

Cinedigm Corp.  
Form 10-Q  
November 14, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the fiscal period ended: September 30, 2014

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

For the transition period from --- to ---

Commission File Number: 000-31810

\_\_\_\_\_  
Cinedigm Corp.  
(Exact name of registrant as specified in its charter)

\_\_\_\_\_  
Delaware  
(State or Other Jurisdiction of Incorporation or  
Organization)

22-3720962  
(I.R.S. Employer Identification No.)

902 Broadway, 9th Floor New York, NY  
(Address of principal executive offices)  
(212) 206-8600  
(Registrant's telephone number, including area code)

10010  
(Zip Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class  
CLASS A COMMON STOCK, PAR VALUE \$0.001 PER  
SHARE

Name of each exchange on which registered  
NASDAQ GLOBAL MARKET

Securities registered pursuant to Section 12(g) of the Act:

NONE

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 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  No

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

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

As of November 10, 2014, 76,869,723 shares of Class A Common Stock, \$0.001 par value were outstanding.

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CINEDIGM CORP.  
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PART I - FINANCIAL INFORMATION  
 ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

CINEDIGM CORP.  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (In thousands, except for share and per share data)

	September 30, 2014	March 31, 2014
ASSETS	(Unaudited)	
Current assets		
Cash and cash equivalents	\$ 29,746	\$ 50,215
Accounts receivable, net	74,560	56,863
Inventory	3,185	3,164
Unbilled revenue	3,535	5,144
Prepaid and other current assets	18,635	8,698
Note receivable, current portion	103	112
Assets of discontinued operations, net of current liabilities	—	278
Total current assets	129,764	124,474
Restricted cash	6,751	6,751
Security deposits	346	269
Property and equipment, net	116,362	134,936
Intangible assets, net	34,295	37,639
Goodwill	32,701	25,494
Deferred costs, net	8,218	9,279
Accounts receivable, long-term	1,288	1,397
Note receivable, net of current portion	59	99
Assets of discontinued operations, net of current portion	—	5,660
Total assets	\$ 329,784	\$ 345,998

See accompanying notes to Condensed Consolidated Financial Statements

CINEDIGM CORP.  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (In thousands, except for share and per share data)  
 (continued)

	September 30, 2014 (Unaudited)	March 31, 2014
<b>LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 98,012	\$ 72,604
Current portion of notes payable, non-recourse	33,442	33,825
Current portion of notes payable	19,994	19,219
Current portion of capital leases	587	614
Current portion of deferred revenue	3,145	3,214
Total current liabilities	155,180	129,476
Notes payable, non-recourse, net of current portion	145,611	164,779
Notes payable, net of current portion	19,292	23,525
Capital leases, net of current portion	5,201	5,472
Deferred revenue, net of current portion	11,278	12,519
Total liabilities	336,562	335,771
Commitments and contingencies (see Note 6)		
Stockholders' (Deficit) Equity		
Preferred stock, 15,000,000 shares authorized;		
Series A 10% - \$0.001 par value per share; 20 shares authorized; 7 shares issued and outstanding at September 30, 2014 and March 31, 2014, respectively. Liquidation preference of \$3,648	3,559	3,559
Class A common stock, \$0.001 par value per share; 210,000,000 and 118,759,000 shares authorized; 76,839,407 and 76,571,972 shares issued and 76,787,967 and 76,520,532 shares outstanding at September 30, 2014 and March 31, 2014, respectively		
Class B common stock, \$0.001 par value per share; 1,241,000 shares authorized; 1,241,000 shares issued and 0 shares outstanding, at September 30, 2014 and March 31, 2014, respectively	77	76
Additional paid-in capital	—	—
Treasury stock, at cost; 51,440 Class A shares	276,696	275,519
Accumulated deficit	(172)	(172)
Accumulated other comprehensive loss	(286,871)	(268,686)
Total stockholders' (deficit) equity	(67)	(69)
Total liabilities and stockholders' (deficit) equity	(6,778)	10,227
	\$ 329,784	\$ 345,998

See accompanying notes to Condensed Consolidated Financial Statements

CINEDIGM CORP.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except for share and per share data)

	For the Three Months Ended September 30,		For the Six Months Ended September 30,	
	2014	2013	2014	2013
Revenues	\$23,721	\$19,242	\$46,578	\$37,779
Costs and expenses:				
Direct operating (exclusive of depreciation and amortization shown below)	3,311	4,753	11,815	8,532
Selling, general and administrative	8,304	4,104	16,013	10,308
Provision for doubtful accounts	78	132		