

|                                      | Three months ended<br>March 31, |             | May 15, 2007<br>(date of inception)<br>to March 31,<br>2009 |
|--------------------------------------|---------------------------------|-------------|---|
|                                      | 2009                            | 2008        |   |
| Current tax provision                |                                 |             |   |
| Federal                              | \$ 144,000                      | \$ 424,000  | \$ 1,398,000  |
| State                                | 34,000                          | 101,000     | 347,000   |
| Total current tax provision          | 178,000                         | \$ 525,000  | \$ 1,745,000  |
| Deferred tax provision (benefit)     |                                 |             |   |
| Federal                              | \$ (68,000)                     | \$ (72,000) | \$ (775,000)  |
| State                                | (16,000)                        | (17,000)    | (184,000)   |
| Total deferred tax benefit           | \$ (84,000)                     | \$ (89,000) | \$ (959,000)  |
| Provision (benefit) for income taxes | \$ 94,000                       | \$ 436,000  | \$ 786,000  |

The Company has not yet begun its trade or business for U. S. tax reporting purposes. Accordingly, it could not yet recognize losses for start-up expenditures. As a result, a deferred tax asset was established for these start-up expenditures. The difference between the federal statutory rate and the effective tax rate relates to state income taxes net of federal benefit and exemptions from federal surtax levels.

**NOTE H REDEEMABLE COMMON STOCK**

The Company's common stock that is redeemable for cash or other assets is classified outside of permanent





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equity because they are redeemable at the option of the holder. As discussed in Note A, the Business Combination will only be consummated if Public Shareholders holding 5,062,500 (30% of the common shares in the Offering) or more common shares do not vote against a Business Combination. As further discussed in Note A, if a Business Combination is not consummated by November 6, 2009, the Company will liquidate. Accordingly, 5,062,499 shares have been classified outside of permanent equity at redemption value. The Company recognizes changes in the redemption value immediately as they occur and adjusts the carrying value of the redeemable common stock to equal its redemption value at the end of each reporting period.

If the Company's initial Business Combination is approved, Public Stockholders voting against the Business Combination will be entitled to convert their shares of common stock into a pro rata share of the aggregate amount then on deposit in the Trust Account, including their pro rata portion of the deferred underwriting discount and any interest income earned on the trust account, net of (1) income taxes payable on the interest income on the trust account and (2) up to \$2,125,000 of interest earned on the Trust Account balance which will be available to the Company, net of income taxes payable, to fund working capital requirements. The per share conversion price was approximately \$7.89 and \$7.88 at both March 31, 2009 and December 31, 2008, respectively.

**NOTE I EFFECT OF RECENT ACCOUNTING PRONOUNCEMENTS**

In April 2009, the Financial Accounting Standards Board ( FASB ) issued three final Staff Positions ( FSP s) intended to provide additional application guidance and enhance disclosures regarding fair value measurements and impairments of securities. FSP FAS 157-4, Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly, provides guidelines for making fair value measurements more consistent with the principles presented in FASB Statement No. 157, Fair Value Measurements. FSP FAS 107-1 and APB 28-1, Interim Disclosures about Fair Value of Financial Instruments, enhances consistency in financial reporting by increasing the frequency of fair value disclosures. FSP FAS 115-2 and FAS 124-2, Recognition and Presentation of Other-Than-Temporary Impairments, provides additional guidance designed to create greater clarity and consistency in accounting for and presenting impairment losses on securities.

FSP FAS 157-4 relates to determining fair values when there is no active market or where the price inputs being used represent distressed sales. It reaffirms what Statement 157 states is the objective of fair value measurement to reflect how much an asset would be sold for in an orderly transaction (as opposed to a distressed or forced transaction) at the date of the financial statements under current market conditions. Specifically, it reaffirms the need to use judgment to ascertain if a formerly active market has become inactive and in determining fair values when markets have become inactive.

FSP FAS 107-1 and APB 28-1 relate to fair value disclosures for any financial instruments that are not currently reflected on the balance sheet of companies at fair value. Prior to issuing this FSP, fair values for these assets and liabilities were only disclosed once a year. The FSP requires these disclosures on a quarterly basis, providing qualitative and quantitative information about fair value estimates for all those financial instruments not measured on the balance sheet at fair value.

FSP FAS 115-2 and FAS 124-2 on other-than-temporary impairments is intended to bring greater consistency to the timing of impairment recognition, and provide greater clarity to investors about the credit and noncredit components of impaired debt securities that are not expected to be sold. The measure of impairment in comprehensive income remains fair value. The FSP also requires increased and more timely disclosures regarding expected cash flows, credit losses, and an aging of securities with unrealized losses.

The FSPs are effective for interim and annual periods ending after June 15, 2009 and are not expected to have a material effect on the financial statements of the Company.

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.

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### **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations** **Special Note Regarding Forward-Looking Statements**

*This Quarterly Report on Form 10-Q (the "Report") includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about us that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as may, should, could, would, expect, plan, anticipate, believe, estimate, continue, or the negative of such terms or other similar expressions. Factors that might cause or contribute to such a discrepancy include, but are not limited to, those described in our other Securities and Exchange Commission filings. The following discussion should be read in conjunction with our unaudited Financial Statements and related Notes thereto included elsewhere in this Report.*

#### **Overview**

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand the Company's financial condition and results of operations. MD&A is provided as a supplement to, and should be read in conjunction with, our financial statements and the accompanying notes thereto.

We were formed on May 15, 2007, for the purpose of effecting a merger, capital stock exchange, asset or stock acquisition or other similar business combination with one or more domestic or international operating businesses. On November 6, 2007, our Registration Statement on Form S-1 relating to our initial public offering of our units was declared effective by the Securities and Exchange Commission ("SEC") and on November 13, 2007, we consummated our initial public offering and a private placement of 4,000,000 warrants to Pecksland Partners, LLC, one of our stockholders and an affiliate of our officers and/or directors. We intend to utilize cash derived from the proceeds of our initial public offering and the private placement we consummated in connection therewith, as well as a possible issuance of our capital stock or debt, or a combination of cash, capital stock and/or debt, in effecting a business combination.

Since our IPO, we have been actively engaged in seeking a suitable business combination candidate.

#### **Results of Operations and Known Trends or Future Events**

Except for the consummation of our initial public offering and our private placement, activities relating to identifying and evaluating prospective acquisition candidates and activities relating to general corporate matters, we have not engaged in any operations and other than investment income earned on the proceeds of our initial public offering and the private placement, we have not generated any revenues to date. For the period from May 15, 2007 (the date of our inception) to March 31, 2009, our only activities have been organizational and general corporate activities and those necessary to prepare for our offering, and following our public offering, certain activities related to identifying and evaluating prospective acquisition candidates. Those activities have included multiple proposed business combination transactions, some of which we continue to pursue and others which we are no longer pursuing. We will not generate any operating income until the completion of a business combination (as defined in our prospectus), should it occur. We have generated non-operating income in the form of interest income on the cash held in our trust account. We believe that the funds available to us outside of the trust account, together with the balance of the interest income (net of taxes) on the trust account releasable to us to fund our working capital requirements, will be sufficient to allow us to operate until November 6, 2009, assuming that a business combination is not consummated during that time and assuming the continued deferral of payment for a portion of certain acquisition diligence fees that are owed as discussed in Liquidity and Capital Resources below. However, if the funds available to us are not sufficient to fund our working capital needs throughout this period, we will seek to secure additional capital to pay for, or defer payment, of all or a significant portion of any expenses we incur through November 6, 2009.

For the three months ended March 31, 2009, we had net income of approximately \$147,000, which consisted of net interest income of approximately \$450,000 reduced by approximately \$209,000 of formation, operating and diligence costs and approximately \$94,000 of income taxes provided. Net income was affected by the substantially lower interest rates currently available on U.S. Treasury Bills compared to rates available when we began investing late in 2007 and at the beginning of 2008. For the three months ended March 31, 2008, we had a net income of approximately \$668,000, which consisted of net interest income of approximately \$1,379,000 reduced by approximately \$275,000 of formation and operating costs and approximately \$436,000 of income taxes provided. For the period from May 15, 2007 (the date of our inception) to March 31, 2009, we had net income of approximately \$1,204,000, which consisted of net interest income of approximately \$4,442,000 reduced by approximately \$1,385,000 of acquisition diligence costs, approximately \$1,067,000 of formation and operating costs and approximately \$786,000 of income taxes. Net income is reduced by interest income earned in the Trust account that is applicable to common stock subject to redemption (net of tax) in arriving at net income applicable to common shareholders. Net income was reduced by approximately

\$53,000, \$-0-

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and \$104,000 in the three months ended March 31, 2009 and 2008 and for the period from May 15, 2007 to March 31, 2009, respectively, in arriving at net income applicable to common shareholders of approximately \$94,000, \$668,000 and \$1,100,000, respectively.

**Going Concern Consideration:** In the event that the Company does not consummate a Business Combination by November 6, 2009, its corporate existence will cease except for the purposes of winding up its affairs and it will liquidate. The Company is still actively pursuing a Business Combination with potential targets. However, there is no guarantee that such efforts will result in the consummation of a Business Combination by November 6, 2009. In the event that the Company does not consummate a Business Combination by November 6, 2009, its corporate existence will cease except for purposes of winding up its affairs and it will liquidate.

## **Liquidity and Capital Resources**

The net proceeds from our initial public offering and the private placement, after deducting offering expenses of approximately \$6,150,000, including underwriting discount (other than the deferred underwriting discount of \$4,050,000), were \$132,850,000. Of this amount, \$132,725,000 (including the \$4,000,000 proceeds of the private placement) was placed in the trust account and the remaining \$125,000 was made available to us to fund our operating expenses. Under the Trust Agreement, up to \$2,125,000 of the interest earned on the trust account (net of taxes) may be used by us to cover a portion of our operating expenses. Through March 31, 2009, approximately \$1,782,000 of such interest was distributed to us for working capital and another approximately \$1,780,000 was distributed to pay franchise taxes and taxes on the Trust interest income. Therefore, we are entitled to draw an additional approximately \$343,000 from the Trust Account when it is available, for working capital. Approximately \$541,000 is reflected as interest earned that is available to us on our condensed balance sheet at March 31, 2009., including approximately \$198,000 necessary to make current payments for income and franchise taxes. During 2008 we incurred approximately \$1,381,000 in costs related to a potential acquisition, approximately \$1,020,000 of which was payable to two professional services firms and approximately \$395,000 of which remains unpaid at March 31, 2009 due to an understanding with such firms regarding the deferral of payment of a portion of the outstanding balance in order to preserve our currently available cash.

Prior to the consummation of our initial public offering, our only source of liquidity was an advance made to us on July 16, 2007, by Pecksland Partners, LLC, one of our stockholders and an affiliate of our officers, in the amount of \$210,000, which was used to pay a portion of the expenses of our initial public offering. In addition, during March 2008, Pecksland Partners, LLC, made an advance to us in an amount equal to \$245,000 to provide us with liquidity to cover certain tax expenses. On June 6, 2008, the outstanding principal amount of \$455,000 due Pecksland Partners, LLC as well as \$11,567.93 of interest was paid in full.

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### **Off-Balance Sheet Arrangements**

Other than contractual obligations incurred in the normal course of business, we do not have any off-balance sheet financing arrangements or liabilities, guarantee contracts, retained or contingent interests in transferred assets or any obligation arising out of a material variable interest in an unconsolidated entity. We do not have any majority-owned subsidiaries.

### **Critical Accounting Policies and Accounting Estimates**

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the periods reported. Actual results could materially differ from those estimates. We have determined that we currently are not subject to any critical accounting policies.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Market risk is the sensitivity of income to changes in interest rates, foreign exchanges, commodity prices, equity prices, and other market driven rates or prices. We are not presently engaged in any substantive commercial business. Accordingly, the risks associated with foreign exchange rates, commodity prices, and equity prices are not significant. The net proceeds of our initial public offering held in the trust fund and not immediately required for the purposes set forth above have been invested only in United States government securities within the meaning of Section 2(a)(16) of the Investment Company Act of 1940 having a maturity of one hundred and eighty days or less. Given our limited risk in our exposure to U.S. Treasury Bills, we do not view the interest rate risk to be significant. We do not enter into derivatives or other financial instruments for trading or speculative purposes.

### **Item 4. Controls And Procedures**

#### **Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Based on their evaluation as of the end of the period covered by this Report, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures are effective in timely alerting them to material information relative to our company required to be disclosed in our periodic filings with the SEC.

#### **Changes in Internal Control Over Financial Reporting**

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2009, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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**PART II OTHER INFORMATION**

**Item 1A. Risk Factors**

There have been no material changes to the risk factors disclosed in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2008. The risks described in our Annual Report on Form 10-K for the period ended December 31, 2008 are not the only risks facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

**Item 6. Exhibits**

| <b>Exhibit #</b> | <b>Description</b>   |
|------------------|--|
| 31.1             | Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer of the Company.*                                   |
| 31.2             | Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer of the Company.*                                   |
| 32.1             | Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* |
| 32.2             | Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* |

\* Filed herewith

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**SIGNATURES**

Pursuant to the requirements of the Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**GOLDEN POND HEALTHCARE, INC.**

Date: May 11, 2009

/s/ Stephen F. Wiggins  
Stephen F. Wiggins, Chairman of the Board and President

Date: May 11, 2009

/s/ Michael C. Litt  
Michael C. Litt, Chief Financial Officer and Secretary