FEEL GOLF CO INC
Form 10-K
April 13, 2011

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

FORM 10-K

(Mark One)
x ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For The Fiscal Year Ended December 31, 2010

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

Commission File No. 3330-153699

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

California (State or other jurisdiction of incorporation or organization)	77-0532590 (I.R.S. Employer Identification No.)
1354-T Dayton St. Salinas, CA (Address of principal executive offices)	93901 (Zip Code)

Registrant’s telephone number, including area code: (831) 422-9300

Securities registered under Section 12(b) of the Exchange Act:	None.
Securities registered under Section 12(g) of the Exchange Act:	Common stock, par value $0.001 per share. (Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No x

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference Part III of this Form 10-K or any amendment to this Form 10-K. x

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 Act). Yes o No x

As of March 22, 2011 the registrant had 338,579,843 shares issued and outstanding, respectively.

On June 30, 2010, the aggregate market value of voting stock (based upon the closing price of the Registrants Common stock on that date) held by non affiliates of the Registrant was $2,331,531

Documents Incorporated by Reference:
None.

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PART I

ITEM 1 - Description of Our Business

We were incorporated on February 14, 2000 in the State of California. From 2000 to February 12, 2009, we operated as a private business and focused on developing products both in the golf club (equipment) and golf grip (accessory) categories. Research and Development costs were accounted for under our general selling and administrative costs ("GS&A") during this time. Our annual revenues have historically ranged between approximately $500,000 and $1 million, and resulted in significant operating losses requiring additional capital from our officers and directors and additional private individual shareholders, with total investment and loans to date, of approximately $6 million.

We produce golf clubs including drivers, irons and wedges - with varying degrees of loft (angle of attack to the horizontal plane) ranging from 9° to 73° in several distinct color finishes: Satin, Gun Metal and Designer (Colors of Red, Black, Bronze, Blue, Green & Yellow). Wedges are golf clubs used primarily for approach shots generally from 150 yards and closer. Our wedges carry different degrees of loft (46°, 52° 54° 56°, 58° 60°, 64° & 73°) designed to be used for varying distances and different lies (e.g.: deep rough, sand, tight lies, etc.).

Our wedges are pressure cast and made of a blend of soft metals, providing what we believe to be a lower drag-coefficient thereby improving a golfer's ability for more accurate shots. Manufacturing and assembly technologies assure that each wedge has the same Kick Point, Balance Point, Swing Weight, Total Weight, Length, Frequency and Feel. Our golf clubs and golf grips conform to the rules of golf as set out by the United States Golf Association (USGA) and The Royal and Ancient Golf Club (R&A). The following sets forth an explanation of certain golf terms we use to describe our products:

§ Kick Point, also called flex point or bend point, is the point along a shaft's length at which it exhibits the greatest amount of bend when the tip is pulled down.

§ Balance Point is the point at which a golf shaft achieves equilibrium; the point at which a shaft's weight is evenly distributed in both directions when rested on a single fulcrum point.

§ Swing weight is a measurement that describes how the weight of a club feels when the club is being swung.

§ Total Weight is the total weight of a golf club including the head, shaft and grip.

§ Length is the overall length of a golf club.

§ Frequency is the process of ensuring that the shaft vibrations of all clubs in a given set of clubs, match in frequency when struck, so that the feel is the same for each club.

§ Feel is the sensation of, or level sensitivity for, playing shots in golf, especially with respect to short game shots including putting.

In late 2004, we introduced to the market a reverse-taper golf grip named "The Full Release,TM Performance grip. A "reverse taper" golf grip is simply a golf grip whose taper is the opposite (or reversed) of the industry standard golf grips used today. Specifically, a reverse taper golf grip is smaller in diameter at the butt end of a golf grip and gets larger in diameter towards the shaft end – the opposite of today's standard golf grips. We believe the reverse taper golf grip is more ergonomically designed to better fit the fingers of a golfer's hand promoting more of a full release swing - the act of freely returning the club head squarely to the ball at impact producing a powerful golf shot. In 2005, "The Full Release,TM Performance Grip was named "Top Discovery" at the International PGA Show in Orlando, FL, and is endorsed by the United States Schools of Golf (USSOG), as their “Official Golf Grip.” USSOG represents over 60 teaching facilities throughout the country.

We offer two reverse taper golf grips: 1) The Full Release™ Performance golf grip; and 2) The Pro Release™ Performance golf grip and we offer a number of different styles and colors for these golf grips.

The base manufacturing of all components including club heads, shafts and grips is currently outsourced. Final assembly and shipping is handled in our corporate headquarters based in Salinas, CA, utilizing PGA members trained in the art of club making. We employ specific manufacturing assembly techniques in order to ensure compliance with our design and quality control requirements.

In February 2010, we launched a totally new wedge design called, the "Lee Miller Signature" wedge designed by our CEO, Lee Miller, a PGA member. The new wedge line also has added two additional lofts of 54º and 58º bringing the total number of lofts available to eight (8). The "Signature" series is available in a QPQ (Melonite Black) finish as well as a Matte Chrome Satin finish.

We sell our golf clubs and grips to U.S. and international distributors, wholesalers, and retailers, including retail sales on our website. We have established international distribution channels through 30 countries covering the UK, most of Europe, Canada, Australia, Asian Pacific Rim countries, parts of Western Asia and South Africa. With respect to the domestic distribution, we have an established staff at our Salinas, CA headquarters and currently have (six) 6 employees.

Acquisition (s)

Acquisition # 1 ~ New to the Feel product line is Caldwell Golf's highly advanced Ceramic product line. In August 2009, Feel Golf acquired the assets of Caldwell Golf of Carlsbad, CA for 1,250,000 shares of Feel Golf's common stock. The fair market value of the Caldwell Golf assets were appraised by a third party certified appraiser and were valued at approximately $ 3,300,000

The Caldwell Golf Company reportedly spent years developing Ceramic golf club technology into a final and an excellent Ceramic product line of putters, drivers and fairway woods. The Caldwell Golf flagship product is their "Tsunami" putter line.

Acquisition # 2 ~ On December 4, 2010 we entered into an asset purchase agreement with Pro Line Sports, Inc ("Pro Line") to purchase one hundred percent (100%) of the right, title and interest in Pro Line's tangible and intangible assets for $225,000. On February 11, 2011, we completed the acquisition of Pro Line. A copy of the Asset Purchase Agreement is filed as Exhibit 10.1 to this Annual Report on Form 10-K.

Pro Line was incorporated in the state of Florida in 1996. The Company under a license markets and sells a patented golf ball retriever, promotional products and other golf accessories. The Company's products are distributed through golf retailers as well as golf pro shops and country clubs throughout the United States. Additionally, the Company has distributors in Canada, Great Britain and with plans to expand by using our global distribution channels.

Marketing

We anticipate the additional product lines derived from our recent acquisitions and when coupled with our Full Release™ grip and wedges should be attractive to golfers of all skill levels and incomes. With our premium wholesale price, the global market could represent a very significant opportunity with even minor market share penetration - potentially representing significant growth in total revenues. With a marketing campaign that we are ready to implement upon obtaining sufficient marketing capital, we plan to advertise the benefits of our product lines and build brand awareness. We believe our golf grips can obtain greater market share, similar to how Metal Woods, Graphite

Shafts, and/or Soft Spikes garnered significant market share. However, there is no guarantee that we will be able to raise the capital needed to implement its marketing campaign.

With respect to U.S. domestic marketing, we have relationships with several major golf retail chains in the US including Golfsmith, Golf Galaxy, Edwin Watts, Golfworks, Pro Golf and PGA Superstores that represent the majority of US golf equipment sales. We believe that our largest customer base will be these major retail chains. With this opportunity clearly in mind, we will initially concentrate efforts to maximize sales results via marketing efforts geared to increase brand awareness and pre-sell the golfing customer. While we expect considerable efforts to be directed at major retailers and cultivating new retailing chains, there remains other avenues for us to pursue, including on course and off course pro shops and club makers.

We believe our established international distributor network also holds potential for sales growth and through these distributors' efforts, to grow the Feel Golf brand name recognition around the world especially with the purchase of Pro Line Sports and its well established "Igotcha" product lines. We will continue marketing directly to the public through our website and with advertising programs designed to direct potential customers either to our on-line site or to our in-house sales personnel. Significant marketing efforts will be directed to this in-house channel with most sales at retail pricing bringing considerably higher profit margins than those realized via wholesale channels.

Demand in the golf industry is partially driven by strong marketing and public relations. Likewise, successful product launches in golf clubs and accessories are partially accomplished through strategic marketing and strong visibility on the professional tours. We intend to obtain endorsements of both PGA Teaching Professionals and Tour players, once capitalized, to further validate our products to golfers worldwide. To reach the mass market, we anticipate frequently advertising The Full Release™ Performance grip's infomercial on The Golf Channel in the US. This is a far-reaching, yet highly targeted, media campaign. We believe that a continuous TV Infomercial and TV Spot advertising strategy is among the strongest product awareness builders that may generate consumer, major chain golf retailer, golf pro shop, and catalog publishers' interest.

Additional strategic advertising and promotion plans includes: industry endorsements, company press releases, additional TV spots, major golf magazine print ads, media days for major magazine equipment writers sponsored by us, weekly schedules with retailer demo days, enhanced and continual in-store support programs, open-to-the-public as well as privately sponsored clinics, PGA & LPGA Tour presence, annual trade-shows, as well as a continuous in-house production of articles and editorials we hope to have published by leading golf magazines. Our product marketing emphasizes our belief in the many ways in which our newly expanded products are performance enhancing. The products' unique selling points include the following:

§ We believe our products include quality components, excellent design characteristics and quality control assembly by PGA trained professionals in compliance with exacting standards. We believe our patented and proprietary designs are highlighted, including our golf clubs' blend of hi-finishes that stand out among an otherwise dull product finish industry. Our club line was originally designed & developed for Tour players for their own personal use in competitive play.

§ Quality manufacturing is a key component of our brand. Our clubs are neither "customized" for Tour players nor "mass-produced" for the general public. We believe this is a most important distinction that creates a category of golf products that are made to exacting standards for high performance and playability that is unique among the major club manufacturers.

§ We believe our products' high performance characteristics can have a profound effect on a golfer's ability to play a better, more consistent game of golf. With independent testing verification, our marketing emphasizes that our clubs and grips provide golfers with better "feel" that allows for more distance, improved accuracy and the ability for lower scores.

§ We believe the Full Release™ Performance Grip's reverse taper design, our multi-colored Designer Wedges, our new "Lee Miller Signature" wedges and the Gun Metal and Yellow Competitor irons, visually differentiate our products from those of its competitors, imparting the perception of a high quality, high performance message at first glance.

§ There are numerous industry models of commodity class grips available, with MSRP prices ranging from $2 to $6 per grip. We believe our Full Release™ Performance grips are positioned as a major advance in golf equipment technology. Therefore, our golf grip is premium priced at a Manufacturer's Suggested Retail Price (MSRP) of $10 each.

§ Industry prices for golf wedges range from $25 to over $275 each. Many well known brands compete in the "professional grade" segment of the market and have offerings around $125 (MSRP). Our wedges are priced slightly higher (MSRP: $129 - $149) than many other brands, as we believe our quality and recognized playability imparts a higher perceived value to the customer.

At present, we do not have sufficient capital to implement and support our planned marketing campaign. We intend to raise funds through a private and/or a secondary public offering to support all of our five distinct sales channels. We estimate upwards of $3,000,000 in capital will be required to implement our marketing campaign, which we believe will take approximately 18 to 24 months to complete.

§ Direct to Consumer: We plan to use direct response marketing in advertisement and infomercials, running primarily on The Golf Channel, web sites and national print media. Estimated cost could range from $250,000 to $1.5 million over the course of our marketing campaign.

§ Wholesale Distribution: There are estimated to be more than 18,000 independent golf specialty stores in the U.S. alone, and over eight major USA retail golf chains, currently with an estimated 700 outlets and growing. Sales staff will be assigned to provide ongoing service to the major retail outlets and larger independents. Our customers also include specialty golf catalog retailers reaching well over 15 million US golfers annually. We plan to launch this part of the marketing campaign during the first quarter of the marketing campaign implementation. The estimated costs range from $100,000 to $250,000 annually.

§ Internet Sales: we plan to hire skilled employees to aggressively market our products on the Internet at retail prices on our website. The estimated costs range from $50,000 - $125,000 annually.

§ International: Our international sales alliances carry our clubs, grips and other products into dozens of countries. Prominent in the international arena is Asia, where golf as a sport is rapidly growing and becoming a national pastime with millions playing the game. We plan on hiring experienced golf industry professionals to be responsible for training of our distributors. We estimate the cost to be $150,000 annually.

§ Call Center and Inside Sales: We plan to assemble an effective in house telemarketing sales force, which will sell direct to our consumers, handle both inbound and outbound customer communications and sales, customer service, thus contributing significantly to over-all profit and revenues. We have initiated a call center at our corporate headquarters based in Salinas, CA, with two support personnel. We intend to ramp up the staff of the call center upon available capital and will increase staff based upon availability of qualified candidates throughout the marketing campaign. We estimate the cost to be $150,000 - $250,000 annually.

Competition

The golf equipment industry is competitive. We believe that our ten years of history is a strong indicator that we have excellent products with an established niche within the golf industry. Our major larger competitors include:

§ Callaway: a public company founded in 1982.

§ Cleveland Golf: founded in 1979.

§ Nike: entered the golf equipment market with golf shoes apparel, balls and accessories to grow revenues. In 2001, it launched its golf clubs.

§ Ping: a family owned company, founded in 1959.

§ Taylor Made: a subsidiary of Adidas-Salomon, founded in 1979.

§ Titleist: a part of the Acushnet Company whose brands include Foot Joy, Cobra and Pinnacle. Acushnet itself is a subsidiary of Fortune Brands, Inc.

§ The largest manufacturers and our competitors in the traditional golf grip industry include:

§ Avon Grips, Kingwood, TX

§ Golf Pride Grips, a subsidiary of Eaton Corporation, Laurinburg, NC

§ Lamkin Corporation, San Diego, CA

§ Winn Grips, Huntington Beach CA

In this competitive market, we believe we are the only grip company that produces a reverse-taper golf grip with multiple patent protections. We believe all of our products are uniquely designed in appearance, are different in playability and feel, and are beneficial for golfers of all skill levels.

Intellectual Property

Our intellectual property portfolio contains multiple trademarks, 16 patents and several patent applications.

Trademark

We currently own ten (10) registered trademarks that protect our company's name as well as our products. Our products protected under these trademarks include golf clubs, golf grips, golf putters, golf bags and golf bags. The ten (10) registered trademarks are (1) "Feel," (2) "Feel Golf," (3) "Sensation," (4) "Competitor," (5) "Dr. Feel," (6) "Desig Wedges," (7) "The Dart Thrower," (8) "The Heater," (9) "Full Release," and (10) "Pro Release."

Several additional patents, trademarks and licenses are added additionally via the December 4, 2010 Pro Line Sports purchase

Patents

Utility Patents

We currently have two issued utility patents titled "Improved Golf Club Grip." These utility patents protect a golf club grip with a progressively reducing diameter from the cap end of the grip to the shaft end of the grip, commonly referred to as a reverse taper.

In the acquisition of Caldwell Golf two (2) additional utility patents were acquired for the novel construction of golf club heads utilizing ceramics and cork. These patents have been assigned to Feel Golf by the patent office.

The acquisition of Pro Lines Sports brings additional licenses, patents and trademarks to our marketing channels and IP groups

Design Patents

We also have nine issued design patents covering a variety of golf club head and grip designs.

Pending Patent Applications

We also currently have pending additional patent, and applications for golf grips

In the acquisition of Caldwell Golf three (3) additional design patents were also acquired for the novel design application of golf club heads designed with ceramics, and cork. These patents have been assigned to Feel Golf by the patent office.

Future Applications

We have several utility and design patent applications that will apply for over the next few years. Many of these inventions relate specifically to the golf club grip and will protect the process for making the grip, and the manufacturing process,

* Patent Requirements - Section 101 of the U.S. Patent Act sets forth the general requirements for a utility patent: Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvements thereof, may obtain a patent, subject to the conditions and requirements of this title.

ITEM 1A – Risk Factors

Not applicable for smaller reporting companies.

ITEM 1B – Unresolved Staff Comments

None.

ITEM 2 - Description of Property

Our leased principal business office is located at 1354-T Dayton St., Salinas, CA 93901. In March 2011, Feel Golf will relocate its facility from California to Florida and occupy the Pro Line Sports facility.

ITEM 3 - Legal Proceedings

At this time the Company has no current litigation.

ITEM 4 - Removed and Reserved

PART II

ITEM 5 - Market for Common Equity and Related Stockholder Matters

Market Information

Our common stock is traded on the OTCQB Pink Sheets under the ticker symbol “FEEL”.

Holders

As of March 22, 2011, according to our transfer agent’s records, there are 88 record holders of our Common Stock.

Dividends

To date, we have not declared or paid any dividends on our common stock. We currently do not anticipate paying any cash dividends in the foreseeable future on our common stock, when issued pursuant to this offering. Although we intend to retain our earnings, if any, to finance the exploration and growth of our business, our Board of Directors will have the discretion to declare and pay dividends in the future.

Payment of dividends in the future will depend upon our earnings, capital requirements, and other factors, which our Board of Directors may deem relevant.

Stock Option Grants

To date, we have not granted any stock options.

ITEM 6 – Selected Financial Data

Not applicable.

ITEM 7 – Management's Discussion and Analysis or Plan of Operations

The following plan of operation provides information which management believes is relevant to an assessment and understanding of our results of operations and financial condition. The discussion should be read along with our financial statements and notes thereto. This section includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our predictions.

Overview

During the year ended December 31, 2010, we raised capital from officers of the Company and from convertible notes. This capital allowed us to continue day-to-day operations. During 2010 we raised $388,000 from convertible notes and issued a total of 59,294,808 shares of common stock and 708,200 shares of preferred stock for accounting, legal, consulting and marketing services. We also issued 40,473,290 shares of common stock in conversion of convertible debts and other liabilities. We sold 100,000 common shares for $ 6000 to an existing shareholder.

Our financial statements as of December 31, 2010, reflect a net operating loss of $5,336,702. This is based on gross revenues of $391,594, cost of sales of $267,394, operating expenses of $5,295,221 and other expenses including interest and taxes of $165,681.

During the year ended December 31, 2009, we were able to secure funding from several shareholders. These financings, combined with common stock issued for related services, allowed us to continue operations and pay for the related legal and accounting costs of maintaining a public company.

Our financial statements as of December 31, 2009, reflect a net operating loss for the year of $935,599. This is based on gross revenues of $485,773, cost of sales of $202,954, operating expenses of $1,124,093 and other expenses including interest and taxes of $94,325.

Our net operating loss for the year ending December 31, 2010 increased by $4,401,103 from December 31, 2009 due primarily to an increase in stock based compensation to employees and third parties of $3,418,342. Gross Sales for 2010, decreased by $94,179 or 19% primarily as a result of the downturn in the economy and its effect on retail sales in leisure and luxury goods.

The fluctuation in percentage of sales per product category per reporting period, is based on what management believes, not only relates to the current recession, but has been a lack of adequate marketing capital to further educate consumers and build brand awareness on its golf grips since their introduction, and that the company's golf grips are not as established in the marketplace yet, as its golf clubs are - which have a longer product history and greater product recognition.

Research and development costs were negligible during both years and we do not plan any research & development for the future 12 months.

Over the course of our ten years of operating history, we have incurred substantial operating losses and we may not be able to continue our business. As of December 31, 2010, we have an accumulated deficit of $11,725,985.

We have historically experienced cash flow difficulties primarily because our expenses have exceeded our revenues. We expect to incur additional operating losses for the immediate near future. These factors, among others, raise significant doubt about our ability to continue as a going concern. If we are unable to generate sufficient revenue from our operations to pay expenses or we are unable to obtain additional financing on commercially reasonable terms, our business, financial condition and results of operations will be materially and adversely affected. We can provide no assurance that we will obtain additional financing sufficient to meet our future needs on commercially reasonable terms or otherwise. There can be no assurance that we will be able to maintain operations as a going concern without an additional infusion of capital from other sources and there can be no guarantee we will be successful in obtaining capital from such sources. If we are unable to obtain the necessary financing, our business, operating results and financial condition will be materially and adversely affected.

We have six employees and our success is dependent on our ability to retain and attract personnel to operate our business, and there is no assurance that we can do so. Once we are sufficiently capitalized, we will need to recruit new executive managers and hire employees to help us execute our business strategy and help manage the growth of our business. Our business could suffer if we were unable to attract and retain highly skilled personnel or if we were to lose any key personnel and not be able to find appropriate replacements in a timely manner.

We expect to derive a substantial portion of our future revenues from the sales of our golf grips and we have yet to fully launch our initial marketing phase. Although we believe our products and technologies to be commercially viable, if markets for our products fail to develop further or develop more slowly than expected or are subject to substantial competition, our business, financial condition and results of operations will be materially and adversely affected.

We also depend on marketing relationships and if we fail to maintain or establish them, our business plan may not succeed.

We expect our future marketing efforts will focus in part on developing additional business relationships with retailers and distributors that will market our products to their customers. The success of our business depends on selling our products and technologies to a large number of distributors and retail customers.

The market for golf grips and golf clubs is highly competitive. There are a number of other established providers that have greater resources, including more extensive research and development, marketing and capital than we do and have greater name recognition and market presence. These competitors could reduce their prices and thereby decrease the demand for our products and technologies. We expect competition to intensify in the future, which could also result in price reductions, fewer customer and lower gross margins.

Our total sales in 2010 were lower than total sales from 2009. We expect sales to improve this year with the acquisition of Pro Line Sports which has had combined product sales of over $1,300,000 in each of its last two years of operation. (www.prolinesports,biz) However, with the recent economic and market uncertainties here in the United States as well as internationally, there can be no assurance that our sales will continue to grow and/or be maintained at their present level and may in fact, decline in the future.

Economic factors that can affect all manufacturing businesses include increases in fuel/freight costs and for global manufacturer's, currency fluctuations. Fuel/Freight costs can impact product costs and shipping costs of any manufacturer and without corresponding price increases of its products, a manufacturer's profits could decline or even result in losses. While a global manufacturer may only transact business in US dollars, if a buyer/distributor in another country, whose currency has experienced a devaluation in relation to the US dollar, could result in a reduction or even elimination of demand for the manufacturer’s products in that country.

These factors and others (unknown) could occur within the global marketplace that could negatively impact operations of any business, including the golf industry (manufacturing of golf clubs and golf grips) to the extent that such operations could cease temporarily or permanently, based on the Company’s ability to respond to such global economic factors.

Our business is subject to rapid changes in technology that may adversely affect our business. We can provide no assurances that further research and development by competitors will not render our technology obsolete or uncompetitive. We compete with a number of companies that have technologies and products similar to those offered by us and have greater resources, including more extensive research and development, marketing and capital than we do. If our technology is rendered obsolete or we are unable to compete effectively, our business, operating results and financial condition will be materially and adversely affected.

We rely on a combination of trade secrets, trademark law, and other measures to protect our trademarks, license, proprietary technology and know-how. However, we can provide no assurance that competitors will not infringe upon our rights in our intellectual property or that competitors will not similarly make claims against us for infringement. If we are required to be involved in litigation involving intellectual property rights, our business, operating results and financial condition will be materially and adversely affected.

It is possible that third parties might claim infringement by us with respect to past, current or future technologies. We expect that participants in our markets will increasingly be subject to infringement claims as the number of services and competitors in our industry grows. Any claims, whether meritorious or not, could be time-consuming, result in costly litigation and could cause service upgrade delays or require us to enter into royalty or licensing agreements. These royalty or licensing agreements might not be available on commercially reasonable terms or at all.

New technologies such as the products developed by us may contain defects when first introduced. Our introduction of technology with defects or quality problems may result in adverse publicity, product returns, reduced orders, uncollectible or delayed accounts receivable, product redevelopment costs, loss of or delay in market acceptance of our products or claims by customers or others against us. Such problems or claims may have a material and adverse effect on our business, financial condition and results of operations.

Plan of Operation

We make golf clubs, golf grips, and now, the Igotcha line of ball retrievers, reportedly to be the number one ball retriever in the USA. Our primary business and marketing plans will now be focused on golf grips, wedges, a patented swing weight for pre play warm up called “The Ready” and the “Igotcha” retrievers, which are sold by all major golf retailers. We believe we can launch an aggressive but well-directed marketing campaign to rapidly grow our revenue and significantly maximize our market potential.

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 and continue campaigns.

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 will use direct response marketing via infomercials, social media, 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. With acquisition of Pro Line Sports, we now have 20 commissioned field sales representatives calling customers and potential customers.

§ Internet Sales: We plan to aggressively market our 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 a marketing person to be responsible training and growing our distributors in Asia and Europe. 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

Note: For all reporting periods below:

The golf industry as reported by several industry organizations are in a state of flux, though the total number of worldwide golfers as reported by the industry has increased, primarily due to the increase in golf as a major sport in Asia. However, there can be no assurance that the golf industry will continue growing and may in fact decline. We believe there have been no industry trends that have significantly affected (positively or negatively) our operating results including fluctuations in revenues for the reporting periods below. Based on input from our major customers, we believe that sufficient marketing and capital is essential to growing revenues in the highly competitive golf industry.

Current economic factors both in the US and internationally may have a direct impact on future revenues positively and/or negatively - whether for example: 1) fluctuating fuel costs that effects shipping and product production costs for all manufacturers regardless of industry; or 2) currency fluctuation of the US dollar and that of other foreign currencies for global manufacturers, regardless of industry.

Years Ended December 31, 2010 and 2009

	December 31, 2010	December 31, 2009	Increase (Decrease)	Percentage Increase (Decrease)
Revenues	$ 391,594	$ 485,773	$ (94,179)	-19 %
Cost of Sales	267,394	202,954	64,440	32 %
Gross Profit	124,200	282,819	(158,619)	-56 %
Operating Expenses	5,295,221	1,124,093	4,171,128	371 %
Other Expenses	164,881	93,508	71,373	76 %
Income Taxes	800	817	(17)	-2 %
Net Loss	$ (5,336,702)	$ (935,599)	$ (4,401,103)	470 %
Basic and Fully Diluted Loss Per Common Share	$ (0.09)	$ (0.06)		
Weighted Average Basic and Fully Diluted Common Share Outstanding	62,221,807	15,012,361		

Revenues

For the year ended December 31, 2010 revenues decreased 19% from the year ended December 31, 2009. The slow economy and uncertain financial sector has negatively impacted our sales and plans to expand operations. Our acquisition of Pro Line Sports we will add significant sales of the new product line. We believe this acquisition will allow us to expand into the golf accessory market in 2010 and will be able to increase sales of our highly profitable golf grip products as opposed to our golf clubs. We expect our reliance on outside capital to decrease, however, we will continue to require capital in the near short term, even though our revenues increases with the Pro Line acquisition.

Cost of Sales

For the year ended December 31, 2010, our costs of sales increased 32% over the year ended December 31, 2009. This increase is due to a write down in slow moving and obsolete inventory acquired in the Caldwell acquisition. However, our overall pricing structure, product make-up and sales mixes have stayed constant from 2009.

We expect that our margins will improve with our acquisition of Pro Line Sports. The golf ball retrievers and other accessories have a historically higher gross margin than our golf clubs.

Gross Profit

For the year ended December 31, 2010, our gross profit decreased 56% over the year ended December 31, 2009. The continued poor economy during 2010 has hurt our retail sales which drove down our gross margins. In order to move product we sought a higher percentage of less than wholesale orders than in the recent past.

Operating Expenses

For the year ended December 31, 2010, our operating expenses increased by $4,0171,128. Stock issued for services during 2010 totaled 59,294,808 common shares valued at $653,492 and 708,200 shares of preferred stock valued at $3,541,000. This is compared with stock issued for services in 2009 of 2,310,600 common shares valued at 626,150. This increase in expense recognized from the issuance of stock for services accounted for almost the entire increase in expenses. Advertising and rent decreases were offset by increases in salaries and other selling and general administrative costs. We expect with the acquisition of Pro Line Sports our expenses as a cost, will increase in 2010.

Other Expenses

For the year ended December 31, 2010, our other expenses increased $71,373 over the year ended December 31, 2009. Interest expense on debts owed to both related parties and on the new convertible notes issued increased $269,360. This increase was partially offset by a gain recorded on debt settled during 2010 of $197,814.

Net Loss

For the year ended December 31, 2010, our net loss increased $4,401,103 over the year ended December 31, 2009. Of our total net loss of $5,336,702, $4,626,329 was due to non-cash expenses such as stock based compensation, impairment of inventory and depreciation and amortization expense.

Currently, our revenues are not large enough to create a breakeven scenario. We expect our need for outside capital to decrease significantly with the acquisition of Pro Line Sports but expect to need capital to continue to expand operations and develop new distributors.

LIQUIDITY AND CAPITAL RESOURCES

For the Years Ended December 31, 2010 and December 31, 2009

At December 31, 2010, we had cash of $-0- as compared to cash of $6,848 as of December 31, 2009. Net cash used in operating activities for the year ended December 31, 2010 was $408,703 as compared to $6,088 for the year ended December 31, 2009. This increase of $402,615 in cash used in operating activities as compared to the prior year is reflective of the decline in sales due to the slow economy in 2010. Management attempted to curb as much discretionary spending as possible without hurting the future prospects of the company.

Cash flows used in investing activities totaled $-0- and $15,011 for the years ended December 31, 2010 and 2009, respectively. We limited as much as possible our capital expenditures in order to conserve cash during the year.

Cash flows provided by financing activities totaled $401,855 and $22,727 in 2010 and 2009, respectively. Our cash from financing activities in 2010 consisted primarily of funds received from the issuance of convertible notes. These proceeds totaled $388,000 during the year. In 2009, we raised net proceeds of $22,727 from related parties with no exterior financing.

At the present level of business activity, our ongoing monthly gross operating cash disbursements are expected to average approximately $32,000. As of December 31, 2010, we had positive working capital of $1,544,578. Of this working capital, $1,507,461 is made up of inventory, much of which was acquired during the fourth quarter of the 2009 as part of the Caldwell Golf acquisition.

RECENT ACCOUNTING PRONOUNCEMENTS AFFECTING US

For a detailed list of recent accounting pronouncements affecting our company, please refer to Note 1 in our financial statements.

Critical Accounting Policies

Our discussion and analysis of its financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

For a detailed list of our critical accounting policies, please refer to Note 1 in our financial statements.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, financings, or other relationships with entities or other persons, also known as “special purpose entities” (SPEs).

ITEM 7A – Quantitative and Qualitative Disclosures About Market Risk

We are subject to certain market risks, including changes in interest rates and currency exchange rates. We do not undertake any specific actions to limit those exposures.

ITEM 8 – Financial Statements and Supplementary Data

Index to Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
Feel Golf Company, Inc.
107 Commerce Way
Sanford, FL 32771

We have audited the accompanying balance sheets of Feel Golf Company, Inc. as of December 31, 2010 and 2009 and the related statements of operations, stockholders' equity (deficit) and cash flows for the years ended December 31, 2010 and 2009. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Feel Golf Company, Inc. as of December 31, 2010 and 2009 and the results of its operations and its cash flows for each of the years in the period ended December 31, 2010 and 2009 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Feel Golf Company, Inc. will continue as a going concern. As discussed in Note 2, conditions exist which raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regards to these matters are also described in Note 2. The financial statements do not include adjustments that might result from the outcome of these uncertainties.

/s/W.T. Uniack & Co., CPA's P.C.

Woodstock, Georgia
April 8, 2011

FEEL GOLF CO., INC
Balance Sheets

ASSETS

	December 31, 2010	December 31, 2009
CURRENT ASSETS		
Cash	$ -	$ 6,848
Accounts receivable, net of allowance for doubtful accounts of $10,000 and $10,000, respectively	24,051	17,484
Barter receivable	15,407	64,828
Receivable from shareholder	7,794	17,137
Inventory	1,507,461	1,929,647
Prepaid expenses	19,990	48,032
Total Current Assets	1,574,703	2,083,976
PROPERTY, PLANT and EQUIPMENT, net	437,845	523,653
OTHER ASSETS		
Intellectual property, net	653,715	828,039
Other assets	3,582	3,952
TOTAL ASSETS	$ 2,669,845	$ 3,439,620
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 169,591	$ 343,873
Bank overdraft	10,534	-
Total Current Liabilities	180,125	343,873
LONG-TERM LIABILITIES		
Convertible debenture, net	127,160	-
Related party notes payable	809,072	847,022
Total Long-term Liabilities	936,232	847,022
TOTAL LIABILITIES	1,116,357	1,190,895
STOCKHOLDERS' EQUITY		
Preferred stock, $0.0001 par value; 10,000,000 shares		
authorized, 708,200 and -0- shares		
issued and outstanding, respectively	71	-
Common stock, $0.001 par value; 2,000,000,000 shares		