

EACO CORP
Form 10-Q
August 15, 2008

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 July 2, 2008

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File No. 000-14311

EACO CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Florida 59-2597349
(State of (I.R.S.
Incorporation) Employer
 Identification
 No.)

1500 NORTH LAKEVIEW AVENUE
ANAHEIM, CALIFORNIA 92807
(Address of Principal Executive Offices)

(714) 876-2490
(Registrant's Telephone No.)

Indicate by check mark whether the registrant has (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act 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.

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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 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

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

As of August 13, 2008

| Title of each class | Number of shares outstanding |
|----------------------------------|---------------------------------|
| Common Stock, \$.01 par value | 3,910,264 |

PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

EACO Corporation
Condensed Statements of Operations

| | (Unaudited) | | (Unaudited) | |
|--|-----------------|------------------|------------------|------------------|
| | Quarters Ended | | Six Months Ended | |
| | July 2, 2008 | June 27, 2007 | July 2, 2008 | June 27, 2007 |
| Revenues: | | | | |
| Rental Revenue | \$ 349,400 | \$ 194,000 | \$ 648,400 | \$ 428,100 |
| Total Revenues | 349,400 | 194,000 | 648,400 | 428,100 |
| Cost and Expenses: | | | | |
| Depreciation and amortization | 153,700 | 123,000 | 356,800 | 212,200 |
| General and administrative expenses | 460,000 | 519,100 | 959,900 | 844,300 |
| Loss on disposal of assets | -- | -- | -- | 226,100 |
| Total costs and expenses | 613,700 | 642,100 | 1,316,700 | 1,282,600 |
| Loss from operations | (264,300) | (448,100) | (668,300) | (854,500) |
| Investment gain (loss) | -- | (98,600) | 95,700 | (203,300) |
| Interest and other income | 85,600 | 16,300 | 148,400 | 45,900 |
| Interest expense | (256,100) | (107,800) | (472,700) | (190,600) |
| Loss from continuing operations | (434,800) | (638,200) | (896,900) | (1,202,500) |
| Discontinued operations: | | | | |
| Loss from discontinued operations, net of income tax | -- | (360,000) | (596,200) | (423,200) |
| Net loss | (434,800) | (998,200) | (1,493,100) | (1,625,700) |
| Undeclared cumulative preferred stock dividend | (19,100) | (19,100) | (19,100) | (38,200) |
| Net loss attributable to common shareholders | (453,900) | (1,017,300) | (1,512,200) | (1,663,900) |
| Basic and diluted loss per | | | | |
| share continuing operations | \$ (0.11) | \$ (0.17) | \$ (0.22) | \$ (0.32) |
| Discontinued operations | (0.00) | (0.09) | (0.15) | (0.11) |
| Net loss | \$ (0.11) | \$ (0.26) | \$ (0.37) | \$ (0.43) |

| | | | | |
|--|-----------|-----------|-----------|-----------|
| Basic and diluted weighted average common shares outstanding | 3,910,264 | 3,906,800 | 3,910,264 | 3,906,800 |
|--|-----------|-----------|-----------|-----------|

See accompanying notes to condensed financial statements.

EACO Corporation

Condensed Balance Sheets

| | July 2, 2008 (Unaudited) | January 2, 2008 |
|----------------------------------|-----------------------------|--------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 7,200 | \$ 1,030,600 |
| Restricted cash- short-term | -- | 1,186,500 |
| Receivables, net | 112,600 | 6,500 |
| Prepaid and other current assets | 155,000 | |