

FOOTSTAR INC
Form 10-Q
August 17, 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 July 3, 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: 1-11681

FOOTSTAR, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

22-3439443
(I.R.S. Employer Identification No.)

933 MacArthur Blvd., Mahwah, New Jersey
(Address of principal executive offices)

07430
(Zip Code)

(201) 934-2000
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company)

Smaller reporting company ☒

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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. (The registrant did not distribute new securities under the plan confirmed by the court; there was no change to the holders of securities as a result of the registrant's reorganization.) Yes ☒ No ☐

Number of shares outstanding of common stock, par value \$.01 per share, as of August 2, 2010: 24,183,897

FOOTSTAR, INC.
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PART 1. FINANCIAL INFORMATION

ITEM 1. Financial Statements.

FOOTSTAR, INC. and SUBSIDIARY COMPANIES

Consolidated Condensed Statements of Operations

For the period April 5, 2009 through May 5, 2009 and

the period January 4, 2009 to May 5, 2009 (Going Concern Basis)
(in millions, except per share amounts)

	For the period April 5, 2009 to May 5, 2009 (unaudited)	For the period January 4, 2009 to May 5, 2009 *
Revenue		
Net Sales	\$ -	\$ -
Liquidation of inventory	-	2.5
Total revenue	-	2.5
Cost of revenue	-	-
Gross Profit	-	2.5
Store operating, selling, general and administrative expenses	1.7	6.5
Other Expense	(0.2)	(0.3)
Loss before income taxes and discontinued operations	(1.5)	(3.7)
Income tax provision	-	-
Net Loss	\$ (1.5)	\$ (3.7)
Net income (loss) per share:		
Basic & Diluted :		
Loss from continuing operations	\$ (0.07)	\$ (0.17)
Average common shares outstanding		
Basic & diluted:	21.4	21.3

* Derived from audited financial information

See accompanying notes to unaudited consolidated condensed financial statements.

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FOOTSTAR, INC. and SUBSIDIARY COMPANIES

Consolidated Condensed Statements of Net Assets

July 3, 2010 and January 2, 2010 (Liquidation Basis)
(\$ in millions)

	July 3, 2010 (Unaudited)	January 2, 2010 *
Current assets:		
Cash and cash equivalents	\$9.1	\$9.8
Prepaid expenses	2.9	5.1
Real Estate	6.2	6.2
Total current assets	18.2	21.1
Other assets	-	0.2
Total assets	18.2	21.3
Current liabilities:		
Accounts Payable and Accrued Expenses	3.1	5.3
Total current liabilities	3.1	5.3
Other long term liabilities	3.8	6.0
Total liabilities	6.9	11.3
Net Assets in Liquidation	\$11.3	\$10.0

* Derived from audited financial information

See accompanying notes to unaudited consolidated condensed financial statements.

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FOOTSTAR, INC. and SUBSIDIARY COMPANIES

Consolidated Condensed Statement of Changes in Net Assets in Liquidation

For the Six Months Ended July 3, 2010

(Liquidation Basis – Unaudited)

(\$ in millions)

	Six Months Ended July 3, 2010
Net Assets in liquidation January 2, 2010	\$ 10.0
Other cash proceeds received	0.1
Changes in liquidation accruals	0.2
Stock issued in lieu of compensation	0.6
Cash distribution to shareholders	(2.2)
Net Assets in Liquidation – April 3, 2010	8.7
Other cash proceeds received	1.1
Changes in liquidation accruals	1.5
Net Assets in Liquidation – July 3, 2010	\$ 11.3

See accompanying notes to unaudited consolidated condensed financial statements.

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FOOTSTAR, INC. and SUBSIDIARY COMPANIES

Consolidated Condensed Statement of Cash Flows

For the Period January 4, 2009 through May 5, 2009 (Going Concern Basis)
(\$ in millions)

	For the period January 4, 2009 to May 5, 2009 *
Net cash provided by operating activities	\$ 43.9
Cash flows used in financing activities	
Special cash distribution paid	(21.6)
Payments on Mortgage Note	(0.7)
Net cash use in financing activities	(22.3)
Net increase in cash and ca	