

COMMAND SECURITY CORP  
Form 10-Q  
February 17, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q

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

For the quarterly period ended December 31, 2008

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 0-18684

COMMAND SECURITY CORPORATION  
(Exact name of registrant as specified in its charter)

New York 14-1626307  
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

Lexington Park 12540  
LaGrangeville, New York (Zip Code)  
(Address of principal executive offices)

(845) 454-3703  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the 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, a non-accelerated filer, or a smaller reporting company. See the definition of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

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

The number of outstanding shares of the registrant's common stock as of February 6, 2009 was 10,797,216.

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## Table of Contents

	Page
<b>PART I.</b>	<b>FINANCIAL INFORMATION</b>
<b>Item 1.</b>	<b>Financial Statements</b>
	Condensed Consolidated Statements of Income - three and nine months ended December 31, 2008 and 2007 (unaudited) 3
	Condensed Consolidated Balance Sheets - December 31, 2008 (unaudited) and March 31, 2008 4
	Condensed Consolidated Statements of Changes in Stockholders' Equity - nine months ended December 31, 2008 and 2007 (unaudited) 5
	Condensed Consolidated Statements of Cash Flows - nine months ended December 31, 2008 and 2007 (unaudited) 6-7
	Notes to Condensed Consolidated Financial Statements 8-12
<b>Item 2.</b>	<b>Management's Discussion and Analysis of Financial Condition and Results of Operations 13-20</b>
<b>Item 3.</b>	<b>Quantitative and Qualitative Disclosures about Market Risk 21</b>
<b>Item 4.</b>	<b>Controls and Procedures 21</b>
<b>PART II.</b>	<b>OTHER INFORMATION</b>
<b>Item 1A.</b>	<b>Risk Factors 22</b>
<b>Item 6.</b>	<b>Exhibits 22</b>
<b>SIGNATURES</b>	<b>23</b>
<b>Exhibit 31.1</b>	<b>Certification of Edward S. Fleury</b>
<b>Exhibit 31.2</b>	<b>Certification of Barry I. Regenstein</b>
<b>Exhibit 32.1</b>	<b>§1350 Certification of Edward S. Fleury</b>
<b>Exhibit 32.2</b>	<b>§1350 Certification of Barry I. Regenstein</b>

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## COMMAND SECURITY CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
Revenues	\$ 32,760,473	\$ 30,225,328	\$ 98,415,570	\$ 88,922,998
Cost of revenues	28,033,460	26,073,598	84,027,213	76,804,358
Gross profit	4,727,013	4,151,730	14,388,357	12,118,640
Operating expenses				
General and administrative	4,107,122	3,362,716	11,372,126	9,927,373
Provision (recoveries) for doubtful accounts, net	61,670	66,005	214,335	(152,755)
	4,168,792	3,428,721	11,586,461	9,774,618
Operating income	558,221	723,009	2,801,896	2,344,022
Interest income	9,966	13,401	25,759	61,243
Interest expense	(114,377)	(196,239)	(371,258)	(626,306)
Gain on sale of available for-sale securities	—	—	—	50,007
Equipment dispositions	—	300	8,812	1,188
Income before income taxes	453,810	540,471	2,465,209	1,830,154
Provision for income taxes	205,000	—	1,060,000	275,000
Net income	\$ 248,810	\$ 540,471	\$ 1,405,209	\$ 1,555,154
Net income per common share				
Basic	\$ .02	\$ .05	\$ .13	\$ .15
Diluted	\$ .02	\$ .05	\$ .12	\$ .14
Weighted average number of common shares outstanding				
Basic	10,775,916	10,727,191	10,763,449	10,727,191
Diluted	11,349,993	11,379,450	11,390,625	11,326,613

See accompanying notes to condensed consolidated financial statements



## COMMAND SECURITY CORPORATION

## CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31, 2008 (Unaudited)	March 31, 2008
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 320,647	\$ 146,782
Accounts receivable, net of allowance for doubtful accounts of \$1,040,391 and \$1,020,442, respectively	22,582,717	20,097,835
Prepaid expenses	3,977,245	2,680,751
Other assets	1,579,342	1,910,163
<b>Total current assets</b>	<b>28,459,951</b>	<b>24,835,531</b>
Furniture and equipment at cost, net	656,283	559,665
<b>Other assets:</b>		
Intangible assets, net	5,009,770	4,049,273
Restricted cash	82,577	302,736
Other assets	3,133,843	3,039,244
<b>Total other assets</b>	<b>8,226,190</b>	<b>7,391,253</b>
<b>Total assets</b>	<b>\$ 37,342,424</b>	<b>\$ 32,786,449</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Checks issued in advance of deposits	\$ 585,731	\$ 1,962,314
Current maturities of long-term debt	—	5,901
Current maturities of obligations under capital leases	63,101	17,100
Short-term borrowings	12,418,102	8,752,433
Accounts payable	358,329	1,025,963
Accrued expenses and other liabilities	8,169,826	6,974,784
<b>Total current liabilities</b>	<b>21,595,089</b>	<b>18,738,495</b>
Insurance reserves	585,276	670,617
Obligations under capital leases, due after one year	125,540	17,588
<b>Total liabilities</b>	<b>22,305,905</b>	<b>19,426,700</b>
<b>Stockholders' equity:</b>		
Preferred stock, Series A, \$.0001 par value	—	—
Common stock, \$.0001 par value	1,079	1,076
Accumulated other comprehensive loss	(131,076)	(240,270)
Additional paid-in capital	16,087,311	15,924,947
Accumulated deficit	(920,795)	(2,326,004)
<b>Total stockholders' equity</b>	<b>15,036,519</b>	<b>13,359,749</b>

Total liabilities and stockholders' equity	\$ 37,342,424	\$ 32,786,449
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See accompanying notes to condensed consolidated financial statements

COMMAND SECURITY CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
(Unaudited)

		Accumulated	Additional	
		Other	Paid-In	Accumulated
Preferred	Common	Comprehensive		
Stock				