

Ashford Inc  
Form 10-Q  
August 14, 2015

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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 June 30, 2015

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: 001-36400

ASHFORD INC.

(Exact name of registrant as specified in its charter)

Delaware 46-5292553  
(State or other jurisdiction of incorporation or organization) (IRS employer identification number)

14185 Dallas Parkway, Suite 1100  
Dallas, Texas 75254  
(Address of principal executive offices) (Zip code)

(972) 490-9600  
(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 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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company (as defined 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, \$0.01 par value per share (Class)	1,989,770 Outstanding at August 12, 2015
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ASHFORD INC.  
FORM 10-Q  
FOR THE QUARTER ENDED JUNE 30, 2015

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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS (unaudited)

ASHFORD INC. AND SUBSIDIARIES  
CONDENSED BALANCE SHEETS

(unaudited, in thousands, except share amounts)

	June 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$21,077	\$29,597
Restricted cash	7,270	3,337
Investments in securities	138,030	—
Prepaid expenses and other	1,912	1,360
Receivables	290	—
Due from Ashford Trust OP, net	5,331	8,202
Due from Ashford Prime OP	2,404	2,546
Deferred tax asset	374	—
Total current assets	176,688	45,042
Investments in unconsolidated entities	4,434	—
Furniture, fixtures and equipment, net	4,389	4,188
Deferred tax asset	1,899	—
Other assets	4,000	—
Total assets	\$ 191,410	\$49,230
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$5,983	\$9,307
Due to affiliates	521	1,313
Liabilities associated with investments in securities	26,673	—
Deferred compensation plan	81	175
Other liabilities	7,362	3,337
Total current liabilities	40,620	14,132
Accrued expenses	71	—
Deferred compensation plan	18,364	19,780
Total liabilities	59,055	33,912
Commitments and contingencies (Note 6)		
Redeemable noncontrolling interests in Ashford LLC	393	424
Equity:		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized:		
Series A cumulative preferred stock, no shares issued and outstanding at June 30, 2015 and December 31, 2014	—	—
Common stock, \$0.01 par value, 100,000,000 shares authorized, 1,990,446 and 1,986,851 shares issued and 1,989,770 and 1,986,851 shares outstanding at June 30, 2015 and December 31, 2014, respectively	20	20
Additional paid-in capital	231,051	228,003
Accumulated deficit	(210,232	) (213,042
Treasury stock, at cost, 676 shares at June 30, 2015	(85	) —
Total stockholders' equity of the Company	20,754	14,981
Noncontrolling interests in consolidated entities	111,208	(87

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Total equity	131,962	14,894
Total liabilities and equity	\$191,410	\$49,230
See Notes to Condensed Financial Statements.		

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ASHFORD INC. AND SUBSIDIARIES  
 CONDENSED STATEMENTS OF OPERATIONS  
 AND COMPREHENSIVE INCOME (LOSS)  
 (unaudited, in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenue				
Advisory services	\$14,489	\$3,913	\$27,412	\$6,225
Other	—	—	195	—
Total revenue	14,489	3,913	27,607	6,225
Expenses				
Salaries and benefits	5,688	15,825	23,181	25,935
Depreciation	399	87	528	174
General and administrative	4,542	1,456	8,672	2,369
Total expenses	10,629	17,368	32,381	28,478
Operating income (loss)	3,860	(13,455)	(4,774)	(22,253)
Equity in loss of unconsolidated entities	(1,066)	) —	(1,066)	) —
Interest income	51	—	52	—
Dividend income	166	—	172	—
Unrealized loss on investments	(3,037)	) —		