

Endeavor Acquisition Corp.
Form 10-Q
May 10, 2007
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended March 31, 2007

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

Commission File Number 001-32697

Endeavor Acquisition Corp.

(Exact Name of Issuer as Specified in Its Charter)

Delaware
(State or other Jurisdiction of

Incorporation or Organization)

7 Times Square, 17th Floor, New York, New York 10036

(Address of Principal Executive Office)

(212) 683-5350

(Issuer's Telephone Number, Including Area Code)

20-3200601
(I.R.S. Employer

Identification No.)

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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 large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act (Check one).

Large accelerated filer Accelerated filer Non-accelerated filer

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 May 9, 2007, 19,910,745 shares of common stock, par value \$.0001 per share, were issued and outstanding.

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Endeavor Acquisition Corp.

(a development stage enterprise)

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Table of Contents**Part I: Financial Information****Item 1 Financial Statements**

Endeavor Acquisition Corp.		
(a development stage enterprise)		
Condensed Balance Sheets		
	March 31,	December 31,
	2007	2006
	(unaudited)	
Assets		
Current assets:		
Cash	\$ 188,558	\$ 166,527
Cash held in Trust Fund	126,145,536	125,113,007
Prepaid expenses and other current assets	94,456	116,738
Total current assets	126,428,550	125,396,272
Deferred acquisition costs	222,443	145,808
Equipment, net of accumulated depreciation \$1,011 and \$631, respectively	3,534	3,914
Total assets	\$ 126,654,527	\$ 125,545,994
Liabilities and Stockholders Equity		
Current liabilities:		
Accrued expenses	\$ 455,157	\$ 260,076
Notes payable related party	150,000	
Total current liabilities	605,157	260,076
Common Stock , subject to possible conversion, 3,232,032 shares at conversion value	25,228,194	25,021,696
Commitment and Contingencies		
Stockholders Equity		
Preferred stock, \$.0001 par value, authorized 1,000,000 shares; none issued		
Common stock, \$.0001 par value, authorized 75,000,000 shares, issued and outstanding 19,910,745 shares (less 3,232,032 subject to possible conversion)	1,668	1,668
Additional paid-in capital	97,131,605	97,338,103
Earnings accumulated during development stage	3,687,903	2,924,451
Total stockholders equity	100,821,176	100,264,222
Total liabilities and stockholders equity	\$ 126,654,527	\$ 125,545,994

The accompanying notes are an integral part of these condensed financial statements (unaudited).

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	Endeavor Acquisition Corp.		
	(a development stage enterprise)		
	Condensed Statements of Operations		
	(unaudited)		
	For the Three Months Ended March 31, 2007 and 2006,		
	And the Period July 22, 2005 (inception) to March 31, 2007		
	For the three	For the three	For the period
	months ended	months ended	July 22, 2005
	March 31, 2007	March 31, 2006	(inception) to
	\$	\$	March 31, 2007
Revenue	\$	\$	\$
General, selling and administrative expenses	270,743	222,427	1,438,504
Operating loss	(270,743)	(222,427)	(1,438,504)
Dividend and interest income	1,034,195	854,959	5,126,407
Income before provision for income tax	763,452	632,532	3,687,903
Provision for income tax		118,951	
Net income	763,452	513,581	3,687,903
Accretion of Trust Fund relating to Common Stock subject to possible conversion	(206,498)	(170,906)	(1,023,838)
Net income attributable to common stockholders	\$ 556,954	\$ 342,675	\$ 2,664,065
Weighted average shares outstanding	16,678,713	16,647,408	
Basic and diluted income per share	\$.03	\$.02	

The accompanying notes are an integral part of these condensed financial statements (unaudited).

Table of Contents**Endeavor Acquisition Corp.****(a development stage enterprise)****Condensed Statement of Stockholders' Equity****(unaudited)****For the Period July 22, 2005 (inception) to March 31, 2007**

	Common Stock		Additional paid-in capital	Earnings Accumulated during development stage	Total stockholders equity
	Shares	Amount			
Balance, July 22, 2005 (inception)		\$	\$	\$	\$
Issuance of stock to initial stockholders	3,750,000	375	24,625		25,000
Sale of 15,000,000 units, net of underwriters' discount and offering expenses of \$6,503,766 (includes 2,999,999 shares subject to possible conversion)	15,000,000	1,500	113,494,734		113,496,234
Proceeds subject to possible conversion of 2,999,999 shares		(300)	(22,436,993)		(22,437,293)
Proceeds from issuance of option			100		100
Accretion of Trust Fund relating to Common Stock subject to possible conversion			(23,628)		(23,628)
Net income from July 22, 2005 (inception) to December 31, 2005				54,315	54,315
Balance, December 31, 2005	18,750,000	1,575	91,058,838	54,315	91,114,728
Sale of 1,160,745 units, net of underwriters' discount and offering expenses of \$445,726 (includes 232,033 shares subject to possible conversion)	1,160,745	116	8,840,117		8,840,233
Proceeds subject to possible conversion of 232,033 shares		(23)	(1,767,140)		(1,767,163)
Accretion of Trust Fund relating to Common Stock subject to possible conversion			(793,712)		(793,712)
Net income for the year ended December 31, 2006				2,870,136	2,870,136
Balance, December 31, 2006	19,910,745	1,668	97,338,103	2,924,451	100,264,222
Accretion of Trust Fund relating to Common Stock subject to possible conversion			(206,498)		(206,498)
Net income for the three months ended March 31, 2007				763,452	763,452
Balance, March 31, 2007	19,910,745	\$ 1,668	\$ 97,131,605	\$ 3,687,903	\$ 100,821,176

The accompanying notes are an integral part of these condensed financial statements (unaudited).

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Endeavor Acquisition Corp.
(a development stage enterprise)
Condensed Statements of Cash Flows
(unaudited)

For the Three Months Ended March 31, 2007 and 2006 and
For the Period July 22, 2005 (inception) to March 31, 2007

	For the three months ended March 31, 2007	For the three months ended March 31, 2006	For the period July 22, 2005 (inception) to March 31, 2007
Cash Flows from Operating Activities			
Net income	\$ 763,452	\$ 513,581	\$ 3,687,903
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	380		1,011
Changes in operating assets and liabilities:			
Decrease (increase) in prepaid expenses and other current assets	22,282	44,500	(94,456)
Increase in accrued expenses	195,081	178,967	455,157
Net cash provided by operating activities	981,195	737,048	4,049,615
Cash Flows from Investing Activities			
Cash held in Trust Fund	(1,032,529)	(9,695,192)	(126,145,536)
Purchase of equipment			(4,545)
Net cash used in investing activities	(1,032,529)	(9,695,192)	(126,150,081)
Cash Flows from Financing Activities			
Payment of deferred acquisition costs	(76,635)		(222,443)
Proceeds from sale of stock to initial stockholders			25,000
Gross proceeds from initial public offering			120,000,000
Gross proceeds from over-allotment option		9,285,860	9,285,860
Proceeds from issuance of option			100
Payment of offering costs		(445,726)	(6,949,493)
Proceeds from issuance of notes payable related party	150,000		150,000
Net cash provided by financing activities	73,365	8,840,134	122,289,024
Net increase (decrease) in cash	22,031	(118,010)	188,558
Cash at beginning of the period	166,527	1,144,634	
Cash at end of the period	\$ 188,558	\$ 1,026,624	\$ 188,558

The accompanying notes are an integral part of these condensed financial statements (unaudited).

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ENDEAVOR ACQUISITION CORP.

(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2007 AND 2006 AND

THE PERIOD JULY 22, 2005 (INCEPTION) TO MARCH 31, 2007

1. Interim Financial Information

Endeavor Acquisition Corp. s (the Company) unaudited condensed interim financial statements as of March 31, 2007 and for the period July 22, 2005 (inception) to March 31, 2007 and for the quarter ended March 31, 2007 and 2006, have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information and with the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In addition, the December 31, 2006 balance sheet data was derived from the audited financial statements, but does not include all disclosures required by GAAP. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the interim period presented are not necessarily indicative of the results to be expected for any other interim period or for the full year.

These unaudited condensed interim financial statements should be read in conjunction with the audited financial statements and notes thereto for the fiscal year ended December 31, 2006 included in the Company s Form 10-K for the fiscal year ended December 31, 2006, filed on March 16, 2007. The accounting policies used in preparing these unaudited condensed financial statements are consistent with those described in the December 31, 2006 audited financial statements except for the adoption of FIN 48 which is discussed in Note 9.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

2. Organization and Business Operations

The Company was incorporated in Delaware on July 22, 2005 as a blank check company, whose objective is to acquire an operating business.

All activity from July 22, 2005 through December 21, 2005 related to the Company s formation and initial public offering as described below. Since December 22, 2005, the Company has been searching for a target business to acquire. The Company has selected December 31 as its fiscal year end.

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 with an operating business (Business Combination). Furthermore, there is no

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assurance that the Company will be able to successfully effect a Business Combination. An amount of \$121,030,234 of the net proceeds from the initial public offering and the exercise of the underwriters' overallotment option was deposited and is being held 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. As of March 31, 2007, the balance in the Trust Account was \$126,145,536, which includes \$5,115,302 of cumulative interest and dividends earned since inception of the Trust Account. 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, having 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. The remaining net proceeds (not held in the Trust Account) may be used to pay for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses.