

MAJESCO ENTERTAINMENT CO
Form 10-Q/A
September 01, 2006
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q/A
(Amendment No. 1)

QUARTERLY REPORT
PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 31, 2006

Commission File No. 000-51128

Majesco Entertainment Company
(Exact name of registrant as specified in its charter)

DELAWARE
(State or Other Jurisdiction of
Incorporation or Organization)

606-1529524
(I.R.S. Employer
Identification No.)

160 Raritan Center Parkway, Edison, NJ 08837
(Address of principal executive offices)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (732) 225-8910

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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 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 Exchange Act).

Yes No

As of August 31, 2006, there were 22,374,073 shares of the Registrant's common stock outstanding.

Table of Contents

Explanatory Note

This amendment is being filed solely to address comments received by the Securities and Exchange Commission, in connection with a recent registration statement filing, with respect to our disclosures contained in "Item 4. Controls and Procedures." The changes made reflect the adding of a reference to where the definition of "controls and procedures" can be found and providing that such were effective at a reasonable assurance level.

Table of Contents

Item 4. Controls and Procedures

Our management, with the participation of our President and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures, as defined in Exchange Act Rule 13a-15(e) and 15d-15(e), as of the end of the period covered by this report.

In designing and evaluating our disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

While we believe our disclosure controls and procedures and our internal control over financial reporting have improved, no system of controls can prevent errors and fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur. Controls can also be circumvented by individual acts of some people, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with its policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

During the quarter ended January 31, 2006 we recognized that improvements are necessary in the following areas:

- As a result of recent staff changes, maintaining sufficient personnel with an appropriate level of accounting knowledge and experience and training in the application of generally accepted accounting principles (GAAP) commensurate with our financial reporting requirements is needed.

- Improved documentation of procedures and controls for our European operations which had their first significant revenues during this quarter.

We are actively taking steps to address these situations. We also performed additional post-closing procedures to ensure our consolidated financial statements were prepared in accordance with U.S. GAAP. Subject to the limitations above, management believes that the consolidated financial statements and other financial information contained in this report, fairly present in all material respects our financial condition, results of operations, and cash flows for the periods presented.

Based on the evaluation of the effectiveness of our disclosure controls and procedures, our President and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) were effective at a reasonable assurance level. There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

1

Table of Contents

PART II. OTHER INFORMATION

Item 6. Exhibits

- 31.1 Certification of Morris Sutton pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of John Gross pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification of Morris Sutton pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of John Gross pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

2

Table of Contents

SIGNATURE

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.

MAJESCO ENTERTAINMENT COMPANY
/s/ Jesse Sutton
Jesse Sutton
Interim Chief Executive Officer

Date: September 1, 2006

3

