

ARGYLE SECURITY, INC.  
Form 10-Q/A  
January 24, 2008

---

---

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

**FORM 10-Q/A  
(Amendment No. 1)**

- Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the quarterly period ended September 30, 2007.**

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: 000-51639**

**Argyle Security, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or Other Jurisdiction of  
Incorporation or Organization)

**20-3101079**

(I.R.S. Employer  
Identification No.)

**200 Concord Plaza Suite 700 San Antonio, TX 78216**

(Address of Principal Executive Offices including Zip Code)

**(210) 828-1700**

(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 Exchange Act 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 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. (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

There were 5,879,342 shares of the Registrant's common stock issued and outstanding as of January 21, 2008.

---

---

**Argyle Security, Inc. Index to Form 10-Q/A**

<b>Part I.</b>	<b>Financial Information</b>	<b>1</b>
	Item 1. Consolidated Financial Statements (unaudited)	1
	Consolidated Balance Sheets	1
	Consolidated Statements of Operations	3
	Consolidated Statement of Stockholders' Equity	5
	Consolidated Statement of Cash Flows	6
	Notes to Consolidated Financial Statements	8
	Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	28
	Item 3. Quantitative and Qualitative Disclosures About Market Risk	48
	Item 4. Controls and Procedures	48
	Item 4T. Controls and Procedures	48
<b>Part II.</b>	<b>Other Information</b>	<b>49</b>
	Item 1. Legal Proceedings	49
	Item 1A. Risk Factors	49
	Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	49
	Item 3. Defaults Upon Senior Securities	49
	Item 4. Submission of Matters to a Vote of Security Holders	50
	Item 5. Other Information	50
	Item 6. Exhibits	51
	<b>SIGNATURES</b>	<b>52</b>

### EXPLANATORY NOTE

Argyle Security, Inc. is filing this Amendment Number 1 to its Quarterly Report on Form 10-Q for the period ended September 30, 2007, which was originally filed with the SEC on November 19, 2007, to remove certain disclosure that was inadvertently not removed prior to filing with the SEC and to correct certain typographical errors. These changes include:

1. Note 18 to the financial statements has been revised to remove paragraphs referencing pro-forma data that were intended to be deleted from the quarterly report prior to filing and to count the amount of total operating income for the three months ended September 30, 2007.
2. Note 19 to the financial statements has been revised.
3. On the consolidated statements of cash flows, under cash flows from financing activities, a line has been added entitled "cash flows from sale of stock". The amounts in this line-item (which totaled \$118 in 2007) was accounted for in the financial results but inadvertently omitted from the filing. Other than the addition of this line-item, no other numbers in our financial statements have been changed.
4. In Item 2, under "pro-forma financial information", in the second to last sentence of the first paragraph, the phrase "to exclude the amortization of intangible assets and goodwill" has been revised to read "to exclude the amortization of intangible assets."
5. The section entitled "Pro Forma Financial Information" on page 31 has been changed to "Pro Forma and Adjusted Pro Forma Financial Information". In addition, management has included a discussion regarding the use of these adjusted measurements and why they are relevant to our stockholders.
6. The Sections entitled "Results of operations for the nine-month periods ended September 30, 2007 and 2006" and "Results of operations for the three month periods ended September 30, 2007 and 2006 beginning on pages 34 and 38, respectively, have been modified in the following manner:
  - a. the use of the term "adjusted " was eliminated from the sections entitled "Revenues", "Other Income/Expense" and "Earnings before Interest, Taxes, Depreciation and Amortization."
  - b. the Sections previously entitled "Interest, net and Other Income" and "Adjusted Pro-Forma Interest and Other Income" were consolidated into a new section entitled "Other Income/Expense."
  - c. the explanation of the increase in adjusted gross margin was revised.
  - d. the table entitled "Adjusted Pro-Forma Operating Expenses was revised to eliminate the first two rows.
7. The table entitled "Contractual Obligations as of September 30, 2007" was revised by increasing the amount of operating lease obligations for the last year, the total amount of operating lease obligations and the total of the total column.

Except for the foregoing and some minor typographical errors (including the addition of punctuation and the correction of page numbering), the document has not been revised and is being re-filed in its entirety for the purposes of clarity.

**PART I - FINANCIAL INFORMATION****ITEM 1 - CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)****Argyle Security, Inc.  
Consolidated Balance Sheets**

	September 30, 2007 (unaudited)	December 31, 2006	Predecessor (ISI) December 31, 2006
<b>Assets</b>			
Cash and cash equivalents	\$ 4,281,925	\$ 694,115	\$ 359,042
Cash and cash equivalents, held in trust	—	29,453,449	—
Receivables:			
Contract receivables - net of allowance for doubtful accounts of \$1,109,701 at September 30, 2007 and \$411,988 at December 31, 2006.	13,185,067	—	13,430,624
Contract receivables - related party	11,469,117	—	6,262,411
Other receivables - related party	81,577	—	—
Costs and estimated earnings in excess of billings on incomplete contracts	6,771,703	—	3,870,959
Customer backlog	3,798,874	—	—
Refundable income taxes	464,568	—	517,335
Other current assets	169,974	—	128,870
Inventory	182,054	—	229,040
Prepays	311,536	7,333	315,012
Deferred income taxes	254,803	27,932	—
<b>Total current assets</b>	<b>40,971,198</b>	<b>30,182,829</b>	<b>25,113,293</b>
Property and equipment, net	4,848,099	4,901	3,969,648
Other assets:			
Goodwill	19,762,685	—	1,365,038
Customer relationships	11,419,628	—	—
Trade name	3,776,000	—	—
Software	283,334	—	—
Loan origination fees - less accumulated amortization	—	—	971,898
Deferred transaction costs	—	493,583	—
Deposits and other assets	355,600	—	197,088
<b>Total other assets</b>	<b>35,597,247</b>	<b>493,583</b>	<b>2,534,024</b>
<b>Total assets</b>	<b>\$ 81,416,544</b>	<b>\$ 30,681,313</b>	<b>\$ 31,616,965</b>

**Liabilities and Stockholders' Equity**

## Current liabilities:

Accounts payable and accrued liabilities	\$ 11,981,353	\$ 624,129	\$ 10,736,153
Billings in excess of costs and estimated earnings on incomplete contracts	8,501,456	—	6,004,689
Deferred underwriting costs	—	1,162,183	—
Current portion of capitalized lease obligations	96,960	—	103,134
Current portion of long-term debt	79,497	—	405,908
Deferred federal income taxes	804,232	—	—
Accrued income taxes payable	—	118,855	—
Accounts payable - related party	39,346	—	1,806,187
Total current liabilities	21,502,844	1,905,167	19,056,071

## Long-Term Liabilities:

Line of credit	7,538,850	—	4,957,850
Deferred federal income taxes	6,158,608	—	247,617
Long-term debt - less current portion	6,105,981	—	13,611,168
Long-term debt - related party	1,925,001	—	—
Long-term capitalized lease obligations - less current portion	1,940,788	—	1,972,352
Total long-term liabilities	23,669,228	—	20,788,987
Total liabilities	45,172,072	1,905,167	39,845,058
Common stock, subject to possible redemption - 764,627 shares at \$7.50 per share	—	5,738,206	—
Warrants, subject to redemption shares	—	—	5,018,777
Deferred interest attributable to redemptive shares (net of taxes)	—	175,747	—

## Stockholders' Equity

Preferred stock of Argyle Security, Inc. - \$.0001 par value; 1,000,000 shares authorized; 0 shares issued and outstanding	—	—	—
Common stock of Argyle Security, Inc. - \$.0001 par value; 89,000,000 shares authorized; 5,749,342 shares issued and outstanding at September 30, 2007 and 4,781,307 at December 31, 2006	575	478	—
Additional paid in capital	35,891,774	22,696,946	—
Stockholders' deficit	—	—	(13,246,870)
Accumulated earnings	352,123	164,769	—
Total stockholders' equity	36,244,472	22,862,193	(13,246,870)
Total liabilities and stockholders' equity	\$ 81,416,544	\$ 30,681,313	\$ 31,616,965

See notes to unaudited financial statements

**Argyle Security, Inc.**  
**Consolidated Statements of Operations**  
**(unaudited)**

	Three Months Ended September 30,		Predecessor (ISI) Three Months Ended September 30,
	2007	2006	2006
<b>Net revenues:</b>			
Contract revenues	\$ 10,669,686	\$ —	\$ 5,874,343
Contract revenues - related party	4,558,533	—	7,689,881
Service and other revenues	1,864,254	—	1,890,081
	17,092,473	—	15,454,305
<b>Cost of revenues:</b>			
Contract costs	11,585,962	—	10,807,659
Service and other costs, including amortization of intangibles	1,839,911	—	1,341,558
Cost of revenues	13,425,873	—	12,149,217
Gross profit	3,666,600	—	3,305,088
<b>Operating expenses:</b>			
Selling, general and administrative expenses	3,399,015	229,829	2,277,275
Amortization of intangible assets	222,038	—	—
Total operating expenses	3,621,053	229,829	2,277,275
Operating income / (loss)	45,547	(229,829)	1,027,813
<b>Other income / (expense):</b>			
Bank interest income	46,703	5,173	124
Interest on cash and cash equivalents	127,882	382,549	—
Interest expense	(327,021)	(18,362)	(956,860)
Total other income / (expense)	(152,436)	369,360	(956,736)
Income / (loss) before provision for income taxes	(106,889)	139,531	71,077
Provision for income taxes	9,230	37,484	767
Net income / (loss)	(116,119)	102,047	70,310
Deferred interest, net of taxes, attributable to common stock subject to possible redemption	—	(38,987)	—
Net income / (loss) allocable to holders of non-redeemable common stock	\$ (116,119)	\$ 63,060	\$ 70,310
<b>Weighted-average number of shares outstanding:</b>			
Basic	5,423,156	4,781,307	—
Diluted	5,423,156	4,781,307	—
<b>Net income / (loss) per share:</b>			
Basic	\$ (0.02)	\$ 0.02	\$ —
Diluted	\$ (0.02)	\$ 0.02	\$ —

Weighted-average number of shares outstanding exclusive of shares subject to possible redemption:			
Basic	5,165,510	4,016,680	—
Diluted	5,165,510	4,016,680	—

Net income / (loss) per share exclusive of shares and related deferred interest subject to possible redemption:			
Basic	\$ (0.02)	\$ 0.02	\$ —
Diluted	\$ (0.02)	\$ 0.02	\$ —

See notes to unaudited financial statements



**Argyle Security, Inc.**  
**Consolidated Statements of Operations**  
**(unaudited)**

	Nine Months Ended September 30,		Predecessor (ISI) Nine Months Ended September 30,
	2007	2006	2006
<b>Net revenues:</b>			
Contract revenues	\$ 10,669,686	\$ —	\$ 18,867,183
Contract revenues - related party	4,558,533	—	17,447,945
Service and other revenues	1,864,254	—	4,918,677
	17,092,473	—	41,233,805
<b>Cost of revenues:</b>			
Contract costs	11,585,962	—	29,018,321
Service and other costs, including amortization of intangibles	1,839,911	—	3,554,670
Cost of revenues	13,425,873	—	32,572,991
Gross profit	3,666,600	—	8,660,814
<b>Operating expenses:</b>			
Selling, general and administrative expenses	3,919,335	809,278	6,249,385
Amortization of intangible assets	222,038	—	—
Total operating expenses	4,141,373	809,278	6,249,385
Operating income / (loss)	(474,773)	(809,278)	2,411,429
<b>Other income / (expense):</b>			
Bank interest income	50,541	11,409	346
Interest on cash and cash equivalents	895,820	952,609	—
Interest expense	(424,129)	(46,190)	(2,779,773)
Total other income / (expense)	522,232	917,828	(2,779,427)
Income / (loss) before provision for income taxes	47,459	108,550	(367,998)
Provision for income taxes	62,184	37,484	10,312
Net income / (loss)	(14,725)	71,066	(378,310)
Deferred interest, net of taxes, attributable to common stock subject to possible redemption	—	(152,941)	—
Net income / (loss) allocable to holders of non-redeemable common stock	\$ (14,725)	\$ (81,875)	\$ (378,310)
<b>Weighted-average number of shares outstanding:</b>			
Basic	4,997,607	4,375,600	—
Diluted	4,997,607	4,375,600	—
<b>Net income / (loss) per share:</b>			
Basic	\$ (0.00)	\$ 0.02	\$ —
Diluted	\$ (0.00)	\$ 0.02	\$ —

Weighted-average number of shares outstanding exclusive of shares subject to possible redemption:			
Basic	4,403,832	3,692,197	—
Diluted	4,403,832	3,692,197	—

Net income / (loss) per share exclusive of shares and related deferred interest subject to possible redemption:				
Basic	\$	(0.00)	\$ (0.02) \$	—
Diluted	\$	(0.00)	\$ (0.02) \$	—

See notes to unaudited financial statements

**Argyle Security, Inc.**  
**Statement of Changes in Stockholders' Equity**  
**December 31, 2006 through September 30, 2007**  
**(unaudited)**

	Shares	Amount	APIC	Accumulated Earnings	Total Shareholders' Equity
Balances, at December 31, 2006	4,781,307	\$ 478	\$ 22,696,946	\$ 164,769	\$ 22,862,193
Repayment to redeeming stockholders	(211,965)	(21)	(1,661,097)	—	(1,661,118)
Issuance of additional common stock at \$7.78 / share	1,180,000	118	9,180,282	—	9,180,400
Deferred financing costs - warrants	—	—	93,000	—	93,000
Payment of underwriter fees	—	—	(102,924)	—	(102,924)
Release of redemptive reserves	—	—	5,736,341	—	5,736,341
Recognize current period deferred interest	—	—	(101,159)	101,159	—
Recognize deferred interest	—	—	—	100,920	100,920
Stock-based Compensation	—	—	50,385	—	50,385
Net income (Loss)	—	—	—	(14,725)	(14,725)
Balance at September 30, 2007	5,749,342	\$ 575	\$ 35,891,774	\$ 352,123	\$ 36,244,472

**Argyle Security, Inc.**  
**Consolidated Statement of Cash Flows**  
**(Unaudited)**

	Nine Months Ended September 30,		Predecessor (ISI) Nine Months Ended September 30,
	2007	2006	2006
<b>Cash flows from operating activities</b>			
Net Income (Loss)	\$ (14,725)	\$ 71,066	\$ (378,402)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Stock based compensation	50,384	130,632	—
Amortization	875,165	—	262,080
Depreciation	286,269	1,075	239,482
Payment to ISI*MCS Ltd on Behalf of ISI	(1,918,960)	—	—
Accrued interest on deferred underwriting costs	29,718	45,725	—
Interest accretion and fair market adjustments of warrants	—	—	924,779
Interest earned on assets held in trust	(895,820)	(952,609)	—
Interest income released from the trust	—	600,000	—
Tax payments released from the trust	148,854	—	—
<i>Net Decrease (Increase) in Operating Assets:</i>			
Prepaid & other current assets	(14,484)	(29,333)	—
Contract receivables	(2,386,738)	—	(766,241)
Related party contract receivables	(2,033,052)	—	(4,160,046)
Related party receivables	(42,383)	—	(901)
Other receivables	32,776	—	(16,988)
Inventory	665	—	31,030
Costs and estimated earnings in excess of billings	(1,845,819)	—	(1,385,959)
Prepays	—	—	(21,757)
Deferred income taxes	(226,871)	(34,442)	(655,843)
Deposits and other assets	—	—	(150,578)
<i>Net Increase (Decrease) in Operating Liabilities:</i>			
Accounts payable and accrued expenses	2,462,042	162,045	2,615,298
Accrued deferred income taxes	122,084	71,926	—
Deferred interest liability	—	—	—
Billings in excess of cost and estimated earnings	86,713	—	3,378,100
Net cash provided / (used) by operating activities	(5,284,182)	66,085	(85,946)
<b>Cash flow from investing activities:</b>			
Purchase of investments held in trust	(171,372,405)	(249,269,030)	—
Maturity of investments held in trust	171,372,405	220,547,667	—
Acquisition of ISI (net of cash assumed)	(17,157,364)	—	—

Edgar Filing: ARGYLE SECURITY, INC. - Form 10-Q/A

Purchase of property and equipment	(53,617)	(6,520)	(376,570)
Transaction costs	(928,576)	—	—
Increase in other assets	(15,970)	—	215,854
Net cash used in investing activities	(18,155,527)	(28,727,883)	(160,716)

6

---

**Cash flows from financing activities:**

Gross proceeds from public offering and private placement	—	30,600,368	—
Offering costs	(6,885)	(873,356)	—
Proceeds from issuance and exercise of options	—	607	—
Receipt of funds held in trust	30,200,415	—	—
Investment banker fees paid	(1,369,652)	—	—
Repayment on borrowings	(5,137,989)	—	(15,286,909)
Proceeds from borrowings	5,020,000	—	15,428,376
Proceeds from notes payable & warrants stockholders	300,000	—	—
Repayment of notes payable & warrants stockholders	(300,000)	(155,000)	—
Redemption of common stock	(1,661,118)	—	—
Issuance of common stock	118	—	—
Payments on capital lease obligations	(17,370)	—	(56,086)
Net cash provided by investing activities	27,027,519	29,572,619	85,381
<b>Net increase (decrease) in cash</b>	<b>\$ 3,587,810</b>	<b>\$ 910,821</b>	<b>\$ (161,281)</b>
Cash & cash equivalents, beginning of period	694,115	9,608	415,764
<b>Cash and cash equivalents, end of period</b>	<b>\$ 4,281,925</b>	<b>\$ 920,429</b>	<b>\$ 254,483</b>

**Supplemental disclosures of cash flow information:**

Cash paid for interest	3,485	3,177	1,877,494
------------------------	-------	-------	-----------

**Supplemental schedule of non-cash investing activities:**

Financed purchases property and equipment	160,932	—	—
---	---------	---	---

**Supplemental schedule of non-cash financing activities:**

Reduction in deferred interest liability	100,920	—	—
Reduction in deferred underwriter liability	185,115	—	—
Reduction in common stock subject to redemption	5,736,341	—	—
Issuance of warrants associated with notes to related parties	93,000	—	—
Accrual of deferred underwriting costs	—	1,377,017	—

**Argyle Security, Inc.**

**Notes to Unaudited Consolidated Financial Statements  
September 30, 2007**

**Note 1 - Basis of Presentation**

The unaudited consolidated financial statements of Argyle Security, Inc. (the “Company” or “Argyle”) as of September 30, 2007, and for the three and nine months ended September 30, 2007 and 2006, respectively, include the accounts of the Company and all wholly owned subsidiaries. All significant inter company transactions and balances have been eliminated in consolidation. In the opinion of management, all normal recurring adjustments considered necessary for a fair presentation have been included. Operating results for the interim periods presented are not necessarily indicative of the results to be expected for a full fiscal year.

The statements and related notes have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) for interim financial information and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such rules and regulations. These financial statements should be read in conjunction with the financial statements that were included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2006, as filed with the U.S. Securities and Exchange Commission.

Argyle Security, Inc. (formerly Argyle Security Acquisition Corporation) was incorporated in Delaware in June 2005 as a blank check company formed to acquire, through merger, capital stock exchange, asset acquisition, or other similar business combination, a business in the security industry. On July 31, 2007, Argyle consummated its initial acquisition through the acquisition of 100% of the outstanding capital stock of ISI Detention Contracting Group, Inc. and its subsidiaries (ISI). Prior to the acquisition of ISI, Argyle had no operations and was considered a developmental stage enterprise. ISI is deemed to be a “predecessor” to the Company. As a result, the statement of operations and statement of cash flows of ISI for the period ended September 30, 2006 are presented for comparative purposes. The accompanying unaudited consolidated statements of operations and cash flows present the results of operations and cash flows for i) the three months and nine months ended September 30, 2007 period preceding the acquisition of ISI, exclusive of ISI results of operations and cash flows and ii) for the periods succeeding the acquisition, the consolidated results of operations including ISI. The results of operations and cash flows on a consolidated basis subsequent to the acquisition of ISI are not comparative to the predecessor ISI results of operations and cash flows because the basis for the acquired assets and liabilities of ISI have been adjusted to fair value pursuant to Statement of Financial Accounting Standards (SFAS) No. 141, *Business Combinations*.

ISI is a detention equipment contractor that specializes in turnkey installations, including design, engineering, supply, and installation of various detention equipment for correctional facilities and institutions. The work is performed under fixed-price contracts. The projects are located in various cities in the United States. The length of the contracts varies but is typically less than two years. ISI also provides turnkey installations covering the full spectrum of electronic security and low voltage systems, including fire alarm, access control, closed circuit television, intercom, sound/paging, and other custom designed systems.

The Company’s operations are classified into three reportable segments, described in further detail in Note 18.

**Pro Forma Results of Operations**

The accompanying unaudited consolidated statements of operations only reflect the operating results of ISI following the date of acquisition and do not reflect the operating results of ISI prior to the acquisition. Following are pro forma unaudited results of operations for the Company for the three months and nine months ended September 30, 2007 and September 30, 2006 assuming the acquisition of ISI occurred on January 1, 2007 and 2006, respectively:

**Argyle Security, Inc**  
**Pro Forma Consolidated Statements of Operations**  
**(unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
<b>Net revenues:</b>				
Contract revenues	\$ 12,836,317	\$ 5,874,343	\$ 30,617,766	\$ 18,867,183
Contract revenues - related party	8,132,200	7,689,881	21,298,650	17,447,945
Service and other revenues	2,618,961	1,890,081	8,309,825	4,918,677
	\$ 23,587,478	\$ 15,454,305	\$ 60,226,241	\$ 41,233,805
<b>Cost of revenues:</b>				
Contract costs	16,117,788	10,807,659	40,212,278	29,018,321
Service and other costs, including amortization of intangibles	2,650,341	2,181,746	8,690,218	6,075,237
	18,768,129	12,989,405	48,902,496	35,093,558
Gross profit	4,819,349	2,464,900	11,323,745	6,140,247
<b>Selling, general and administrative expenses</b>				
Amortization of intangible assets	4,226,857	2,841,152	10,958,813	8,069,396
Total operating expenses	4,559,914	3,174,209	11,957,984	9,068,567
Operating income / (loss)	259,435	(709,309)	(634,239)	(2,928,320)
<b>Other income / (expense):</b>				
Bank interest income	65,706	62,297	187,339	182,755
Interest expense	(479,379)	(390,811)	(1,305,854)	(1,062,968)
	(413,673)	(328,514)	(1,118,514)	(880,213)
Income / (loss) before provision for income taxes	(154,238)	(1,037,822)	(1,752,753)	(3,808,532)
Provision for income taxes	(58,610)	(394,372)	(666,046)	(1,447,242)
Net income / (loss)	\$ (95,627)	\$ (643,450)	\$ (1,086,707)	\$ (2,361,290)
<b>Weighted-average number of shares outstanding:</b>				
Basic	5,749,342	5,749,342	5,749,342	5,310,111
Diluted	5,749,342	5,749,342	5,749,342	5,310,111
<b>Net income / (loss) per share:</b>				
Basic	\$ (0.02)	\$ (0.11)	\$ (0.19)	\$ (0.44)
Diluted	\$ (0.02)	\$ (0.11)	\$ (0.19)	\$ (0.44)



Weighted-average number of shares  
outstanding exclusive  
of shares subject to possible  
redemption:

Basic	5,749,342	5,749,342	5,749,342	5,310,111
Diluted	5,749,342	5,749,342	5,749,342	5,310,111

Net income / (loss) per share  
exclusive of shares and related  
deferred interest subject to possible  
redemption:

Basic	\$	(0.02)	\$	(0.11)	\$	(0.19)	\$	(0.44)
-------	----	--------	----	--------	----	--------	----	--------