FEEL GOLF CO INC
Form 10-Q
August 19, 2009

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

þ QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2009

o TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

For the transition period from to

Commission file number 3330-153699

FEEL GOLF COMPANY, INC.
(Exact name of small business issuer as specified in its charter)

California State or other jurisdiction of Incorporation or organization	77-0532590 (IRS Employer Identification Number)
1354-T Dayton Street Salinas, CA (Address of principal executive offices)	93901 (Zip Code)

(831) 422-9300
(Issuer's telephone number, including area code)

(Former name, former address and former fiscal year, if changed)

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 o

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 o No o

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 the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	o	Accelerated filer	o
Non-accelerated filer (Do not check if a smaller reporting company)	o	Smaller reporting company	x

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

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

Indicate by check mark whether the registrant filed all documents and reports required to be filed by Section 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 þ No o

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: 17,128,675 common shares outstanding as of August 18, 2009.

FEEL GOLF COMPANY, INC.

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PART I — FINANCIAL INFORMATION

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FEEL GOLF COMPANY, INC.

Balance Sheets

ASSETS

	June 30, 2009 (Unaudited)	December 31, 2008
CURRENT ASSETS		
Cash	$ 23,579	$ 5,220
Accounts Receivable, Net (Note 5)	27,086	33,933
Receivable from Shareholder (Note 6)	17,137	18,137
Barter Receivable (Note 7)	56,859	65,577
Inventory (Note 8)	159,154	159,259
Prepaid Expenses	15,362	12,146
Total Current Assets	299,177	294,272
PROPERTY, PLANT and EQUIPMENT, net	29,542	49,181
OTHER ASSETS, net	3,952	4,396
TOTAL ASSETS	$ 332,671	$ 347,849
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 358,845	$ 298,652
Note Payable	5,117	-
Short-Term Related Party Payable	6,716	234,515
Total Current Liabilities	370,678	533,167
LONG-TERM RELATED PARTY NOTES PAYABLE	799,960	539,195
TOTAL LIABILITIES	1,170,638	1,072,362
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, $0.01 par value; 100,000,000 shares authorized, 16,178,675 and 15,845,575 shares issued and outstanding as of June 30, 2009 and December 31, 2008	16,179	15,846
Additional Paid-in Capital	4,946,197	4,630,755
Accumulated Deficit	(5,800,343)	(5,371,114)

Total Stockholders' Equity (Deficit)	(837,967)	(724,513)
TOTAL LIABILITIES AND STOCKHOLDERS'		
EQUITY (DEFICIT)	$ 332,671	$ 347,849

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

FEEL GOLF COMPANY, INC.
Statements of Operations
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2009	2008	2009	2008
REVENUES	$ 183,092	$ 192,632	$ 251,955	$ 366,819
COST OF SALES	38,861	40,286	67,783	75,489
GROSS MARGIN	144,231	152,346	184,172	291,330
OPERATING EXPENSES				
Stock Based Compensation	49,032	-	160,000	-
Salaries	24,371	26,142	47,199	53,214
Advertising	2,404	10,969	9,241	17,526
Rent	9,685	10,540	20,140	26,023
Professional Fees	30,012	24,453	46,595	26,472
Depreciation and Amortization	13,347	11,894	22,839	36,716
Other Selling, General and Administrative Expenses	229,716	28,778	256,953	91,199
Total Operating Expenses	358,567	112,776	562,967	251,150
INCOME (LOSS) FROM OPERATIONS	(214,336)	39,570	(378,795)	40,180
OTHER INCOME AND (EXPENSE)				
Interest expense	(27,610)	(4,313)	(50,434)	(25,787)
NET LOSS BEFORE TAXES	(241,946)	35,257	(429,229)	14,393
Provision for income taxes	-	-	-	(800)
NET INCOME	$ (241,946)	$ 35,257	$ (429,229)	$ 13,593
BASIC AND DILUTED LOSS PER COMMON SHARE	$ (0.02)	$ 0.00	$ (0.03)	$ 0.00
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	16,032,363	14,582,308	15,938,969	14,582,308

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

FEEL GOLF COMPANY, INC.
Statements of Stockholders' Equity (Deficit)

	Common Stock Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total
Balance, December 31, 2007	13,537,349	$ 13,537	$ 2,324,838	$ (4,063,002)	$ (1,724,627)
Common stock issued in debt conversion at $1.00 per share	1,000,000	1,000	999,000	-	1,000,000
Common stock issued for cash at $1.00 per share	77,500	78	77,422	-	77,500
Stock issued for services at $1.00 per share	1,230,726	1,231	1,229,495	-	1,230,726
Net loss for the year ended December 31, 2007	-	-	-	(1,308,112)	(1,308,112)
Balance, December 31, 2008	15,845,575	15,846	4,630,755	(5,371,114)	(724,513)
Stock issued for services at $1.00 per share (unaudited)	310,000	310	309,690	-	310,000
Stock issued for services at $0.25 per share (unaudited)	23,100	23	5,752	-	5,775
Net loss for the six months ended June 30, 2009 (unaudited)	-	-	-	(429,229)	(429,229)
Balance, June 30, 2009 (unaudited)	16,178,675	$ 16,179	$ 4,946,197	$ (5,800,343)	$ (837,967)

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

FEEL GOLF COMPANY, INC.
Statements of Cash Flows
(Unaudited)

	For the Six Months Ended June 30, 2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	$ (429,229)	$ 13,593
Adjustments to Reconcile Net Income (Loss) to Net		
Cash Used by Operating Activities:		
Depreciation	22,839	36,716
Stock Issued for Services	315,775	-
Changes in operating assets and liabilities:		
Accounts receivable	15,797	(44,764)
Barter Receivable	8,718	(16,606)
Inventory	105	(9,119)
Prepaid Expenses	(3,216)	(15,994)
Accounts Payable and Accrued Expenses	51,243	116,422
Other Assets	444	(438)
Net Cash Provided by (Used in) Operating Activities	(17,524)	79,810
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Receivable from Shareholder	1,000	-
Purchase of Intangible Assets	-	(44,614)
Purchase of Property and Equipment	(3,200)	(7,244)
Net Cash Used in Investing Activities	(2,200)	(51,858)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Proceeds from Sale of Common Stock	-	77,500
Repayment of Related Party Payable	(49,877)	(133,810)
Repayment of Notes Payable	-	(4,434)
Proceeds from Notes Payable	5,117	-
Proceeds from Related Party Notes Payable	82,843	59,878
Net Cash Provided by (Used in) Financing Activities	38,083	(866)
NET DECREASE IN CASH	18,359	27,086
CASH AT BEGINNING OF PERIOD	5,220	6,606
CASH AT END OF PERIOD	$ 23,579	$ 33,692
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		

CASH PAID FOR:				
Interest	$	18,272	$	25,787
Income Taxes		-		-
NON CASH FINANCING ACTIVITIES				
None		-		-

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

FEEL GOLF COMPANY, INC.
CONDENSED FOOTNOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2009 AND 2008

NOTE 1 - DESCRIPTION OF BUSINESS

Feel Golf Company, Inc. (the "Company") was incorporated on February 14, 2000 under the laws of the State of California in the United States of America. The Company designs, manufactures and conducts international marketing and sales of its golf clubs and golf club grips. The Company's products are based on proprietary patented technology that is used to produce golf clubs and golf grips which the Company believes have the best "feel" of any golf clubs and golf grips in the market.

Control by Principal Stockholders

The Company’s directors, executive officers and their affiliates or related parties, own beneficially and in the aggregate, the majority of the voting power of the outstanding shares of the common stock of the Company. Accordingly, if voting their respective shares uniformly, the directors, executive officers and their affiliates would have the ability to control the approval of most corporate actions, including increasing the authorized capital stock of the Company and the dissolution, merger or sale of the Company’s assets or business.

NOTE 2 – BASIS OF PRESENTATION

In the opinion of management, the accompanying balance sheets and related interim statements of income, cash flows, and stockholders' equity include all adjustments, consisting only of normal recurring items, necessary for their fair presentation in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual results and outcomes may differ from management's estimates and assumptions.

Interim results are not necessarily indicative of results for a full year. The information included in this Form 10-Q should be read in conjunction with information included n the Form 10-K.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

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

Recent Accounting Pronouncements

In May 2009, the FASB issued FAS 165, “Subsequent Events”. This pronouncement establishes standards for accounting for and disclosing subsequent events (events which occur after the balance sheet date but before financial statements are issued or are available to be issued). FAS 165 requires and entity to disclose the date subsequent events were evaluated and whether that evaluation took place on the date financial statements were issued or were available to be issued. It is effective for interim and annual periods ending after June 15, 2009. The adoption of FAS 165 did not have a material impact on the Company’s financial condition or results of operation.

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In June 2009, the FASB issued FAS 166, "Accounting for Transfers of Financial Assets" an amendment of FAS 140. FAS 140 is intended to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets: the effects of a transfer on its financial position, financial performance , and cash flows: and a transferor's continuing involvement, if any, in transferred financial assets. This statement must be applied as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009. The Company does not expect the adoption of FAS 166 to have an impact on the Company's results of operations, financial condition or cash flows.

In June 2009, the FASB issued FAS 167, "Amendments to FASB Interpretation No. 46(R) ". FAS 167 is intended to (1) address the effects on certain provisions of FASB Interpretation No. 46 (revised December 2003), Consolidation of Variable Interest Entities, as a result of the elimination of the qualifying special-purpose entity concept in FAS 166, and (2) constituent concerns about the application of certain key provisions of Interpretation 46(R), including those in which the accounting and disclosures under the Interpretation do not always provided timely and useful information about an enterprise's involvement in a variable interest entity. This statement must be applied as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009. The Company does not expect the adoption of FAS 167 to have an impact on the Company's results of operations, financial condition or cash flows.

In June 2009, the FASB issued FAS 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles". FAS 168 will become the source of authoritative U.S. generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. On the effective date of this Statement, the Codification will supersede all then-existing non-SEC accounting and reporting standards. All other nongrandfathered non-SEC accounting literature not included in the Codification will become nonauthoritative. This statement is effective for financial statements issued for interim and annual periods ending after September 15, 2009.The Company does not expect the adoption of FAS 168 to have an impact on the Company's results of operations, financial condition or cash flows.

NOTE 4 – GOING CONCERN

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The Company has an accumulated deficit of $5,800,343 as of June 30, 2009, and had a generated a loss from operations of $241,946 and $429,229 for the three and six months ended June 30, 2009, respectively, which raises substantial doubt about the Company's ability to continue as a going concern. There is no guarantee that the Company will achieve profitable operations in the next fiscal year. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

The future of the Company is dependent upon its ability to obtain debt or equity financing and the profitable expansion of the Company's operations. Management has plans to seek additional capital through a private placement or public offering of its common stock. The Company has an extensive marketing plan that it hopes to implement in 2009 and expects the marketing plan will generate increased sales with new customers and within new demographics.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

NOTE 5 – ACCOUNTS RECEIVABLE

The following table provides details on changes within the Company's allowance for doubtful accounts during the six months ended June 30, 2009 and 2008, respectively.

	2009	2008
Beginning allowance for doubtful accounts	$ 5,000	$ 5,000
Additional charge to bad debt expense	-	-
Ending allowance for doubtful accounts	$ 5,000	$ 5,000

NOTE 6 – OTHER RECEIVABLE

In accordance with an August 4, 2008 investment banking agreement with Criterion Capital Partners LLC ("Criterion"), the Company is to be reimbursed for certain accounting and legal costs incurred during 2008. The Company completed a self registration under the Exchange Act of 1933 with the United States Securities and Exchange Commission on February 12, 2009. As a result, the Company is expecting reimbursement of these costs which totaled $17,137 and $18,137 as of June 30, 2009 and December 31, 2008, respectively. The Company has no reason to believe it cannot collect on this receivable.

NOTE 7 – BARTER RECEIVABLE

The Company is involved in two barter organizations that involve the sale of the Company's products and the Company has access to goods and services of member organizations of the barter organizations. As of June 30, 2009 and December 31, 2008, the Company had built up a receivable of goods and services through the barter organizations of $56,859 and $65,577 respectively.

NOTE 8 – INVENTORY

Inventories are stated at the lower of the cost (determined using the first-in, first-out method) and are comprised of the following:

	June 30, 2009	December 31, 2008
Raw Materials	$ 120,533	$ 114,943
Finished Goods	17,957	24,967
Overhead Allocation	20,664	19,349
	$ 159,154	$ 159,259

NOTE 9 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	June 30, 2009	December 31, 2008
Furniture & Fixtures	$ 290,994	$ 291,830
Office Equipment	82,472	78,376
Trade Show Booth	53,138	53,138
Leasehold Improvements	6,219	6,219
	432,763	429,563
Less: Accumulated Depreciation	(403,221)	(380,382)
	$ 29,542	$ 49,181

Depreciation and amortization totaled $13,347 and $22,839 for the three and six months ended June 30, 2009 and $11,894 and $36,716 for the same periods ended June 30, 2008, respectively.

NOTE 10 - RELATED PARTY PAYABLE

On September 30, 2008, the Company entered into a balloon promissory note for $525,826 with the Company's Chief Executive Officer. The promissory note carries interest at 7% and the balloon payment is due in full on December 31, 2012.

The table below details transactions related to the advances and repayments to the Company's Chief Executive Officer during the six months ended June 30, 2009:

Beginning Balance Payable (Principal and Interest), as of December 31, 2008	$ 539,195
Repayments and Adjustments to Reduce Principal Balance	(49,877)
Accrued Interest	18,800
Advances From Chief Executive Officer	35,150
Ending Balance Payable, as of June 30, 2009	$ 543,268

On February 28, 2009, the Company entered into a convertible promissory note with an unaffiliated individual for $5,000. The convertible promissory note carries interest at 7% per annum and is due on demand on November 25, 2009. Upon maturity and if not paid in full, the convertible promissory note is convertible into the Company's

common stock at the current market value of Company’s common stock at the holder’s discretion.

On February 13, 2008, the Company entered into a promissory note for $30,000 with a trust controlled by a member of the Company’s Board of Directors. The promissory note carries interest at 7% and was due in full on February 12, 2009. The Company defaulted on this promissory note and as of May 30, 2009 has renegotiated this note into a balloon note that is due on December 31, 2011. The stated interest rate of this note is seven percent.

On December 31, 2005, the Company entered into a promissory note for $185,198 with a member of the Company’s Board of Directors. The promissory note carries interest at 7%, required payments on the principle balance outstanding of $2,100 a month and was due in full in approximately March, 2013. The Company defaulted on this promissory note, which caused the promissory note to be due on demand and as of May 30, 2009 has renegotiated this note into a balloon note that is due on December 31, 2011. The stated interest rate of this note is seven percent.

On March 10, 2009, the Company entered into a short term note payable with a trust controlled by a shareholder for $20,000. The short term note payable carries interest at 10% per annum and is due in full on December 31, 2009. The holder of the short term note payable also has an option to convert the outstanding balance on the note subsequent to June 30, 2009. The conversion price will be calculated based on a 20% discount to the average of the previous 30 days' closing price of the Company's common stock. As of May 30, 2009 the Company has renegotiated this note into a balloon note and combined it with the two previous notes that were in default. The balloon note is due on December 31, 2011 and accrues interest at seven percent.

Interest expense for the three and six months ended June 30, 2009 and 2008, was $27,610 and $50,434, respectively.

NOTE 11 - STOCKHOLDERS' EQUITY

Feel Golf Company, Inc. is authorized to issue 100,000,000 shares, in aggregate, consisting of 100,000,000 shares of common stock. The Company's Certificate of Incorporation authorizes the Board of Directors (the "Board") to determine the preferences, limitations and relative rights of any class or series of Company preferred stock prior to issuance and each such class or series must be designated with a distinguishing designation prior to issuance. As of June 30, 2009, 16,178,675 shares of the Company's common stock were issued and outstanding.

On March 7, 2009, the Company hired James Crane, of Crane & Company, as its Chief Financial Officer. Mr. Crane received cash compensation on a monthly basis and was awarded 160,000 shares of the Company's common stock. The Company issued 160,000 shares of the Company's common stock to James Crane on May 3, 2009. The agreement with Crane & Company was terminated on July 27, 2009.

On March 11, 2009, the Company entered into an Investor Relations Agreement with Cirrus Financial Communications, LLC ("Cirrus"). In accordance with the Investor Relations Agreement, the Company agreed to issue 110,000 shares of the Company's common stock to Cirrus immediately. An additional issuance of 140,000 shares of the Company's common stock was to be earned over the subsequent four months beginning on April 13, 2009. The agreement with Cirrus was terminated as of May 27, 2009 with a total of 150,000 shares being earned and issued.

On May 22, 2009 the Company issued 23,100 shares of restricted common stock to Anslow & Jaclin, the Company's legal counsel. The shares were issued as payment for legal services performed.

NOTE 12 - COMMITMENTS & CONTINGENCIES

Operating Leases

On February 1, 2007, the Company entered into a thirty six month lease agreement with an unrelated party for approximately 5,500 square feet of manufacturing and office space in Salinas, California. The following table summarizes the Company's future minimum lease payments under operating lease agreements for the five years subsequent to June 30, 2009:

2009	$	21,681
2010		42,865
2011		43,937
	$	108,483

The Company recognizes lease expense on a straight-line basis over the life of the lease agreement. Contingent rent expense is recognized as it is incurred. Total rent expense in continuing operations from operating lease agreements was $9,685 and $20,140 for the three and six months ended June 30, 2009.

Contingent Liabilities

On August 4, 2008, the Company entered into a consulting agreement with Criterion for investment banking services. Under the terms of the contract, Criterion received 1,205,726 shares of the Company's common stock, valued at $1,205,726, as the base compensation for Criterion's services. Additionally, if the Company’s common stock should be listed on the NASDAQ Global Select market by November 1, 2009, then Criterion would immediately be entitled to purchase up to 1% of the Company’s fully diluted common stock at a 20% discount to the average closing price of the Company’s common stock for the 30 trading days prior to November 1, 2009. Or, at the option of Criterion, Criterion would receive cashless warrants representing 1% of the Company’s current fully diluted outstanding common stock at an exercise price equal to a 20% discount to the average closing price of the Company’s common stock for the 30 trading days prior to November 1, 2009.

Litigation

The Company may be involved from time to time in ordinary litigation that will not have a material effect on its operations or finances. The Company is not aware of any pending or threatened litigation against the Company or the Company's officers and directors in their capacity as such that could have a material impact on the Company's operations or finances.

NOTE 13 - RELATED PARTY TRANSACTIONS

Through the date of these financial statements, the Company had significant related party transactions with its majority stockholder and Chief Executive Officer, or entities controlled by the Chief Executive Officer.

On January 2, 2008, a trust controlled by the Company’s Chief Executive Officer agreed to convert $1,000,000 in debt the Company owed to the trust into 1,000,000 shares of the Company's common stock valued at $1,000,000.

On May 30, 2009 the Company renegotiated a promissory note of $256,692 with a trust controlled by a member of the Company’s Board of Directors. The new promissory note is a balloon note with payment due on December 31, 2011. The note carries interest at 7% per annum.

As of June 30, 2009 the Company has a promissory note of $543,268 with the Company’s Chief Executive Officer. The promissory note is a balloon note that matures on December 31, 2012. The stated interest rate on the loan is 7% per annum.

NOTE 14 – STOCK BASED COMPENSATION

The Company recognizes stock issued to employees and officers of the Company either in lieu of salary or as a bonus as stock based compensation. On March 7, 2009 the Company agreed to issue 160,000 shares of common stock to its acting CFO, Crane & Company, in exchange for services performed. The total estimated value of these shares was $160,000. Accordingly, the Company recognized stock based compensation expense of $160,000 during the six months ended June 30, 2009.

NOTE 15 – SUBSEQUENT EVENTS

On July 23, 2009 the Company issued a total of 950,000 shares of restricted common stock to various employees as compensation. The shares were issued for services to be performed subsequent to the issuance thus no deferred compensation was recorded during the six months ended June 30, 2009.

On July 27, 2009 the Company signed an agreement with Security Research Associates, Inc. (SRA) to perform various investment banking services. The Company has agreed to pay SRA an upfront retainer fee of 100,000 shares of common stock, has agreed to reimburse expenses up to $15,000 and various other fees related to the successful completion of aforementioned mergers and financing activities completed by the Company. The agreement will expire on October 30, 2009.

On August 3, 2009 the Company entered into an agreement with Caldwell Golf Corporation to purchase 100% of the assets of Caldwell Golf Corporation. The asset purchase come with no assumption of the liabilities of Caldwell Golf Corporation. In exchange for the assets, the Company agrees to issue 1,250,000 shares of restricted common stock. The Company further agrees to pay the seller a net earned royalty of 10% of the sales of the acquired assets in an amount not to exceed $250,000.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR RESULTS OF OPERATIONS.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that involve risks and uncertainties. We generally use words such as "believe," "may," "could," "will," "intend," "expect," "anticipate," "plan," and similar expressions to identify forward-looking statements, including statements regarding our ability to continue to create innovative technology products, our ability to continue to generate new business based on our sales and marketing efforts, referrals and existing relationships, our financing strategy and ability to access the capital markets and other risks discussed in our Risk Factor section included in our Form 10-K, as amended, for the year ended December 31, 2008, as filed with the Securities and Exchange Commission on April 23, 2009. Although we believe the expectations expressed in the forward-looking statements included in this Form 10-Q are based on reasonable assumptions within the bounds of our knowledge of our business, a number of factors could cause our actual results to differ materially from those expressed in any forward-looking statements. We cannot assure you that the results or developments expected or anticipated by us will be realized or, even if substantially realized, that those results or developments will result in the expected consequences for us or affect us, our business or our operations in the way we expect. We caution readers not to place undue reliance on these forward-looking statements, which speak only as of their dates. We do not intend to update any of the forward-looking statements after the date of this document to conform these statements to actual results or to changes in our expectations, except as required by law.

Company Overview

Our financial statements for the three and six months ended June 30, 2009 and 2008 reflect net operating losses of $241,946 and $429,229 for 2009 and net operating income of $35,257 and $13,593, respectively. This is based on gross revenues of $68,684 and $174,187 in 2009 and $192,632 and $366,819 in 2008.

Plan of Operation

While we make golf clubs and golf grips, our primary business and marketing plans will initially be focused on our golf grips and wedges. We believe we can launch an aggressive but well-directed marketing campaign to rapidly grow our revenue and significantly maximize our market potential. To reach the mass market, we will more frequently advertise our grips, the Full ReleaseTM Performance grips in particular, on The Golf Channel in the U.S. We plan to develop additional strategic advertising and promotion plans including key industry endorsements, press releases, additional TV spots, major golf magazine print ads, our sponsored media days for major magazine equipment writers, weekly schedules with retailer demo days, enhanced and continual in-store support programs, open-to-the public as well as privately sponsored clinics, annual trade-shows, and continuous in-house productions of articles and editorials.

As noted previously, we currently do not have the necessary capital to implement our marketing campaign and if successful in raising sufficient capital for marketing, there can be no assurance that this capital and/or increased marketing efforts will increase revenues.   There can also be no assurance we will be successful in raising sufficient marketing capital to implement this campaign. Assuming we are able to raise sufficient capital in support of our marketing strategy, we plan to develop five distinct sales channels:

· Direct to Consumer: We plan to use direct response marketing in advertisement and infomercials, running primarily on Golf Channel, websites and national print media.

· Wholesale Distribution: We plan to employ a well-trained and efficient sales staff to sell and provide ongoing marketing and in-store support to U.S. major golf retailers.

· Internet Sales: We plan to hire two (2) skilled employees to aggressively market our line of products on the Internet at retail prices on our website.

· International: Asia is a prominent international market where golf as a sport is rapidly growing. We plan to hire two (2) Company Representatives to be responsible for continuous training our distributors in Asia and Europe, although our international distributors are responsible for their own marketing expenditures.

· Call Center and Inside Sales: We plan to further assemble an effective in house telemarketing sales force to sell direct to our consumers and handle both inbound and outbound customer communications and sales.

Results of Operations

The following table sets forth our results of the operations for the three and six months ended on June 30, 2009 and 2008.

1

Three Months Ended June 30, 2009 and 2008

	June 30, 2009	June 30, 2008	Increase (Decrease)	Percentage Increase (Decrease)
Revenues	$ 183,092	$ 192,632	$ (9,540)	(5)%
Cost of Sales	38,861	40,286	(1,425)	(4)%
Gross Profit	144,231	152,346	(8,115)	(5)%
Operating Expenses	358,567	112,776	245,791	218%
Other Expenses	(27,610)	(4,313)	23,297	540%
Income Taxes	-	-	-	-%
Net Loss	(241,946)	35,257	(277,203)	(786)%
Basic and Fully Diluted Loss Per Common Share	$ (0.02)	$ (0.00)		
Weighted Average Basic and Fully Diluted Common Share Outstanding	16,032,363	14,582,308		

Six Months Ended June 30, 2009 and 2008

	June 30, 2009	June 30, 2008	Increase (Decrease)	Percentage Increase (Decrease)
Revenues	$ 251,955	$ 366,819	$ (114,864)	(31)%
Cost of Sales	67,783	75,489	(7,706)	(10)%
Gross Profit	184,172	291,330	(107,158)	(37)%
Operating Expenses	562,967	251,150	311,817	124%
Other Expenses	(50,434)	(26,587)	23,847	90%
Income Taxes	-	-	-	-%
Net Loss	(429,229)	13,593	(442,822)	(3,256)%
Basic and Fully Diluted Loss Per Common Share	$ (0.03)	$ (0.00)		
Weighted Average Basic and Fully Diluted Common Share Outstanding	15,938,969	14,582,308		

Revenues

For the three and six months ended June 30, 2009, revenues decreased 5% and 31% from the three and six months ended June 30, 2008. The Company's sales have been significantly impacted by the overall negative economic climate in late 2008 and into 2009. Revenues generated by the sales of the Company’s golf clubs increase by approximately $62,400 in the three months ended June 30, 2009 as compared to 2008. Revenues from golf grip sales decreased by approximately $52,500 in the three months ended June 30, 2009 as compared to 2008. The Company is intent on implementing a targeted marketing and advertising campaign in 2009 and will focus on expanding sales of its highly profitable golf grip products as opposed to its golf clubs. However, the Company will require capital, likely in the form of an equity issuance, if it is to finalize and implement its marketing and advertising plans. If capital is

raised to fund advertising and marketing expenditures then the Company's revenues could increase dramatically. If the Company is unable to raise capital then the Company is intent on maintaining revenues within a similar range as 2008 assuming the Company is able to continue operations.

Cost of Sales

For the three and six months ended June 30, 2009, our costs of sales decreased 4% and 10% over the three and six months ended June 30, 2008. During the six months ended June 30, 2009, we imported more product by air than by sea and implemented a call center at our headquarters in July 2008. The call center allowed us to sell more products at retail price, as opposed to wholesale price. Our new targeted marketing and advertising plan will focus on retail pricing opportunities both domestically and abroad. If our plans are implemented and successful, we believe we can maintain our current gross margins. However, if wholesale pricing opportunities present themselves, we will likely be aggressive with our pricing in the hope of obtaining significant wholesale contracts which further expand our operations. If we succeed in obtaining significant wholesale contracts, our gross margins may decrease in 2009.

Gross Profit

For the three and six months ended June 30, 2009, our gross profit decreased 5% and 37% over the same periods ended June 30, 2008. Our sales decreased by 5% and 31% in 2009, which contributed significantly to the 5% and 37% decrease in gross margin in 2009.

Operating Expenses

For the three and six months ended June 30, 2009, our operating expenses increased by $245,791 and $311,817, or 218% and 124%. Stock based compensation occurred in 2009 as we issued a total of 160,000 shares of our common stock, valued at approximately $160,000, to Chief Financial Officer. Stock based compensation was approximately $160,000 in 2009 as compared to $0 in 2008. In addition to stock based compensation, the Company issued stock for consulting and legal services totaling approximately $156,000 during the six months ended June 30, 2009. These expenses combined with the stock based compensation account for a majority of the increased operating expenses.

In 2009, we began to focus on improving our operating efficiencies and selling through our current contact base and distributors rather than spending significantly on advertising. However, we incurred substantial additional costs associated with operating as a public company during 2009. If we are able to raise capital, we expect to increase of expenditures for advertising and marketing purposes in 2009. Otherwise, management is intent to ensure the Company’s other operating expenses are comparable to 2008.

Other Expenses

For the three and six months ended June 30, 2009, our other expenses increased $23,297 and $23,847 over the three and six months ended June 30, 2008. We recorded interest expense on debts owed to a trust controlled by our Chief Executive Officer and a trust controlled by a former member of the Company's Board of Directors. Interest expense on all debts outstanding in 2009 and 2008 was calculated using the simple interest method and a 7% interest rate per annum. Interest expense decreased in the second quarter of 2009 as compared to the first quarter of 2009 as a result of the decrease in the effective interest rates charged on most of the Company's unsecured credit card debts.

Net Loss

For the three and six months ended June 30, 2009, our net loss increased 786% and 3,258% over the same periods ended June 30, 2008. The net loss was generated by the approximate $315,775 in stock based compensation and services in 2009 as compared to $0 in 2008. Additionally, our revenues are not large enough to create a breakeven scenario. We need capital to expand operations and develop new contacts to function as distributors. If we are able to raise capital in 2009, then revenue will likely increase as a result of advertising and marketing and a break even scenario will be more likely.

Liquidity and Capital Resources

For the Six Months Ended June 30, 2009 and December 31, 2008

At June 30, 2009, we had cash and cash equivalents of $23,579 as compared to cash and cash equivalents of $5,220 as of December 31, 2008. Net cash used in operating activities for the six months ended June 30, 2009 was $17,524, as compared to net cash provided by operating activities of $79,810 for the six months ended June 30, 2008. This decrease of $97,334, in cash used in operating activities as compared to the comparable period of the prior year is reflective of a decrease in revenues and the resulting cash flows associated with the collection of accounts receivable balances from customers as well as the increased expenditures resulting from the Company operating as a public company in 2009. The Company is incurring approximately $12,000 in additional expenses per month as result of being a public company. Additionally, when the stock based compensation and services paid in stock is not included in the analysis, our net loss for 2009, decreased to be approximately $106,000. We are intent on conserving the Company's cash and generating additional revenues and profits through current contacts and distributors. However, if we are successful raising capital we will likely utilize the capital to increase advertising and marketing efforts in the hope that the expenditures will drive sales growth.

Cash flows used in investing activities totaled $2,200 and $51,858 for the six months ended June 30, 2009 and 2008, respectively. We purchased property and equipment in 2009 and 2008.

Cash flows provided by financing activities totaled $38,083 during the six months ended June 30, 2009 as compared to net cash used in financing activities of $866 in 2008. During the six months ended June 30, 2009, the Company made repayments to a trust controlled by our Chief Executive Officer of $41,854. The trust also advanced a total of $20,744 during the same period. No cash was raised through the sale of stock during the six months ended June 30, 2009 as compared to 77,500 in 2008.

At the present level of business activity, our ongoing monthly gross operating cash disbursements are expected to average approximately $30,000. As of June 30, 2009, we have negative working capital of $71,501.

FINANCING ACTIVITIES

On February 28, 2009, the Company entered into a convertible promissory note with an unaffiliated individual for $5,000. The convertible promissory note carries interest at 7% per annum and is due on demand on November 25, 2009. Upon maturity and if not paid in full, the convertible promissory note is convertible into the Company's common stock at the current market value of Company's common stock at the holder's discretion.

On March 10, 2009, the Company entered into a short term note payable with a trust controlled by a shareholder for $20,000. The short term note payable carries interest at 10% per annum and is due in full on December 31, 2009. The holder of the short term note payable also has an option to convert the outstanding balance on the note subsequent to June 30, 2009. The conversion price will be calculated based on a 20% discount to the average of the previous 30 days' closing price of the Company's common stock. This note was subsequently renegotiated on May 30, 2009 with other notes held by the same party into a balloon note with a 7% per annum interest rate due on December 31, 2011.

MATERIAL TRENDS AND UNCERTAINTIES

Should our cash flow shortfalls continue, and should we be unsuccessful in raising capital, it will have an adverse impact on our business, which in turn will have an adverse impact on our financial condition and results of operations. While we are actively assessing our cash flow needs and pursuing multiple avenues of financing and cash flow generation, there can be no assurance that our activities will be successful. If our fundraising efforts are not successful, it is likely that we will not be able to meet our obligations as they come due.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required for smaller reporting companies.

ITEM 4T. CONTROLS AND PROCEDURES

a) Evaluation of Disclosure Controls. Our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of our fiscal quarter ended June 30, 2009 pursuant to Rule 13a-15(b) of the Securities and Exchange Act. Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, as appropriate to allow timely decisions regarding required disclosure. Based on his evaluation, the CEO concluded that our disclosure controls and procedures were not effective to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules based on the material weakness described below:

1. Management's conclusion is based on, among other things, the audit adjustments recorded for fiscal years 2008 and 2007, and for the lack of segregation of duties and responsibilities within the Organization.

It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations

of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

(b) Changes in internal control over financial reporting. In order to rectify our ineffective disclosure controls and procedures, we are developing a plan to ensure that all information will be recorded, processed, summarized and reported accurately, and as of the date of this report, we have taken the following steps to address the above-referenced material weaknesses in our internal control over financial reporting:

1. We will continue to educate our management personnel to comply with the disclosure requirements of Securities Exchange Act of 1934 and Regulation S-K; and
2. We will increase management oversight of accounting and reporting functions in the future.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

We may be involved in litigation, negotiation and settlement matters that may occur in our day-to-day operations. Management does not believe the implication of this type of litigation will have a material impact on our financial statements.

ITEM 1A. RISK FACTORS

Not required for smaller reporting companies.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

On May 22, 2009, we agreed to issue 23,100 shares of common stock to Anslow Jaclin in exchange for legal services provided. Such securities were not registered under the Securities Act of 1933. The issuance of these shares was exempted from registration pursuant to Section 4(2) of the Securities Act of 1933.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

NONE.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

NONE.

ITEM 5. OTHER INFORMATION.

NONE.

Item 6. Exhibits and Reports of Form 8-K.

(a) Exhibits

31.1 Certification pursuant to Section 302 of Sarbanes Oxley Act of 2002

32.1 Certification pursuant to Section 906 of Sarbanes Oxley Act of 2002

(b) Reports of Form 8-K

On April 3, 2009, the Company filed a Form 8-k with the SEC for the change in accountant.

On June 25, 2009, the Company filed a Form 8-k with the SEC for its investment agreement with Auctus.

SIGNATURE

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FEEL GOLF COMPANY, INC.
(Registrant)

Date: August 18, 2009

By: /s/ Lee Miller
Lee Miller
Chief Executive Officer and Chief Financial Officer