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WOMENS GOLF UNLIMITED INC
Form 10-Q
November 09, 2001

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the quarterly period ended September 28, 2001.

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: 0-14146

WOMEN'S GOLF UNLIMITED, INC.

(Exact Name of Registrant as Specified in its Charter)

New Jersey

22-2388568

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

18 Gloria Lane, Fairfield, NJ

07004

(Address of Principal Executive Office)

(Zip Code)

(973) 227-7783

(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 X NO
--- ---

On September 28, 2001, 3,224,372 shares of common stock, \$.01 par value, were issued and outstanding.

WOMEN'S GOLF UNLIMITED, INC.
(Formerly known as S2 Golf Inc.)
FORM 10-Q

FOR QUARTERLY PERIOD ENDED SEPTEMBER 28, 2001

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

WOMEN'S GOLF UNLIMITED, INC.
(FORMERLY KNOWN AS S2 GOLF INC.)
BALANCE SHEETS
AS OF SEPTEMBER 28, 2001 (UNAUDITED)
AND DECEMBER 31, 2000 (AUDITED)

September 28, 2001	December 31, 2000
-----	-----

ASSETS

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Current Assets		
Cash	\$ 3,685	\$ 9,886
Accounts Receivable - Net	2,842,075	3,567,768
Inventories	4,526,075	4,046,122
Prepaid Expenses	321,896	205,982
Deferred Income Taxes	226,000	214,000
	-----	-----
Total Current Assets	7,919,731	8,043,758
Plant and Equipment - Net	151,410	195,907
Non-Current Deferred Income Taxes	0	6,000
Goodwill	5,041,598	5,307,919
Other Assets Net	113,772	125,056
	-----	-----
Total Assets	\$13,226,511	\$13,678,640
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Current Portion Long Term Debt	\$ 1,307,242	\$ 1,447,189
Short term Borrowings	3,375,218	3,460,828
Accounts Payable	732,486	936,614
Accrued Expenses	427,687	442,335
Other Current Liabilities	35,074	83,847
	-----	-----
Total Current Liabilities	5,877,707	6,370,813
Long-Term Liabilities		
Long-Term Debt, less current portion	275,000	509,847
Other Long-Term Liabilities	4,225	2,258
Non-current Deferred Income Taxes	1,000	
	-----	-----
Total Liabilities	6,157,932	6,882,918
	-----	-----
Shareholders' Equity		
Common Stock, \$.01 Par; 12,000,000 Shares		
Authorized: 3,224,372 & 3,223,039 Issued		
& Outstanding at September 28, 2001 and		
December 31, 2000, respectively	32,244	32,231
Additional Paid in Capital	6,349,744	6,347,757
Retained Earnings	686,591	415,734
	-----	-----
Total Shareholders' Equity	7,068,579	6,795,722
	-----	-----
Total Liabilities and Shareholders' Equity	\$13,226,511	\$13,678,640
	=====	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

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STATEMENTS OF OPERATIONS
 FOR THE THREE MONTHS ENDED
 SEPTEMBER 28, 2001 AND SEPTEMBER 29, 2000
 (UNAUDITED)

	September 28, 2001 -----	September 29, 2000 -----
Net Sales	\$ 3,484,474	\$ 3,091,279
Cost of Goods Sold	2,035,107	2,055,750
Gross Profit	1,449,367 -----	1,035,529 -----
Operating Expenses:		
Selling	705,338	530,304
General & Administrative	664,519	384,066
Total Operating Expenses	1,369,857 -----	914,370 -----
Operating Income	79,510 -----	121,159 -----
Other Income (Expenses):		
Interest Expense	(115,290)	(80,839)
Other Income	96,154	
Total Income (Expense)	(19,136) -----	(80,839) -----
Income Before Income Taxes	60,374	40,320
Provision for Income Taxes	(307) -----	(19,693) -----
Net Income	\$ 60,681 =====	\$ 60,013 =====
Earnings per Common Share - Basic	\$ 0.02 =====	\$ 0.03 =====
- Diluted	\$ 0.02 =====	\$ 0.03 =====
Weighted Average Number of Common Shares Outstanding -		
- Basic	3,224,372	2,220,587
- Diluted	3,327,514	2,279,424

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

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WOMEN'S GOLF UNLIMITED, INC.
(FORMERLY KNOWN AS S2 GOLF INC.)
STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS ENDED
SEPTEMBER 28, 2001 AND SEPTEMBER 29, 2000
(UNAUDITED)

	September 28, 2001 ----	September 29, 2000 ----
Net Sales	\$ 13,408,408	\$ 9,883,325
Cost of Goods Sold	7,740,162	6,442,636
	-----	-----
Gross Profit	5,668,246	3,440,689
	-----	-----
Operating Expenses:		
Selling	2,942,239	1,524,493
General & Administrative	2,067,136	1,066,082
	-----	-----
Total Operating Expenses	5,009,375	2,590,575
Operating Income	658,871	850,114
	-----	-----
Other Income (Expenses):		
Interest Expense	(365,204)	(138,136)
Other Income	237,606	(47)
	-----	-----
Total Income (Expense)	(127,598)	(138,183)
	-----	-----
Income Before Income Taxes	531,273	711,931
Provision for Income Taxes	260,416	249,175
	-----	-----
Net Income	\$ 270,857	\$ 462,756
	=====	=====
Earnings per Common Share - Basic	\$ 0.08	\$ 0.21
	-----	-----
- Diluted	\$ 0.08	\$ 0.20
	=====	=====
Weighted Average Number of Common Shares Outstanding -		
- Basic	3,223,484	2,220,270
- Diluted	3,327,517	2,279,107

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

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WOMEN'S GOLF UNLIMITED, INC.
(FORMERLY KNOWN AS S2 GOLF INC.)
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED
SEPTEMBER 28, 2001 AND SEPTEMBER 29, 2000
(UNAUDITED)

	September 28, 2001	September 29, 2000
	-----	-----
OPERATING ACTIVITIES		
Net Income	\$ 270,857	\$ 462,756
Adjustments to Reconcile Net Income to Net Cash Provided By Operating Activities:		
Depreciation	81,433	84,126
Amortization	274,239	
Deferred Income Taxes	(6,000)	(48,900)
Allowance for Doubtful Accounts	221,115	
Issuance of Common Stock	2,000	
Changes in Assets and Liabilities:		
Accounts Receivable	504,578	419,536
Inventories	(479,954)	(117,430)
Prepaid Expenses	(115,914)	(58,781)
Other Assets	11,284	
Accounts Payable	(204,127)	677,420
Accrued Expenses	(14,648)	288,453
Other Current and Non-Current Liabilities	(45,806)	(74,158)
	-----	-----
NET CASH PROVIDED BY OPERATIONS	499,057	1,633,022
	-----	-----
INVESTING ACTIVITIES		
Purchase of Equipment	(44,854)	(56,265)
Purchase of Product Line		(4,318,282)
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	(44,854)	(4,374,547)
	-----	-----
FINANCING ACTIVITIES		
Repayments of long-term debt	(374,794)	(25,000)
Proceeds from (payments on) Revolving Line of Credit, Net	(85,610)	2,766,525
	-----	-----
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	(460,404)	2,741,525
	-----	-----
DECREASE IN CASH	(6,201)	
CASH - BEGINNING OF PERIOD	9,886	150
	-----	-----
CASH - END OF PERIOD	\$ 3,685	\$ 150

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SUPPLEMENTAL CASH FLOW DISCLOSURES

Cash Paid During the Year For:		
Interest	\$ 320,517	\$ 110,130
Income Taxes	\$ 158,868	\$ 8,515

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

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NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited financial statements of Women's Golf Unlimited, Inc., formerly S2 Golf Inc., (the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial reporting. In the opinion of management, all material adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine months ended September 28, 2001 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2001. The unaudited financial statements and related notes are presented as permitted by Form 10-Q and do not contain certain information included in the Company's annual financial statements and notes thereto. For further information, refer to the Company's annual financial statements and notes thereto included in the Company's annual consolidated report on Form 10-K for the fiscal year ended December 31, 2000.

1) EARNINGS PER SHARE

Basic earnings per share ("EPS") excludes dilution and is computed by dividing net income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if stock options or other contracts to issue common stock were exercised and resulted in the issuance of common stock that then shared in the earnings of the Company. Diluted EPS is computed using the treasury stock method when the effect of common stock equivalents would be dilutive. The only reconciling item between the denominator used to calculate basic EPS and the denominator used to calculate diluted EPS is the dilutive effect of stock options issued to employees of the Company and other parties. The Company has issued no other potentially dilutive common stock equivalents.

2) NEW ACCOUNTING PRONOUNCEMENT

In July 2001, the Financial Accounting Standard Board ("FASB") issued SFAS No.'s 141 and 142, "Business Combinations" and "Goodwill and Other Intangibles". FASB 141 requires all business combinations initiated after June 30, 2001 to be accounted for using the purchase method. Under FASB 142, effective the first quarter of the year ending December 31, 2002, goodwill is no longer subject to amortization over its estimated useful life. Rather, goodwill is subject to at least an annual assessment for impairment applying a fair-value based test.

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Additionally, an acquired intangible asset should be separately recognized if the benefit of the intangible asset is obtained through contractual or other legal rights, or if the intangible asset can be sold, transferred, licensed, rented or exchanged, regardless of the acquirer's intent to do so. The Company is in the process of determining the impact of these pronouncements on its financial position and results of operations.

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INVENTORIES

Inventories are valued at the lower of cost, determined on the basis of the first-in, first-out method, or market. Inventories at September 28, 2001 and December 31, 2000 consisted of the following components:

	9/28/01	12/31/00
	-----	-----
Raw Materials	\$3,847,165	\$3,404,600
Finished Goods	678,910	641,522
	-----	-----
	\$4,526,075	\$4,046,122
	=====	=====

SHORT TERM BORROWINGS

The Company has a secured revolving line of credit allowing a maximum credit limit of \$8,000,000, less 50% of the aggregate face amount of all outstanding letters of credit, and subject to various borrowing bases through September 30, 2003. The availability of funds under this line of credit varies as it is based, in part, on a borrowing base of 80% of eligible accounts receivable and 60% of qualified inventory. Substantially all of the Company's assets are used as collateral for the credit line. Interest rates are at prime plus one-quarter percent, paid monthly; the interest rate was 6.25% as of September 28, 2001 and 9.75% as of December 31, 2000. The Company's remaining availability on the line of credit, as of September 28, 2001, was approximately \$ 1,469,000.

The credit facility contains certain covenants, which, among other items, require the maintenance of certain financial ratios including tangible net worth and working capital. Any event of default under the credit facility permits the lender to cease making additional loans thereunder. The Company was in compliance with all covenants and conditions of the facility as of September 28, 2001.

QUARTERLY ENDS

The Company reports its interim financial statements as of the Friday closest to month-end of the quarter. The Company reports its year-end financial statements as of December 31.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS ----- OF OPERATIONS -----

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RESULTS OF OPERATIONS

Net Sales for the three-month and nine-month periods ended September 28, 2001 were \$3,484,474 and \$13,408,408 respectively, compared to \$3,091,279 and \$9,883,325 for the same periods in 2000. Management attributes this 12.7% increase for the three-month period to the addition of NancyLopez and Lady Fairway sales of approximately \$ 232,000 and \$ 475,000 respectively, offset by a decrease in sales of Square Two clubs. The 35.7% increase in sales over the same period 9-month period is primarily due to the acquisitions of the Nancy Lopez and Lady Fairway product lines. These acquisitions accounted for increased sales of \$1,930,000 and \$2,354,000 respectively, offset by a decline of approximately \$ 759,000 in the Square Two brand. The primary reason for the decline in the Square Two is due to a general slump in the equipment industry and a worsening economic climate. The NancyLopezGolf product line acquisition occurred on August 1, 2000 and the Lady Fairway acquisition was completed on December 31, 2000.

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Gross profit as a percentage of sales for the three-month and nine-month periods ended September 28, 2001 was 41.6% and 42.3% respectively, as compared to 33.5% and 34.8% for the same periods in 2000. Management attributes these increases to the higher margin sales of the NancyLopezGolf brand and the Lady Fairway brand along with lower component pricing for the Square Two brand.

Selling expenses for the three-month and nine-month periods ended September 28, 2001 were \$705,338 and \$2,942,239, compared to \$530,304 and \$1,524,493 for the same periods in 2000. The three-month increase of approximately \$175,000 is a result of \$82,000 due to the Lady Fairway acquisition, which was not incurred in fiscal year 2000, as well as increased advertising, commissions, and player endorsements. The nine-month increase of \$1,418,000 is due to the addition of Lady Fairway expenses of \$ 318,000, as well as increased television advertising, national show expense, and commissions. In addition, the company incurred player endorsements during the nine-month period ended September 28, 2001, which was approximately \$ 117,000 that did not exist in the first half of fiscal year 2000.

General and Administrative expenses for the three-month and nine-month periods ended September 28, 2001 were \$664,519 and \$2,067,136 respectively, compared to \$384,066 and \$1,066,082 for the same periods in 2000. The three-month increase is due to additional expenses from Lady Fairway of approximately \$ 194,000, which was not incurred in fiscal year 2000, as well as increased salaries, professional and legal fees, bank charges and Amortization of Goodwill for both NancyLopezGolf and Lady Fairway. The nine-month increase is due primarily to additional expenses of approximately \$ 613,000 due to Lady Fairway acquisition, which occurred on December 31, 2000, as well as increased salaries and wages, public company expense, professional and legal fees, bank charges, insurance, bad debt expense and Amortization of Goodwill for both NancyLopezGolf and Lady Fairway.

Interest expense for the three-month and nine-month periods ended September 28, 2001 was \$115,290 and \$365,204 respectively, compared to \$ 80,839 and \$138,136 for the same periods in 2000. The average loan balance for the three-month period ended September 28, 2001 was \$3,733,740 compared to \$1,853,079 for the same period in 2000. The average loan balance for the nine-month period ended September 28, 2001 was \$4,717,793 compared to an average loan balance of \$1,506,652 for the nine-month period ended September 29, 2000. The increase in the average outstanding balance resulted mainly from the NancyLopezGolf acquisition, as well as increased inventory. The NancyLopezGolf acquisition, which occurred on July 31, 2000, was a cash purchase of approximately \$

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3,645,000 after post-closing adjustments, which the Company funded with a term loan of \$ 900,000 and the existing line of credit. In addition, interest expense for the three and nine-month periods ended September 28, 2001 includes projected interest expense of \$ 25,000 and \$ 75,000 respectively on the Promissory Note with a maturity date of December 31, 2001 that the Company issued in connection with the Lady Fairway acquisition.

Other income for the three-month and nine-month periods ended September 28, 2001 was \$96,154 and \$237,606 respectively, compared to \$0 and an expense of \$47 for the same periods in 2000. This increase is due to royalty income from international distributors.

The provision for income taxes was \$260,416 for the nine-month period ended September 28, 2001 compared to \$249,175 for the same nine-month period in 2000.

The Company's net income for the three-month and nine-month periods ended September 28, 2001 was \$60,681 and \$270,857 respectively, compared to \$60,013 and \$462,756 for the same periods in 2000. The net income for the three-months ended September 28, 2001 was a result of increased net revenue and increased margins offset by increased selling of \$ 175,000, general

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and administrative expense \$280,000 and interest \$34,000. These increases in expenses were offset by other income from international distributors that was not earned in the same period for fiscal year 2000. The nine-month decrease was the result of the company's decision to increase their television advertising budget, interest and other expenses associated with NancyLopezGolf and Lady Fairway acquisitions.

FINANCIAL CONDITION AND LIQUIDITY

The Company's working capital increased by \$367,092 for the nine-month period ended September 28, 2001. Current assets decreased by \$124,027, offset by a decrease in current liabilities of \$491,119. Accounts receivable decreased by approximately \$726,000, inventory increased by approximately \$480,000, for the nine-month period ended September 28, 2001, which was typical for the Company due to the cyclical nature of the Golf Industry. In addition, Prepaid expenses increased approximately \$116,000. The Company's short-term borrowing decreased by approximately \$86,000. In addition, accounts payable decreased by approximately \$202,000 and long-term debt decreased by \$140,000 for the nine-month period ended September 28, 2001.

Cash provided by operations was \$499,057 for the nine-month period ended September 28, 2001, compared to \$ 1,633,022 for the same period ended September 29, 2000. Cash used in investing activities totaled \$44,854 for the nine-months ended September 28, 2001, compared to \$4,374,547 for the same period ended September 29, 2000. Cash used in financing activities totaled \$460,404 for the nine-month period ended September 28, 2001 compared to \$2,741,525 for the same nine-month period in 2000 was provided by \$2,741,525. During the nine-month period ended September 28, 2001 cash used for the payment of equipment purchased was \$44,854. Interest charges on short and long-term borrowings were \$365,204.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

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Not applicable.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

- (a) The exhibits listed on the attached Exhibit Index are filed as part of this report.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

WOMEN'S GOLF UNLIMITED, INC.

11/09/2001

Dated

/s/ Douglas A. Buffington

By:
Douglas A. Buffington
President and Chief
Operating Officer

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EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT*
3.1	Amended and Second Restated Certificate of Incorporation of the registrant dated June 28, 1991 (incorporated by reference to Exhibit 3.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1991).
3.2	Amended and Restated By-laws of the registrant dated December 6, 1991 (incorporated by reference to Exhibit 3.2 of the registrant's Annual Report on Form 10-K for the year ended December 31, 1991).

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- 3.3 Restated Certificate of Incorporation of S2 Golf Inc. (incorporated by reference to Exhibit 99.0 to the registrant's current report on form 8-K reporting the event dated June 12, 2001).
- 4.1 Common Stock Purchase Warrant in favor of Wesmar Partners dated February 28, 1988 (incorporated by reference to Exhibit 4.4 of the registrant's Registration Statement No. 33-37371 on Form S-3).
- 4.2 Common Stock Purchase Warrant in favor of Wesmar Partners dated February 28, 1988 (incorporated by reference to Exhibit 4.5 of the registrant's Registration Statement No. 33-37371 on Form S-3).
- 4.3 Stock Option Agreement between the registrant and Wesmar Partners dated February 29, 1988 (incorporated by reference to Exhibit 4.6 of the registrant's Registration Statement No. 33-37371 on Form S-3).
- 10.0 Loan and Security Agreement between the registrant and Midlantic Bank, National Association dated December 29, 1994 (incorporated by reference to Exhibit 99 of the registrant's Current Report on Form 8-K dated December 26, 1994).
- 10.1 First Amendment to Loan and Security Agreement between the registrant and Midlantic Bank, National Association made as of April 9, 1996 (incorporated by reference to Exhibit 10.1 of the registrant's Annual Report on Form 10-K for the year ended December 31, 2000).
- 10.2 Second Amendment to Loan and Security Agreement between registrant and PNC Bank, National Association as successor in interest of Midlantic Bank, National Association made as of December 1, 1997 (incorporated by reference to Exhibit 10.12 of the registrant's Annual Report on Form 10-K for the year ended December 31, 1997).
- 10.3 Fourth Amendment to Loan and Security Agreement between the registrant and PNC Bank, National Association dated as of July 31, 2000 (incorporated by reference to Exhibit 10.14 to the registrant's Registration Statement No. 333-47908 on Form S-4).
- 10.4 Fifth Amendment to Loan and Security Agreement between the registrant and PNC Bank, National Association made of January 3, 2001 (incorporated by reference to Exhibit 10.4 of the registrant's Annual Report on Form 10-K for the year ended December 31, 2000).
- 10.5 Lease Agreement between the registrant and 12 Gloria Lane Limited Partnership dated June 22, 1989 (incorporated by reference to Exhibit 10.6 of the registrant's Registration Statement No. 33-37371 on Form S-3).
- 10.6 Modification of Lease Agreement between the registrant and 12 Gloria Lane Industrial Partnership dated October 3, 1995

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(incorporated by reference to Exhibit 10.2 of the registrant's Annual Report on Form 10-K for the year ended December 31, 1995).

- 10.7 Lease Modification, Extension, Assignment, Assumption and Consent among Joel Levy as Successor Land Trustee of Trust Number One under Unrecorded Land Trust Agreement dated as of November 29, 1999, Ladies Golf Equipment Company, Inc. and S2 Golf Acquisition Corp., as dated as of December 29, 2000 (incorporated by reference to Exhibit 10.7 of the registrant's Annual Report on Form 10-K for the year ended December 31, 2000).
- 10.8 Amended and Restated Licensing Agreement between Ladies Professional Golf Association and the registrant dated January 1, 1999 (incorporated by reference to Exhibit 10.2 of the registrant's Annual Report on form 10-K for the year ended December 31, 1999).
- 10.9 Endorsement Agreement between the registrant and Kathy Whitworth dated October 13, 1999 (incorporated by reference to Exhibit 10.13 to the registrant's Annual Report on Form 10-K for the year ended December 31, 1999).
- 10.10 Licensing Agreement between Nancy Lopez Enterprises, Inc. and the registrant made as of July 31, 2000 (incorporated by reference to Exhibit 10.10 of the registrant's Annual Report on Form 10-K for the year ended December 31, 2000).
- 10.11 License Agreement between the registrant and Raymond Lanctot Ltee/Ltd. dated June 28, 1999 (incorporated by reference to Exhibit 10.12 to the registrant's Annual Report on Form 10-K for the year ended December 31, 1999).
- 10.12 Asset Purchase Agreement among the registrant, APGC Holdings Company, LLC and The Arnold Palmer Golf Company dated July 31, 2000 (incorporated by reference to Exhibit 2.0 to the registrant's Current Report on Form 8-K reporting the event dated July 31, 2000).
- 10.13 Agreement and Plan of Reorganization, dated as of June 22, 2000, among the registrant, S2 Golf Acquisition Corp., Ladies Golf Equipment Company, Inc., James E. Jones and Brian Christopher (incorporated by reference to Exhibit 2.0 of the registrant's Registration Statement No. 333-47908 on Form S-4).
- 10.14 1992 Stock Plan for Independent Directors of S2 Golf Inc. dated December 29, 1992 (incorporated by reference to Exhibit 10.11 to the registrant's Annual Report on Form 10-K for the year ended December 31, 1992).
- 10.15** 1998 Employee Stock Plan of the registrant (incorporated by reference to Exhibit 10.15 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2000).

- 10.16** Agreement between the registrant and Randy A. Hamill dated January 2, 1997 (incorporated by reference to Exhibit 10.10 to the registrant's Annual Report on Form 10-K for the year ended

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December 31, 1997).

- 10.17** Employment Agreement between the registrant and Douglas A. Buffington, made April 3, 2001 and effective as of January 1, 2001 (incorporated by reference to Exhibit 10.17 of the registrant's Quarterly Report on Form 10-Q for the quarter ended March 30, 2001).
- 10.18** Consulting Services Agreement between the registrant and MR & Associates made as of December 15, 2000, effective as of January 1, 2000 (incorporated by reference to Exhibit 10.18 of the registrant's Annual Report on Form 10-K for the year ended December 31, 2000).
- 10.19** Employment Agreement among the registrant, S2 Golf Acquisition Corp. and James E. Jones dated as of January 1, 2001 (incorporated by reference to Exhibit 10.19 of the registrant's Annual Report on Form 10-K for the year ended December 31, 2000).
- 10.20 Agreement and Plan of Merger between the registrant and S2 Golf Acquisition Corp. dated as of June 15, 2001. (incorporated by reference to Exhibit 10.20 of the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001).
- 10.21 Sixth Amendment to Loan and Security Agreement between the registrant and PNC Bank, National Association made as of August 13, 2001

* In the case of incorporation by reference to documents filed by the registrant under the Exchange Act, the registrant's file number under the Act is 0-14146.

** Management contract or management compensatory plan or arrangement.