

COMMITTED CAPITAL ACQUISITION Corp
Form 10-Q
November 14, 2012

FORM 10-Q

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period September 30, 2012

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 000-52651

Committed Capital Acquisition Corporation

(Exact name of registrant as specified in its charter)

Delaware	14-1961545
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

c/o Michael Rapp

712 Fifth Avenue, 22nd Floor

New York, New York 10019

(Address of principal executive offices)

(212) 277-5301

(Registrant's telephone number, including area code)

(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 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 x 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. (Check one):

Large accelerated filer ☐ Accelerated filer ☐
Non-accelerated filer ☐ Smaller reporting company ☒ x

(Do not check if a smaller reporting company)

Edgar Filing: COMMITTED CAPITAL ACQUISITION Corp - Form 10-Q

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING
THE PRECEDING FIVE YEARS:

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. Yes ☐ No ☐.

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 12,500,000 shares of common stock, par value \$.0001 per share, outstanding as of November 14, 2012.

COMMITTED CAPITAL ACQUISITION CORPORATION

- INDEX -

PART I – FINANCIAL INFORMATION:

Item 1.	Financial Statements:	
	Condensed Balance Sheets as of September 30, 2012 (unaudited) and December 31, 2011 (audited)	1
	Condensed Statements of Operations for the Three and Nine Months Ended September 30, 2012 and 2011(unaudited) and for the Period from January 24, 2006 (Inception) to September 30, 2012 (unaudited)	2
	Condensed Statement of Stockholders' Equity (Deficit) from January 24, 2006 (Inception) to September 30, 2012 (unaudited)	3
	Condensed Statements of Cash Flows for the Nine Months Ended September 30, 2012 and 2011 (unaudited) and for the Period from January 24, 2006 (Inception) to September 30, 2012 (unaudited)	4
	Notes to Condensed Financial Statements (unaudited)	5
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	12
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	14
Item 4.	Controls and Procedures	14

PART II – OTHER INFORMATION:

Item 1.	Legal Proceedings	16
Item 1A.	Risk Factors	16
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	16
Item 3.	Defaults Upon Senior Securities	16
Item 4.	Mine Safety Disclosures	16
Item 5.	Other Information	16
Item 6.	Exhibits	16
	Signatures	17

COMMITTED CAPITAL ACQUISITION CORPORATION**(A Development Stage Company)****CONDENSED BALANCE SHEETS**

	September 30, 2012 (unaudited)	December 31, 2011
ASSETS		
CURRENT ASSETS:		
Cash	\$ -	\$ -
Prepaid expenses	22,000	22,000
Total current assets	22,000	22,000
OTHER ASSETS:		
Investment held in Trust Account	28,772,000	28,750,000
TOTAL ASSETS	\$ 28,794,000	\$ 28,772,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 3,000	\$ 54,000
Accrued liabilities	205,000	200,000
Accrued franchise taxes	205,000	85,000
Related party advances	557,000	346,000
Note payable - related party	120,000	120,000
Total current liabilities	1,090,000	805,000
TOTAL LIABILITIES	1,090,000	805,000
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred stock, \$.0001 par value; 10,000,000 shares authorized; 0 issued and outstanding	-	-
Common stock, \$.0001 par value; 75,000,000 shares authorized; 12,500,000 shares issued and outstanding at September 30, 2012 and December 31, 2011, respectively	1,000	1,000
Additional paid-in capital	28,369,000	28,369,000
Deficit accumulated during the development stage	(666,000)	(403,000)
TOTAL STOCKHOLDERS' EQUITY	27,704,000	27,967,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 28,794,000	\$ 28,772,000

The accompanying notes are an integral part of the condensed interim financial statements.

COMMITTED CAPITAL ACQUISITION CORPORATION**(A Development Stage Company)****CONDENSED STATEMENTS OF OPERATIONS****(unaudited)**

	Three months ended September 30,		Nine months ended September 30,		Period from January 24, 2006 (inception) to September 30, 2012
	2012	2011	2012	2011	2012
REVENUE	\$ -	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES:					
General and administrative expenses and taxes	127,000	24,000	285,000	41,000	677,000
LOSS FROM OPERATIONS	(127,000)	(24,000)	(285,000)	(41,000)	(677,000)
OTHER INCOME (EXPENSE)					
Interest income - Trust	10,000	-	22,000	-	22,000
Interest expense - related party	-	-	-	(2,000)	(11,000)
Total other income (expense)	10,000	-	22,000	(2,000)	11,000
NET LOSS	\$ (117,000)	\$ (24,000)	\$ (263,000)	\$ (43,000)	\$ (666,000)
BASIC AND DILUTED NET LOSS PER SHARE	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.01)	\$ (0.08)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED	12,500,000	6,750,000	12,500,000	7,277,000	8,796,000

The accompanying notes are an integral part of the condensed interim financial statements.

COMMITTED CAPITAL ACQUISITION CORPORATION**(A Development Stage Company)****CONDENSED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)****From January 24, 2006 (Inception) to September 30, 2012 (unaudited)**

	Preferred Stock Shares	Amount	Common Stock Shares	Amount	Additional Paid-in Capital	Treasury Stock	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
BALANCE AT January 24, 2006, (INCEPTION)	-	\$ -	-	\$-	\$-	\$ -	\$ -	\$ -
Issuance of common stock for cash at \$.004 per share	-	-	8,437,500	1,000	29,000		-	30,000
Net loss	-	-	-	-	-		(13,000)	(13,000)
BALANCE AT December 31, 2006	-	-	8,437,500	1,000	29,000		(13,000)	17,000
Net loss	-	-	-	-	-		(29,000)	(29,000)
BALANCE AT December 31, 2007	-	-	8,437,500	1,000	29,000		(42,000)	(12,000)
Net loss	-	-	-	-	-		(13,000)	(13,000)
BALANCE AT December 31, 2008	-	-	8,437,500	1,000	29,000		(55,000)	(25,000)
Issuance of common stock for cash at \$.004 per share	-	-	260,955	-	1,000		-	1,000
Net loss	-	-	-	-	-		(25,000)	(25,000)
BALANCE AT December 31, 2009	-	-	8,698,455	1,000	30,000		(80,000)	(49,000)
Net loss	-	-	-	-	-		(30,000)	(30,000)
BALANCE AT December 31, 2010	-	-	8,698,455	1,000	30,000		(110,000)	(79,000)
Purchase of Treasury Stock	-	-	-	-		(7,000)	-	(7,000)
Retirement of Treasury Stock			(1,948,455)	-	(7,000)	7,000		-
	-	-	5,750,000	-	28,346,000			28,346,000

Issuance of 5,750,000
shares of common
stock and warrants for
cash at \$5.00 per
share, net of expenses
of approximately
\$404,000

Net loss	-	-	-	-	-	(293,000)	(293,000)
BALANCE AT December 31, 2011	-	-	12,500,000	1,000	28,369,000	-	(403,000)	27,967,000
Net loss (unaudited)	-	-	-	-	-	(263,000)	(263,000)
BALANCE AT September 30, 2012 (unaudited)	-	\$ -	12,500,000	\$ 1,000	\$ 28,369,000	\$ -	\$ (666,000)	\$ 27,704,000

The accompanying notes are an integral part of the condensed interim financial statements.

COMMITTED CAPITAL ACQUISITION CORPORATION**(A Development Stage Company)****CONDENSED STATEMENTS OF CASH FLOWS****(unaudited)**

			Inception
	Nine months ended September 30,	January 24, 2006) to	
	2012	2011	September 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$ (263,000)	\$ (43,000)	\$ (666,000)
Changes in operating assets and liabilities:			
Prepaid expenses	-	5,000	-
Accounts payable and accrued liabilities	165,000	47,000	368,000
Accrued interest related party	-	(9,000)	9,000
Franchise tax payable	120,000	-	205,000
Net cash provided by (used in) operating activities	22,000	-	(84,000)

CASH FLOWS FROM INVESTING ACTIVITIES:

Investment held in Trust Account	-	-	(28,750,000)
Interest reinvested in the Trust Account	(22,000)	-	(22,000)
Net cash used in investing activities	(22,000)	-	(28,772,000)

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from issuance of common stock	-	-	28,781,000
Proceeds from note payable and advances - related party	-	-	75,000
Net cash provided by financing activities	-	-	28,856,000

NET DECREASE IN CASH

	-	-	-
--	---	---	---

CASH AT THE BEGINNING OF PERIOD

	-	-	-
--	---	---	---

CASH AT END OF PERIOD

	\$ -	\$ -	\$ -
--	------	------	------

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the period for interest	\$ -	\$ 1,000	\$ 1,000
--	------	----------	----------

NON-CASH SCHEDULE OF INVESTING AND FINANCING ACTIVITIES

Conversion of notes payable (related party), advances (related party) and accrued interest to notes payable (related party)	\$ -	\$ 120,000	\$ 120,000
---	------	------------	------------

Edgar Filing: COMMITTED CAPITAL ACQUISITION Corp - Form 10-Q

Related party advances paid directly to vendors	\$ 211,000	\$ -	\$ 531,000
Deferred offering costs included in accounts payable	\$ -	\$ 165,000	\$ -
Retirement of Treasury Stock	\$ -	\$ 7,000	\$ 7,000
Related party advances to fund expenses	\$ -	\$ 96,000	\$ 149,000

The accompanying notes are an integral part of the condensed interim financial statements.

COMMITTED CAPITAL ACQUISITION CORPORATION

(A Development Stage Company)

NOTES TO CONDENSED FINANCIAL STATEMENTS

(Unaudited)

NOTE 1 -ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a)

Organization and Business:

Committed Capital Acquisition Corporation (the “Company”) was incorporated in the state of Delaware on January 24, 2006 for the purpose of raising capital that is intended to be used in connection with its business plans which may include a possible merger, acquisition or other business combination with an operating business (the “initial business transaction”).

The Company is currently in the development stage as defined in Accounting Standards Codification (“ASC”) No. 915. All activities of the Company to date relate to its organization, initial funding, share issuances and the Offering (defined below) and initial search activities toward finding a candidate for the initial business transaction. All dollar amounts are rounded to the nearest thousand dollars.

On May 27, 2011, the Company commenced the process for conversion to a special purpose acquisition corporation. In connection with this conversion, the Company filed a Form S-1 with the United States Securities and Exchange Commission in connection with its offering to sell up to 5,000,000 units at a price of \$5.00 per unit (the “Offering”). The underwriters for the Offering were granted an over-allotment option to purchase up to an additional 750,000 units for 45 days after the effectiveness of the registration statement for the Offering. Each unit consists of one share of common stock, par value \$0.0001 per share, and one warrant to purchase one share of common stock. Under the terms of the warrant agreement, the Company has agreed to use its best efforts to file a post-effective amendment or new registration statement under the Securities Act of 1933, as amended, following the completion of the Company's initial business transaction. Each warrant entitles the holder to purchase one share of common stock at a price of \$5.00. Each warrant will become exercisable upon the effectiveness of the registration statement to be filed upon the completion of an initial business transaction and will expire 45 days thereafter. However, if the Company does not complete its initial business transaction on or prior to the 21-month or 24-month period allotted to complete the initial business transaction as described below, the warrants will expire at the end of such period. 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 and the warrants will expire worthless. The lead underwriter for the Offering is a related party; see Note 4.

In connection with the Offering, the Company's initial stockholders ("initial stockholders") and designees have committed to purchase 2,000,000 shares of common stock at a price of \$5.00 per share in a private placement which will occur concurrently with the closing of the Company's initial business transaction.

On October 24, 2011, the registration statement in connection with the Offering was declared effective. Additionally, on October 24, 2011, the Company filed with the Secretary of State of the State of Delaware its Amended and Restated Certificate of Incorporation to become a special purpose acquisition company. As a special purpose acquisition company, the Company will have only 21 months from October 24, 2011 (or 24 months from October 24, 2011 if a letter of intent or a definitive agreement has been executed within 21 months from October 24, 2011 and the Company's business transaction relating thereto has not yet been completed within such 21-month period) to consummate the initial business transaction. If the Company does not consummate its initial business transaction within such 21-month (or 24-month) period, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably practicable, but not more than five business days thereafter, redeem the Company's public shares for cash equal to their pro rata share of the aggregate amount then on deposit in the trust account less taxes and amounts released to the Company for working capital purposes, subject to applicable law, and (iii) as promptly as reasonably practicable following such redemption, subject to the approval of the Company's remaining stockholders and its board of directors, dissolve and liquidate the balance of the Company's net assets to its remaining stockholders.

COMMITTED CAPITAL ACQUISITION CORPORATION

(A Development Stage Company)

NOTES TO CONDENSED FINANCIAL STATEMENTS

(Unaudited)

Unlike most other special purpose acquisition companies, the Company's board of directors will have the sole discretion and authority to approve and consummate its initial business transaction without seeking stockholder approval. The Company's stockholders will not have the opportunity to redeem their shares of common stock for cash equal to their pro rata share of the aggregate amount then on deposit in the trust account upon the consummation of the initial business transaction, nor will they have the right to vote on the business transaction unless required by law. If a stockholder vote is required by law, the Company will conduct a proxy solicitation pursuant to the proxy rules but will not offer its stockholders the opportunity to redeem their shares of common stock in connection with such vote.

The Company is not limited to a particular industry, geographic region or minimum transaction value for purposes of consummating its initial business transaction. The Company will have virtually unrestricted flexibility in identifying and selecting a prospective transaction candidate.

On October 28, 2011, the Company closed on the Offering, including the exercise in full of the over-allotment option, and issued equity units consisting of 5,750,000 shares of common stock and warrants to purchase an additional 5,750,000 shares of common stock (as described above) in exchange for gross proceeds of \$28,750,000. The costs of the Offering were approximately \$404,000.

Since the closing of the Offering, the gross proceeds have been held in a trust account ("Trust Account"). The Trust Account can invest in U.S. "government securities," defined as any Treasury Bill 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. Except for a portion of the interest income that may be released to the Company to pay income or other tax obligations and to fund its working capital requirements, none of the funds held in the Trust Account will be released until the earlier of (i) the consummation of an initial business transaction, (ii) the Company's redemption of the public shares sold in the Offering if the Company is unable to consummate its initial business transaction within the 21-month or 24-month period set forth above, or (iii) the Company's liquidation (if no redemption occurs).

Following the closing of the Offering and prior to the consummation of the initial business transaction, in order to fund all expenses relating to investigating and selecting a target business, negotiating an acquisition agreement and consummating such acquisition and the Company's other working capital requirements, an affiliate of the Company's

principal shareholders has agreed to loan the Company funds from time to time of up to \$800,000. See also Note 3. There are no agreements for facilities or services between the Company and its initial shareholders.

(b)

Basis of Presentation:

The accompanying unaudited financial statements have been prepared in accordance with the Securities and Exchange Commission's reporting requirements under Regulation S-X and S-K. The accompanying unaudited financial statements should be read in conjunction with the audited financial statements contained in the Company's Form 10-K for the year ended December 31, 2011.

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States.

The financial information is unaudited. In the opinion of management, all adjustments (which include normal recurring adjustments) necessary to present fairly the financial position as of September 30, 2012 and the results of operations and cash flows presented herein have been included in the financial statements.

The Company effectuated a 4.21875-for-1 forward stock split on May 20, 2011. All shares have been retroactively restated.

COMMITTED CAPITAL ACQUISITION CORPORATION

(A Development Stage Company)

NOTES TO CONDENSED FINANCIAL STATEMENTS

(Unaudited)

(c)

Going concern:

In the event the Company does not consummate a Business Combination by July 24, 2013 (or October 24, 2013 if a letter of intent or definitive agreement has been executed within 21 months from the date of effectiveness of the registration statement and the Business Combination relating thereto has not yet been completed within such 21-month period), the proceeds held in the Trust Account will be distributed to the Company's public stockholders. The potential mandatory liquidation raises substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that may be necessary if the Company is unable to continue as a going concern.

(d)

Use of estimates:

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

(e) Valuation of Investments in Securities at Fair Value - Definition and Hierarchy:

In accordance with GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches. A fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is

categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 - Valuations based on inputs other than quoted prices in Level 1 that are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from investment to investment and is affected by a wide variety of factors, including, the type of investment, whether the investment is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for investments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause an investment to be reclassified to a lower level within the fair value hierarchy.

COMMITTED CAPITAL ACQUISITION CORPORATION

(A Development Stage Company)

NOTES TO CONDENSED FINANCIAL STATEMENTS

(Unaudited)

(f)

Income taxes:

The Company complies with accounting principles generally accepted in the United States which require an asset and liability approach to financial 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 income tax assets to the amount expected to be realized.

The Company applies a more-likely-than-not recognition threshold for all tax uncertainties. ASC Topic 740 only allows the recognition of those tax benefits that have a greater than fifty percent likelihood of being sustained upon examination by the taxing authorities. The Company is subject to income tax examinations by major taxing authorities for all tax years subsequent to 2008. As of September 30, 2012 and December 31, 2011, the Company reviewed its tax positions and determined there were no outstanding or retroactive tax positions that met the “more likely than not” criteria upon examination by the taxing authorities. Therefore, this standard has not had a material effect on the Company.

The Company does not anticipate any significant changes to its total unrecognized tax benefits within the next 12 months.

The Company classifies tax-related penalties and net interest as income tax expense. As of September 30, 2012 and 2011 and for the period from inception (January 24, 2006) to September 30, 2012, no income tax expense has been incurred. State franchise taxes are included in general and administrative costs and totaled approximately \$40,000 and \$120,000 for the three and nine months ended September 30, 2012, respectively, and \$0 and \$0 for the three and nine months ended September 30, 2011, respectively, and approximately \$205,000 for the period from inception (January 24, 2006) to September 30, 2012.

(g)

Loss per share of common stock:

Basic loss per share is calculated using the weighted-average number of shares of common stock outstanding during each reporting period. Diluted loss per share includes potentially dilutive securities such as outstanding options and warrants, using various methods such as the treasury stock or modified treasury stock method in the determination of dilutive shares outstanding during each reporting period. Because the Company reported a net loss in all periods presented, the warrants to purchase 5,750,000 shares of common stock issued in connection with the Offering have not been included in the diluted net loss per share since these securities would reduce the loss per common share and become anti-dilutive.

(h)

New accounting pronouncements:

The Company has evaluated the recent accounting pronouncements through ASU 2012-06 and believes that none of them will have a material effect on the Company's financial statements.

COMMITTED CAPITAL ACQUISITION CORPORATION

(A Development Stage Company)

NOTES TO CONDENSED FINANCIAL STATEMENTS

(Unaudited)

NOTE 2 – INVESTMENT IN TRUST ACCOUNT

Since the closing of the Offering, the gross proceeds have been held in the Trust Account. As described in Note 1, 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 initial business transaction or (ii) the distribution of the Trust Account as described below.

Investment securities in the Trust Account at September 30, 2012 consist of an Institutional Money Market Account that meets the conditions specified in Rule 2a-7 under the Investment Company Act of 1940 with an investment bank. The Institutional Money Market Account is classified as a Level 1 investment within the fair value hierarchy. There are no holding gains or losses to date and there has been approximately \$22,000 of interest income accrued at September 30, 2012. Prior to March 20, 2012, the investment securities in the Company's Trust Account consisted of cash held in a demand deposit account which was stated at cost at December 31, 2011. There were no holding gains or losses and no interest accrued or paid on the cash.

NOTE 3 -NOTE PAYABLE - RELATED PARTY AND RELATED PARTY ADVANCES:

The Company has received a total of approximately \$677,000 from Broadband Capital Management LLC ("BCM"), a FINRA registered broker-dealer, \$120,000 of which has been refinanced as described below. The remainder, approximately \$557,000, is a non-interest bearing advance and is due on the date on which the Company consummates its initial business transaction. Michael Rapp, the Company's President and Chairman, and Philip Wagenheim, the Company's Secretary and director, and Jason Eiswerth, the Company's director all serve as management of BCM. BCM was the lead underwriter of the Offering. All advances under the agreement with BCM are made directly to the Company's vendors on behalf of the Company and do not flow through the Company's cash accounts.

On May 27, 2011, as amended on July 27, 2011, the Company entered into a loan payable agreement for approximately \$120,000 with BCM, which consolidated all of the Company's accrued interest-related party, related party advances and note payable-related party outstanding as of such date into one instrument as well as provided additional advances to the Company. Included in such consolidation was approximately \$26,000 received during the year ended December 31, 2010 and approximately \$15,000 advanced to third parties by BCM during the three months ended March 31, 2011. Such amounts had been due on demand and had an imputed interest rate of 8.25% per annum. The loan as consolidated is now payable upon the consummation of the Company's initial business transaction, bears no interest and contains a waiver of any and all rights to the Trust Account. Following the closing of the Offering and prior to the consummation of the initial business transaction, BCM has agreed to loan the Company funds from time to time of up to \$800,000, including the amounts above, under an Expense Advancement Agreement. See also Note 1.

For the three and nine months ended September 30, 2012 and the three and nine months ended September 30, 2011, and the period from inception (January 24, 2006) to September 30, 2012, interest expense from related party advances was approximately \$0, \$0, \$0, \$2,000 and \$11,000, respectively.

During the period from inception (January 24, 2006) to December 31, 2009, the Company entered into the following related party note agreements, all of which were consolidated into a single loan payable agreement on May 27, 2011 as described above:

On March 9, 2007, the Company entered into a loan agreement with BCM pursuant to which the Company agreed to repay \$12,500 on or before the earlier of (i) December 31, 2012 or (ii) the date that the Company (or a wholly owned subsidiary of the Company) consummates a merger or similar transaction with an operating business. BCM had previously advanced the \$12,500 on behalf of the Company. Prior to being refinanced, interest accrued on the outstanding principal balance of this loan on the basis of a 360-day year daily from January 24, 2006, the effective date of the loan, until it was paid in full at the rate of four percent (4%) per annum.

COMMITTED CAPITAL ACQUISITION CORPORATION

(A Development Stage Company)

NOTES TO CONDENSED FINANCIAL STATEMENTS

(Unaudited)

On April 15, 2008, Messrs. Rapp and Wagenheim and Clifford Chapman, a former director of the Company, loaned the Company \$5,000, \$3,000 and \$2,000, respectively. The Company issued promissory notes (each, a "April 15 Note" and together, the "April 15 Notes") to Messrs. Rapp, Wagenheim and Chapman. Prior to each April 15 Note being refinanced or repaid, as the case may be, each April 15 Note accrued interest at an annual rate of 8.25%, and such principal and all accrued interest was due and payable on or before the earlier of (i) the fifth anniversary of the date of such April 15 Note or (ii) the date on which the Company would have consummated its initial business transaction with a private company in a reverse merger or reverse takeover transaction or other transaction after which the Company would have ceased to be a shell company.

On March 16, 2009, the Company entered into a loan agreement with BCM pursuant to which the Company agreed to repay \$14,500 on or before the earlier of (i) March 16, 2014 or (ii) the date that the Company (or a wholly owned subsidiary of the Company) consummates a merger or similar transaction with an operating business. Prior to being refinanced, interest accrued on the outstanding principal balance of this loan at an annual rate of 8.25%.

On August 12, 2009, the Company entered into a loan agreement with BCM pursuant to which the Company agreed to repay \$12,000 on or before the earlier of (i) August 12, 2013 or (ii) the date that the Company (or a wholly owned subsidiary of the Company) consummates a merger or similar transaction with an operating business. Prior to being refinanced, interest accrued on the outstanding principal balance of this loan at an annual rate of 8.25%.

On March 31, 2011, the Company repaid a total of \$2,000 of principal and \$484 of accrued interest to Mr. Chapman for full satisfaction of his April 15 Note from advances made directly by BCM.

NOTE 4 -STOCKHOLDERS' EQUITY:

The Company is authorized by its Amended and Restated Certificate of Incorporation to issue an aggregate of 85,000,000 shares of capital stock, of which 75,000,000 are shares of common stock and 10,000,000 are shares of preferred stock, par value \$0.0001 per share.

All outstanding shares of common stock are of the same class and have equal rights and attributes. The holders of common stock are entitled to one vote per share on all matters submitted to a vote of stockholders of the Company. All stockholders are entitled to share equally in dividends, if any, as may be declared from time to time by the Board of Directors out of funds legally available. In the event of liquidation, the holders of common stock are entitled to share ratably in all assets remaining after payment of all liabilities. The stockholders do not have cumulative or preemptive rights.

On March 1, 2006, the Company issued 4,218,750, 2,531,250 and 1,687,500 shares of common stock to Michael Rapp, Philip Wagenheim, and Clifford Chapman, respectively, for total cash consideration of \$30,000 or \$.004 per share.

On May 14, 2009, the Company issued 260,955 shares of common stock to Charles Allen for total cash consideration of approximately \$1,000 or \$.004 per share.

On March 31, 2011, the Company repurchased 1,687,500 shares of common stock from Clifford Chapman for total cash consideration of \$6,000 which was recorded as treasury stock.

On April 28, 2011, the Company repurchased 260,955 shares of common stock from Charles Allen for total cash consideration of \$928, all of which was recorded as treasury stock.

Subsequent to the repurchase of the Allen and Chapman common stock, the treasury stock was retired.

COMMITTED CAPITAL ACQUISITION CORPORATION

(A Development Stage Company)

NOTES TO CONDENSED FINANCIAL STATEMENTS

(Unaudited)

On May 20, 2011, the Company effectuated a 4.21875-for-1 forward stock split. All shares have been retroactively restated in all periods presented.

On October 24, 2011, the Company filed with the Secretary of State of the State of Delaware its Amended and Restated Certificate of Incorporation to become a special purpose acquisition company as described further in Note 1. On October 28, 2011, the Company closed the Offering, including the exercise in full of the over-allotment option, and issued equity units consisting of 5,750,000 shares of common stock and warrants to purchase an additional 5,750,000 shares of common stock (as described above) in exchange for gross proceeds of \$28,750,000. The costs of the Offering were approximately \$404,000.

NOTE 5 – INCOME TAXES:

At September 30, 2012 and December 31, 2011, components of net deferred tax assets, including a valuation allowance, are as follows:

	September 30, 2012	December 31, 2011
Deferred tax assets:		
Net operating loss carryforwards	\$ 205,000	\$ 85,000
Non-deductible start-up costs	\$ 461,000	\$ 318,000
	666,000	403,000
Total deferred tax assets	233,000	141,000
Less: Valuation Allowance	(233,000)	(141,000)
Net Deferred Tax Assets	\$ -	\$ -

The valuation allowance for deferred tax assets as of September 30, 2012 and December 31, 2011 was \$233,000 and \$141,000, respectively. In assessing the recovery of the deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The deferred tax asset is created as a result of the start-up expenses, which are not deductible for tax purposes and as a result create a basis difference.

Edgar Filing: COMMITTED CAPITAL ACQUISITION Corp - Form 10-Q

They will only become deductible if the Company comes out of the development stage. Management considers the projected future taxable income and tax planning strategies in making this assessment. As a result, management determined it was more likely than not the deferred tax assets would not be realized as of September 30, 2012 and December 31, 2011, and recorded a full valuation allowance.

Reconciliation between the statutory rate and the effective tax rate is as follows for the three and nine months ended September 30:

	2012	2011
Federal statutory tax rate	(35)%	(35)%
Change in valuation allowance	35 %	35 %
Effective tax rate	0.0 %	0.0 %

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward Looking Statement Notice

Certain statements made in this Quarterly Report on Form 10-Q are "forward-looking statements" (within the meaning of the Private Securities Litigation Reform Act of 1995) in regard to the plans and objectives of management for future operations. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of Committed Capital Acquisition Corporation ("we", "us", "our" or the "Company") to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements included herein are based on current expectations that involve numerous risks and uncertainties and other factors discussed below and in our other filings with the Securities and Exchange Commission (the "SEC"), including our Annual Report on Form 10-K for the year ended December 31, 2011 and our quarterly reports on Form 10-Q and our periodic reports on Form 8-K. See also the Risk Factors discussed under Item 1A. of such Annual Report. The Company's plans and objectives are based, in part, on assumptions involving the Company's business. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Company. Although the Company believes its assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance the forward-looking statements included in this Quarterly Report will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company or any other person that the objectives and plans of the Company will be achieved.

Overview

The following discussion should be read in conjunction with our financial statements, together with the notes to those statements, included elsewhere in this Quarterly Report. Our actual results may differ materially from those discussed in these forward-looking statements because of the risks and uncertainties inherent in future events.

We are a blank check company formed on January 24, 2006 for the purpose of acquiring one or more operating businesses or assets through a merger, capital stock exchange, asset acquisition, stock purchase, reorganization, exchangeable share transaction or other similar business transaction. We intend to use cash from the proceeds of our initial public offering (the "Offering") on October 28, 2011 (including the exercise in full of the underwriters' over-allotment option), our capital stock, incurred debt, or a combination of cash, capital stock and debt, in effecting our initial business transaction. We are not limited to a particular industry, geographic region or minimum transaction value for purposes of consummating the initial business transaction. We have only 21 months from October 24, 2011

(or 24 months from October 24, 2011 if a letter of intent or a definitive agreement has been executed within 21 months from October 24, 2011 and our business transaction relating thereto has not yet been completed within such 21-month period) to consummate our initial business transaction. If we do not consummate a business transaction within such 21-month (or 24-month) period, we will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably practicable, but not more than five business days thereafter, redeem our public shares for cash equal to their pro rata share of the aggregate amount then on deposit in the trust account, less taxes and amounts released to us for working capital purposes, subject to applicable law, and (iii) as promptly as reasonably practicable following such redemption, subject to the approval of our remaining stockholders and our board of directors, dissolve and liquidate as part of our plan of dissolution and liquidation.

We have virtually unrestricted flexibility in identifying and selecting a prospective transaction candidate. We plan to consummate a business transaction with a target business in the United States having a fair market value between \$100,000,000 and \$300,000,000 at the time of our signing a definitive agreement in connection with our initial business transaction, although we are not required to set a minimum valuation on either the fair market value or the net assets of a target business and, accordingly, the target business may have a fair market value of substantially less than \$100,000,000. We anticipate structuring a business transaction to acquire 100% of the equity interests or assets of the target business or businesses. We may, however, structure a business transaction to acquire less than 100% of such interests or assets of the target business but will not acquire less than a controlling interest. We will acquire a controlling interest through the acquisition of at least 50.1% of the voting equity interests in the target.

Results of Operations

We have not generated any revenues to date. Through September 30, 2012, our efforts have been limited to organizational activities, activities relating to the Offering and our efforts to locate suitable acquisition candidates. No revenue has been generated since inception (January 24, 2006) to September 30, 2012. It is unlikely we will have any revenues unless we are able to effect an initial business transaction with an operating company, of which there can be no assurance. Our current plan of operation consists solely of our search to identify suitable candidates for our initial business transaction.

Since the closing of the Offering, the gross proceeds have been held in a 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 an initial business transaction or (ii) the distribution of the trust account.

Investment securities in the trust account at September 30, 2012 consisted of an Institutional Money Market Account that meets the conditions specified in Rule 2a-7 under the Investment Company Act of 1940.

For the three and nine months ended September 30, 2012, we had a net loss of \$117,000 and \$263,000, respectively, consisting of expenses due to our activities in relation to the initial business transaction, expenses due to the preparation and filing of our reports with the SEC and accrued state franchise taxes. This compares with a net loss of \$24,000 and \$43,000, respectively, for the three and nine months ended September 30, 2011, consisting of legal, accounting, audit and other professional service fees incurred in relation to the preparation and filing of our reports with the SEC and interest expense.

For the cumulative period from inception (January 24, 2006) to September 30, 2012, we had a net loss of \$666,000, consisting of legal, accounting, audit and other professional service fees incurred in relation to our formation, the filing of our periodic reports on Form 10-Q and Form 10-K, accrued state franchise taxes of approximately \$205,000, interest expense and our activities in relation to the initial business transaction.

We will not generate any operating revenues until after the consummation of our initial business transaction, at the earliest. We will continue to generate non-operating income in the form of interest income on cash and cash equivalents. We expect to incur increased expenses in 2012 as a result of activities relating to our initial business transaction, including due diligence expenses. As we expect to continue to generate net losses, we do not anticipate incurring substantial income or other tax expense (other than franchise taxes) until the consummation of our initial business transaction, at the earliest.

Liquidity and Capital Resources

As of September 30, 2012, we had assets equal to \$28,794,000, comprised of invested funds held in the trust account and prepaid expenses. This compares with assets of \$28,772,000, comprised of invested funds held in the trust account and prepaid expenses, as of December 31, 2011. Our current liabilities as of September 30, 2012 totaled approximately \$1,090,000, comprised of the loan payable agreement with Broadband Capital Management LLC (“BCM”), BCM advances, accrued franchise taxes and accounts payable. This compares to our current liabilities as of December 31, 2011 of approximately \$805,000, comprised of the BCM loan payable agreement, accounts payable, accrued franchise taxes and advances.

As of September 30, 2012, we owed BCM an aggregate of \$677,000, comprised of a loan payable in the amount of \$120,000 and advances of \$557,000. The loan is payable upon the consummation of our initial business transaction, bears no interest and contains a waiver of any and all rights to the funds in the trust account resulting from the consummation of the Offering. The advances bear no interest and are payable upon the consummation of our initial business transaction. Following the closing of the Offering and prior to the consummation of the initial business transaction, BCM has agreed to loan the Company funds from time to time of up to \$800,000, including the amounts above, under an Expense Advancement Agreement discussed further below and in Notes 1 and 3 to the financial statements.

Cash flows provided by (used in) operating activities for the nine months ended September 30, 2012 and 2011, and for the cumulative period from January 24, 2006 (inception) to September 30, 2012 were approximately \$22,000, \$0, and \$(84,000), respectively.

We intend to use substantially all of the funds held in the trust account (net of taxes and amounts released to us for working capital purposes) and proceeds from the private placement which would occur concurrently with our initial business transaction to consummate our initial business transaction.

We believe that interest earned on the funds in the trust account released to us for working capital purposes, if any, and proceeds of the loans provided to us from BCM, and cooperation from our professional service providers will be sufficient to allow us to operate until July 24, 2013, which is the date that is 21 months after the effectiveness of the registration statement, assuming that a business combination is not consummated during that time. All the expenses relating to the Offering were funded by proceeds from loans with BCM. Prior to the consummation of our initial business transaction, in order to fund all expenses relating to investigating and selecting a target business, negotiating an acquisition agreement and consummating such acquisition and our other working capital requirements, BCM has agreed to loan us funds from time to time, or at any time, up to \$800,000. All these loans will be due and payable upon the completion of our initial business transaction and will be on terms that waive any and all rights to the funds in the trust account. We can provide no assurance that we can continue to satisfy our cash requirements for at least the next twelve months.

The terms of such loans will not have any recourse against the trust account nor pay any interest prior to the consummation of our business transaction and be no more favorable than could be obtained by a third party.

We do not believe we will need to raise additional funds other than the loans provided or to be provided to us from BCM until the consummation of our initial business transaction to meet the expenditures required for operating our business. However, we may need to raise additional funds through a private offering of debt or equity securities if such funds are required to consummate a business transaction that is presented to us. Subject to compliance with applicable securities laws, we would only consummate such financing simultaneously with the consummation of our initial business transaction. Our initial stockholders and their designees have committed to purchase 2,000,000 shares of our common stock at \$5.00 per share in a private placement to occur concurrently with the closing of our initial business transaction for gross proceeds of \$10,000,000. Our board of directors will have the ability to increase the size of the private placement at its discretion.

We have evaluated the appropriate accounting treatment for the warrants attached to the public units. As we are not required to net-cash settle such warrants under any circumstances, including if we are unable to maintain sufficient registered shares to settle such warrants, the terms of the warrants satisfy the applicable accounting guidance on identifying those contracts that should not be accounted for as derivative instruments. Accordingly, we intend to classify such instruments within permanent equity as additional paid-in capital.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

Recent Accounting Pronouncements

Management does not believe that any recently issued, but not effective, accounting standards, if currently adopted, would have a material effect on the Company's financial statements.

Contractual Obligations

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, the Company is not required to provide this information.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, the Company is not required to provide this information.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed pursuant to the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules, regulations and related forms, and that such information is accumulated and communicated to our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

As of September 30, 2012, we carried out an evaluation, under the supervision and with the participation of our principal executive officer and our principal financial officer of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Controls

There have been no changes in our internal controls over financial reporting during the quarter ended September 30, 2012 that have materially affected or are reasonably likely to materially affect our internal controls.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

There are presently no material pending legal proceedings to which the Company, any of its subsidiaries, any executive officer, any owner of record or beneficially of more than five percent of any class of voting securities is a party or as to which any of its property is subject, and no such proceedings are known to the Registrant to be threatened or contemplated against it.

Item 1A. Risk Factors.

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, the Company is not required to provide this information.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

(a) Exhibits required by Item 601 of Regulation S-K.

Exhibit Description

- | | |
|-------|--|
| 31.1 | Certification of the Company's Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012. |
| 31.2 | Certification of the Company's Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012. |
| 32.1 | Certification of the Company's Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification of the Company's Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.1 | The following information from the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2012 formatted in XBRL: (i) Balance Sheets as of September 30, 2012 (unaudited) and December 31, 2011 (audited); (ii) Statements of Operations for the Three and Nine Months Ended September 30, 2012 and 2011 (unaudited) and for the Period from January 24, 2006 (Inception) to September 30, 2012 (unaudited); (iii) Statement of Stockholders Equity (Deficit) from January 24, 2006 (Inception) to September 30, 2012; (iv) Statements of Cash Flows for the Nine Months Ended September 30, 2012 and 2011 (unaudited) and for the Period from January 24, 2006 (Inception) to September 30, 2012 (unaudited) and (v) Notes to Financial Statements (unaudited).* |

Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101.1 hereto are deemed not filed or
 * part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

SIGNATURES

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

Dated: November 14, 2012 COMMITTED CAPITAL
ACQUISITION
CORPORATION

By: /s/ Michael Rapp
Michael Rapp
President and Director
Principal Executive Officer
Principal Financial Officer