

RadNet, Inc.  
Form 10-Q  
August 10, 2009

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
Washington D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2009

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 0-19019

RadNet, Inc.

(Exact name of registrant as specified in charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

13-3326724  
(I.R.S. Employer  
Identification No.)

1510 Cotner Avenue  
Los Angeles, California  
(Address of principal executive offices)

90025  
(Zip Code)

(310) 478-7808

(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 and 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

Large accelerated filer       Accelerated filer       Non-accelerated filer       Smaller reporting company   
(do not check if a 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

The number of shares of the registrant’s common stock outstanding on July 31, 2009, was 35,924,279 shares.

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## PART I – FINANCIAL INFORMATION

RADNET, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(IN THOUSANDS EXCEPT SHARE DATA)

	June 30, 2009 (unaudited)	December 31, 2008
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$-	\$-
Accounts receivable, net	94,617	96,097
Refundable income taxes	151	103
Prepaid expenses and other current assets	10,343	12,370
Total current assets	105,111	108,570
<b>PROPERTY AND EQUIPMENT, NET</b>	184,643	193,104
<b>OTHER ASSETS</b>		
Goodwill	105,378	105,278
Other intangible assets	55,488	56,861
Deferred financing costs, net	9,567	10,907
Investment in joint ventures	18,677	17,637
Deposits and other	3,424	3,752
Total assets	\$482,288	\$496,109
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$65,363	\$81,175
Due to affiliates	3,538	5,015
Notes payable	7,265	5,501
Current portion of deferred rent	473	390
Obligations under capital leases	15,943	15,064
Total current liabilities	92,582	107,145
<b>LONG-TERM LIABILITIES</b>		
Line of credit	1,406	1,742
Deferred rent, net of current portion	8,287	7,996
Deferred taxes	277	277
Notes payable, net of current portion	419,975	419,735
Obligations under capital lease, net of current portion	20,126	24,238
Other non-current liabilities	17,058	16,006
Total liabilities	559,711	577,139
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>EQUITY DEFICIT</b>		
Common stock - \$.0001 par value, 200,000,000 shares authorized; 35,924,279 and 35,911,474 shares issued and outstanding at June 30, 2009 and December 31, 2008, respectively	4	4
Paid-in-capital	155,230	153,006
Accumulated other comprehensive loss	(3,821	) (6,396 )

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Accumulated deficit	(228,900 )	(227,722 )
Total Radnet, Inc.'s equity deficit	(77,487 )	(81,108 )
Noncontrolling interests	64	78
Total equity deficit	(77,423 )	(81,030 )
Total liabilities and equity deficit	\$482,288	\$496,109

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

RADNET, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(IN THOUSANDS EXCEPT SHARE DATA)  
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
NET REVENUE	\$131,146	\$126,559	\$259,149	\$240,456