

HMG COURTLAND PROPERTIES INC
Form 10-Q
November 10, 2009
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 September 30, 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 1-7865

HMG/COURTLAND PROPERTIES, INC.
(Exact name of small business issuer as specified in its charter)

Delaware 59-1914299
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

1870 S. Bayshore Drive, Coconut Grove, Florida 33133
(Address of principal executive offices) (Zip Code)
305-854-6803
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if
changed since last report)

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Sections 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[X] 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

APPLICABLE ONLY TO CORPORATE ISSUERS:

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 1,021,383 Common shares were outstanding as of October 31, 2009.

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)

HMG/COURTLAND PROPERTIES, INC.

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Cautionary Statement. This Form 10-Q contains certain statements relating to future results of the Company that are considered "forward-looking statements" within the meaning of the Private Litigation Reform Act of 1995. Actual results may differ materially from those expressed or implied as a result of certain risks and uncertainties, including, but not limited to, changes in political and economic conditions; interest rate fluctuation; competitive pricing pressures within the Company's market; equity and fixed income market fluctuation; technological change; changes in law; changes in fiscal, monetary, regulatory and tax policies; monetary fluctuations as well as other risks and uncertainties detailed elsewhere in this Form 10-Q or from time-to-time in the filings of the Company with the Securities and Exchange Commission. Such forward-looking statements speak only as of the date on which such statements are made, and the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated

events.

HMG/COURTLAND PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS	September 30, 2009	December 31, 2008
ASSETS	(UNAUDITED)	
Investment properties, net of accumulated depreciation:		
Commercial properties	\$ 7,654,146	\$7,961,765
Hotel, club and spa facility	3,971,692	4,338,826
Marina properties	2,387,836	2,566,063
Land held for development	27,689	27,689
Total investment properties, net	14,041,363	14,894,343
Cash and cash equivalents	2,286,863	3,369,577
Cash and cash equivalents-restricted	2,398,432	2,390,430
Investments in marketable securities	4,540,111	3,295,391
Other investments	3,584,678	3,733,101
Investment in affiliate	2,996,285	2,947,758
Loans, notes and other receivables	874,151	621,630
Notes and advances due from related parties	578,569	587,683
Deferred taxes	325,000	366,000
Goodwill	7,728,627	7,728,627
Other assets	868,348	888,535
TOTAL ASSETS	\$ 40,222,427	\$40,823,075
LIABILITIES AND STOCKHOLDERS' EQUITY		
Mortgages and notes payable	\$ 18,758,444	\$19,297,560
Accounts payable and accrued expenses	1,575,116	1,577,115
Interest rate swap contract payable	1,453,000	2,156,000
Total Liabilities	21,786,560	23,030,675
Preferred stock, \$1 par value; 2,000,000 shares authorized; none issued	-	-
Excess common stock, \$1 par value; 500,000 shares authorized; none issued	-	-
Common stock, \$1 par value; 1,500,000 shares authorized; 1,317,535 shares issued as of September 30, 2009 and December 31, 2008	1,317,535	1,317,535
Additional paid-in capital	26,585,595	26,585,595
Less: Treasury stock, at cost (296,152 and 294,952 shares as of September 30, 2009 and December 31, 2008, respectively)	(2,574,715)	(2,570,635)
Undistributed gains from sales of properties, net of losses	41,572,120	41,572,120
Undistributed losses from operations	(52,033,629)	(52,023,776)
Accumulated other comprehensive loss	(726,500)	(1,078,000)
Total stockholders' equity	14,140,406	13,802,839
Non controlling interests	4,295,461	3,989,561
Total Equity	18,435,867	17,792,400
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 40,222,427	\$40,823,075

See notes to the condensed consolidated financial statements

(1)

CONDENSED CONSOLIDATED STATEMENTS
OF COMPREHENSIVE INCOME (UNAUDITED)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2009	2008	2009	2008
REVENUES				
Real estate rentals and related revenue	\$449,477	\$436,401	\$1,341,221	\$1,242,281
Food & beverage sales	1,238,438	1,350,509	4,862,365	5,206,324
Marina revenues	403,794	447,032	1,253,988	1,327,045
Spa revenues	153,934	227,991	394,117	652,063
Total revenues	2,245,643	2,461,933	7,851,691	8,427,713
EXPENSES				
Operating expenses:				
Rental and other properties	275,061	209,237	659,222	478,813
Food and beverage cost of sales	329,156	370,329	1,236,349	1,390,691
Food and beverage labor and related costs	351,184	377,900	1,141,722	1,184,991
Food and beverage other operating costs	477,759	524,415	1,630,949	1,654,115
Marina expenses	245,257	243,845	738,240	733,529
Spa expenses	148,514	236,928	425,831	604,891
Depreciation and amortization	338,671	345,779	1,020,855	1,019,927
Adviser's base fee	255,000	255,000	765,000	765,000
General and administrative	79,336	85,760	211,376	246,987
Professional fees and expenses	95,912	102,331	215,296	231,476
Directors' fees and expenses	34,782	30,959	84,037	83,988
Total operating expenses	2,630,632	2,782,483	8,128,877	8,394,408
Interest expense	278,407	329,299	840,364	1,018,403
Total expenses	2,909,039	3,111,782	8,969,241	9,412,811
Loss before other income and income taxes	(663,396)	(649,849)	(1,117,550)	(985,098)
Net realized and unrealized gain (losses) from investments in marketable securities	539,792	(689,073)	959,092	(903,723)
Net (loss) income from other investments	(248,638)	6,969	(200,496)	165,000
Interest, dividend and other income	147,024	72,639	327,563	409,231
Total other income (loss)	438,178	(609,465)	1,086,159	(329,492)
(Loss) income before income taxes	(225,218)	(1,259,314)	(31,391)	(1,314,590)
(Benefit from) provision for income taxes	(77,000)	(322,000)	41,000	(280,000)
Net loss	(148,218)	(937,314)	(72,391)	(1,034,590)
Less: Net (loss) income attributable to non controlling interests	(144,342)	174,946	62,538	4,904
Net loss attributable to the Company	(3,876)	(762,368)	(9,853)	(1,029,686)
Other comprehensive income (loss):				
Unrealized (loss) gain on interest rate swap agreement	\$(85,000)			