

ACACIA RESEARCH CORP
Form 10-Q
November 02, 2007

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 SEPTEMBER 30, 2007

Commission File Number 0-26068

ACACIA RESEARCH CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

95-4405754

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

500 Newport Center Drive, Newport Beach, CA

(Address of Principal Executive Offices)

92660

(Zip Code)

Registrant's telephone number, including area code: **(949) 480-8300**

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 filing requirements for the past 90 days. Yes No

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

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

As of October 24, 2007, 29,911,638 shares of Acacia Research-Acacia Technologies common stock were issued and outstanding.

ACACIA RESEARCH CORPORATION
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ACACIA RESEARCH CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share information)
(Unaudited)

| | September 30, 2007 | December 31, 2006 |
|--|-----------------------------------|----------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 44,169 | \$ 32,215 |
| Short-term investments | 11,245 | 12,783 |
| Accounts receivable | 1,211 | 269 |
| Prepaid expenses and other assets | 1,429 | 1,187 |
| Total current assets related to discontinued operations - Split-off of CombiMatrix Corporation | - | 15,552 |
| Total current assets | 58,054 | 62,006 |
| Property and equipment, net of accumulated depreciation | 303 | 221 |
| Patents, net of accumulated amortization | 15,814 | 18,515 |
| Other assets | 204 | 200 |
| Total non-current assets related to discontinued operations - Split-off of CombiMatrix Corporation | - | 28,662 |
| | \$ 74,375 | \$ 109,604 |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | | |
|---|--------------|---------------|
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 3,446 | \$ 2,201 |
| Royalties and legal fees payable | 5,529 | 1,684 |
| Deferred revenues | 462 | 360 |
| Total current liabilities related to discontinued operations - Split-off of CombiMatrix Corporation | - | 3,211 |
| Total current liabilities | 9,437 | 7,456 |
| Other liabilities | 160 | 31 |
| Total non-current liabilities related to discontinued operations - Split-off of CombiMatrix Corporation | - | 7,808 |
| Total liabilities | 9,597 | 15,295 |
| Commitments and contingencies (Note 6) | | |
| Stockholders' equity: | | |
| Preferred stock | | |

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| | | |
|---|-----------|------------|
| Acacia Research Corporation, par value \$0.001 per share; 10,000,000 shares authorized; no shares issued or outstanding | - | - |
| Common stock | | |
| Acacia Research - Acacia Technologies stock, par value \$0.001 per share; 100,000,000 shares authorized; 29,668,395 and 28,231,701 shares issued and outstanding as of September 30, 2007 and December 31, 2006, respectively | 30 | 28 |
| Acacia Research - CombiMatrix stock, par value \$0.001 per share; 100,000,000 shares authorized; 0 and 50,365,810 shares issued and outstanding as of September 30, 2007 and December 31, 2006, respectively | - | 50 |
| Additional paid-in capital | 156,409 | 326,599 |
| Accumulated comprehensive income | 2 | 2 |
| Accumulated deficit | (91,663) | (232,370) |
| Total stockholders' equity | 64,778 | 94,309 |
| | \$ 74,375 | \$ 109,604 |

The accompanying notes are an integral part of these consolidated financial statements.

ACACIA RESEARCH CORPORATION AND SUBSIDIARIES