

MEDIFAST INC
Form 10-Q
November 09, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2010

OR

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

For the transition period from _____ to _____

Commission file number 0-23016

MEDIFAST, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of organization)

13-3714405
(I.R.S. employer
Identification no.)

11445 Cronhill Drive
Owings Mills, MD 21117
Telephone Number (410) 581-8042

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the Registrant 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 checkmark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 8, 2010
Common stock, \$.001 par value per share	15,421,601 shares

Medifast, Inc.
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Part I. Financial Information
Item 1. Financial Statements

MEDIFAST, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited) September 30, 2010	(Audited) December 31, 2009
ASSETS		
Current assets		
Cash and cash equivalents	\$ 20,211,000	\$ 10,604,000
Accounts receivable-net of allowance for sales returns and doubtful accounts of \$288,000 and \$100,000 respectively	864,000	676,000
Inventory	17,540,000	11,232,000
Investment securities	16,431,000	5,699,000
Deferred compensation	-	641,000
Income taxes - prepaid	3,055,000	2,211,000
Prepaid expenses and other current assets	1,402,000	3,123,000
Note receivable - current	46,000	46,000
Deferred tax asset	156,000	100,000
Total current assets	59,705,000	34,332,000
Property, plant and equipment - net	28,046,000	23,237,000
Trademarks and intangibles - net	3,237,000	4,104,000
Note receivable, net of current assets	109,000	112,000
Other assets	223,000	379,000
TOTAL ASSETS	\$ 91,320,000	\$ 62,164,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	14,548,000	4,967,000
Income taxes payable	-	22,000
Current maturities of long-term debt	953,000	796,000
Total current liabilities	15,501,000	5,785,000
Other liabilities		
Long-term debt, net of current portion	5,083,000	5,444,000
Deferred tax liability	1,755,000	1,360,000
Total liabilities	22,339,000	12,589,000
Stockholders' Equity:		
Preferred stock, \$.001 par value (1,500,000 authorized, no shares issued and outstanding)	-	-
Common stock; par value \$.001 per share; 20,000,000 shares authorized; 15,421,601 issued and 15,052,693 outstanding at 9/30/10 and 15,398,941 issued and 15,031,103 shares outstanding at 12/31/09	16,000	16,000

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Additional paid-in capital	31,670,000	28,456,000
Accumulated other comprehensive income (loss)	197,000	159,000
Retained earnings	40,453,000	24,264,000
Less: cost of 368,908 and 367,838 shares of common stock in treasury	(3,355,000)	(3,320,000)
Total stockholders' equity	68,981,000	49,575,000

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY