

Cinedigm Digital Cinema Corp.
Form 10-Q
November 13, 2009

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 quarterly period ended: September 30, 2009

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

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

Commission File Number: 001-31810

Cinedigm Digital Cinema 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.)

55 Madison Avenue, Suite 300, Morristown New Jersey 07960
(Address of Principal Executive Offices, Zip Code)

(973-290-0080)
(Registrant's Telephone Number, Including Area Code)

Access Integrated Technologies, Inc.
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 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

Yes No

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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).

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) 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 November 12, 2009, 28,032,875 shares of Class A Common Stock, \$0.001 par value, and 733,811 shares of Class B Common Stock, \$0.001 par value, were outstanding.

CINEDIGM DIGITAL CINEMA CORP.
CONTENTS TO FORM 10-Q

PART I --	FINANCIAL INFORMATION	Page
Item 1.	Financial Statements (Unaudited)	
	Condensed Consolidated Balance Sheets at March 31, 2009 and September 30, 2009 (Unaudited)	1
	Unaudited Condensed Consolidated Statements of Operations for the Three and Six Months ended September 30, 2008 and 2009	3
	Unaudited Condensed Consolidated Statements of Cash Flows for the Six Months ended September 30, 2008 and 2009	4
	Notes to Unaudited Condensed Consolidated Financial Statements	5
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	29
Item 4T.	Controls and Procedures	43
PART II --		
OTHER INFORMATION		
Item 1.	Legal Proceedings	43
Item 1A.	Risk Factors	43
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	45
Item 3.	Defaults Upon Senior Securities	45
Item 4.	Submission of Matters to a Vote of Security Holders	45
Item 5.	Other Information	46
Item 6.	Exhibits	46
Signatures		47
Exhibit Index		48

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

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

	March 31, 2009	September 30, 2009 (Unaudited)
ASSETS		
Current assets		
Cash and cash equivalents	\$26,329	\$19,732
Restricted short-term investment securities	—	5,594
Accounts receivable, net	13,884	11,527
Deferred costs, current portion	3,936	2,999
Unbilled revenue, current portion	3,082	3,522
Prepaid and other current assets	1,798	3,159
Note receivable, current portion	616	170
Total current assets	49,645	46,703
Restricted long-term investment securities	—	4,974
Restricted cash	255	7,161
Security deposits	424	427
Property and equipment, net	243,124	235,853
Intangible assets, net	10,707	9,192
Capitalized software costs, net	3,653	3,738
Goodwill	8,024	8,024
Deferred costs, net of current portion	3,967	7,735
Unbilled revenue, net of current portion	1,253	1,062
Note receivable, net of current portion	959	878
Accounts receivable, net of current portion	386	386
Total assets	\$322,397	\$326,133

See accompanying notes to Unaudited Condensed Consolidated Financial Statements

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

	March 31, 2009	September 30, 2009
LIABILITIES AND STOCKHOLDERS' EQUITY		
		(Unaudited)
Current liabilities		
Accounts payable and accrued expenses	\$ 14,954	\$ 8,995
Current portion of notes payable, non-recourse	24,824	24,758
Current portion of notes payable	424	177
Current portion of capital leases	175	700
Current portion of deferred revenue	5,535	5,860
Current portion of customer security deposits	314	314
Total current liabilities	46,226	40,804
Notes payable, non-recourse, net of current portion	170,624	162,112
Notes payable, net of current portion	55,333	65,627
Capital leases, net of current portion	5,832	5,778
Warrant liability	—	14,308
Interest rate swap	4,529	3,306
Deferred revenue, net of current portion	1,057	2,013
Customer security deposits, net of current portion	9	9
Total liabilities	283,610	293,957
Commitments and contingencies (see Note 7)		
Stockholders' Equity		
Preferred stock, 15,000,000 shares authorized; Series A 10% - \$0.001 par value per share; 20 shares authorized; 8 shares issued and outstanding at March 31, 2009 and September 30, 2009, respectively. Liquidation preference \$4,050	3,476	3,529
Class A common stock, \$0.001 par value per share; 65,000,000 shares authorized; 27,544,315 and 28,084,315 shares issued and 27,492,875 and 28,032,875 shares outstanding at March 31, 2009 and September 30, 2009, respectively	27	28
Class B common stock, \$0.001 par value per share; 15,000,000 shares authorized; 733,811 shares issued and outstanding, at March 31, 2009 and September 30, 2009, respectively	1	1
Additional paid-in capital	173,565	175,281
Treasury stock, at cost; 51,440 Class A shares	(172)	(172)
Accumulated deficit	(138,110)	(146,474)
Accumulated other comprehensive loss	—	(17)
Total stockholders' equity	38,787	32,176
Total liabilities and stockholders' equity	\$ 322,397	