ALL AMERICAN SPORTPARK INC
Form 10QSB
August 14, 2006

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

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

For the quarterly period ended June 30, 2006

Commission File Number: 0-24970

ALL-AMERICAN SPORTPARK, INC.
(Exact name of small business issuer as specified in its charter)

Nevada	88-0203976
(State of other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

6730 South Las Vegas Boulevard, Las Vegas, Nevada 89119
(Address of principal executive offices including zip code)

(702) 798-7777
(Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 [X]   No [ ]

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

As of June 30, 2006 3,400,000 shares of common stock were outstanding.

Transitional Small Business Disclosure Format (check one): Yes [ ] No [X]

ALL-AMERICAN SPORTPARK, INC.
FORM 10-QSB
INDEX

ALL-AMERICAN SPORTPARK, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2006 AND DECEMBER 31, 2005

ASSETS

	2006	2005
	(Unaudited)	

Current assets:		
Cash	$ 34,682	$ 14,164
Accounts receivable	382	2,664
Prepaid expenses and other	9,829	27,363
Total current assets	44,893	44,191
Leasehold improvements and equipment, net	934,053	971,010
Other assets	125,000	125,000
Total assets	$ 1,103,946	1,140,201
LIABILITIES AND SHAREHOLDERS' EQUITY DEFICIENCY		
Current liabilities:		
Current portion of notes payable to related entities	$ 1,410,156	$ 1,410,156
Current portion of other long-term debt	83,819	79,944
Interest payable to related entities	423,246	206,035
Accounts payable and accrued expenses	288,216	223,335
Total current liabilities	2,205,437	1,919,470
Notes payable to related entities, net of current portion	3,766,998	3,776,441
Interest payable to related entities	1,831,914	1,809,790
Due to related entities	850,096	720,206
Long-term debt, net of current portion	116,526	159,437
Total liabilities	8,770,971	8,385,344
Minority interest in subsidiary	100,363	160,089
Shareholders' equity deficiency:		
Series B Convertible Preferred Stock, $.001 par value, no shares issued and outstanding	--	--
Common Stock, $.001 par value, 10,000,000 shares authorized, 3,400,000 shares issued and outstanding at June 30, 2006, and December 31, 2005, respectively	3,400	3,400
Additional paid-in capital	13,306,875	13,306,875
Accumulated deficit	(21,077,663)	(20,715,507)
Total shareholders' equity deficiency	(7,767,388)	(7,405,232)
Total liabilities and shareholders' equity deficiency	$ 1,103,946	$ 1,140,201

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

ALL-AMERICAN SPORTPARK, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED JUNE 30, 2006 AND 2005
(UNAUDITED)

	2006	2005
Revenues	$ 654,450	$ 638,173
Cost of revenues, excluding depreciation	162,850	141,181
Gross profit	491,600	496,992
Operating expenses:		
Selling, general and administrative	571,295	522,483
Depreciation and amortization	18,379	16,129
Total operating expenses	589,674	538,612
Operating loss	(98,074)	(41,620)
Other income (expense):		
Interest income		
Interest expense	((124,696)	((122,363)
Other income	--	1,000
Loss before minority interest	(222,770)	(162,983)
Minority interest	31,080	16,764
Net(loss)	$ (191,690)	$ (146,219)
NET LOSS PER SHARE:		
Basic and diluted net loss per share	$ (0.06)	$ (0.04)

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

4

ALL-AMERICAN SPORTPARK, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2006 AND 2005
(UNAUDITED)

	2006	2005
Revenues	$ 1,200,855	$ 1,180,672
Cost of revenues, excluding depreciation	307,192	252,092

Gross profit	893,663	928,580
Operating expenses:		
Selling, general and administrative	1,028,268	960,584
Depreciation and amortization	36,957	32,208
Total operating expenses	1,065,225	992,792
Operating loss	(171,562)	(64,212)
Other income (expense):		
Interest income	--	2,256
Interest expense	(250,317)	(243,757)
Other income	--	8,394
Other expense	--	(773)
Loss before minority interest	(421,878)	(298,092)
Minority interest	59,723	17,775
Net loss (loss)	$ (362,156)	$ (280,317)
NET LOSS PER SHARE:		
Basic and diluted net loss per share	$ (0.11)	$ (0.08)

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

5

ALL-AMERICAN SPORTPARK, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2006 AND 2005
(UNAUDITED)

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss)	$ (362,156)	$ (280,317)
Adjustment to reconcile net (loss) to net cash provided by operating activities:		
Decrease in minority interest	(59,725)	(17,776)
Depreciation and amortization	36,957	32,208
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	2,282	(681)
(Increase) decrease prepaid expenses and other	17,534	(132,265)
Increase in accounts payable and		

accrued expenses	64,880	21,320
Increase in interest payable to related entities	239,337	227,861
Decrease in deferred expense	--	(13,104)
Net cash used in operating activities	(60,891)	(162,754)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of capital assets	--	--
Capital asset expenditures	--	--
Net cash used in investing activities	--	--
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable to related entities	--	55,000
Principal payments on notes payable to related entities	(9,444)	(14,506)
Principal payments on other notes payable	(39,037)	(35,522)
Increase (decrease) in due to related entities	129,890	225,172
Net cash provided by financing activities	81,409	230,144
NET (DECREASE) INCREASE IN CASH	20,518	67,390
CASH, beginning of period	14,164	6,125
CASH, end of period	$ 34,682	$ 73,515
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ 10,963	$ 15,717

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

6

ALL-AMERICAN SPORTPARK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of All-American SportPark, Inc. ("AASP" or the "Company"), include the accounts of AASP and its 65% owned subsidiary, All-American Golf Center, Inc. ("AAGC"), (collectively the "Company"). All significant intercompany accounts and transactions have been eliminated. The operations of the Callaway Golf Center ("CGC") are included in AAGC.

The accompanying interim unaudited consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission relating to interim financial statements. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted. In the opinion of management, all necessary adjustments have been made to present fairly, in all material respects, the financial position, results of operations and cash flows of the Company at June 30, 2006 and for all prior periods presented.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that may require revision in future periods.

These consolidated financial statements should be read in conjunction with the Company's Annual Report on Form 10-KSB for the year ended December 31, 2005, from which the December 31, 2005, audited balance sheet information was derived.

2. INCOME (LOSS) PER SHARE AND SHAREHOLDER'S EQUITY DEFICIENCY

Basic and diluted income (loss) per share is computed by dividing the reported net income or loss by the weighted average number of common shares outstanding during the period. The weighted-average number of common shares used in the calculation of basic and diluted loss per share were 3,400,000 for the three-month and six-month periods ended June 30, 2006 and 2005.

3. RELATED PARTY TRANSACTIONS

The Company provides administrative/accounting support for (a) The Company Chairman's two wholly-owned golf retail stores in Las Vegas, Nevada, (the "Paradise Store" and "Rainbow Store"), (b) three golf retail stores, two are named Saint Andrews Golf Shop ("SAGS")and one is a Las Vegas Golf and Tennis, owned by the Company's President and his brother, and Sports Entertainment Enterprises, Inc. until February 2005. Administrative/accounting payroll and employee benefits are allocated based on an annual review the personnel time expended for each entity. Amounts allocated to these related parties by the Company approximated $22,404 and $25,000 for the six-months ended June 30, 2006 and 2005, respectively. There were no additional debt issues made to the company

7

from related entities for the period. Related party interest expense was $119,453 and $239,353 for the three and six months periods ending June 30, 2006 respectively.

4. GOING CONCERN MATTERS

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Historically, with some exceptions, the Company has incurred net losses. As of June 30, 2006, the Company had a working capital deficit of $2,160,544 and a shareholders' equity deficiency of $7,767,388. CGC has generated positive cash flow before corporate overhead that is in place to support of the CGC and public company operations and interest expense. However, this positive cash flow has diminished in 2006 and there is no assurance that it will continue.

Management believes that its operations, and existing cash balances as of June 30, 2006 may not be sufficient to fund operating cash needs and debt service requirements over the next 12 months. Management continues to seek other sources of funding, which may include Company officers or directors or other related parties. In addition, management continues to analyze all operational and administrative costs of the Company and has made and will continue to make the necessary cost reductions as appropriate.

Among its alternative courses of action, management of the Company may seek out and pursue a business combination transaction with an existing private business enterprise that might have a desire to take advantage of the Company's status as a public corporation. There is no assurance that the Company will acquire a favorable business opportunity through a business combination. In addition, even if the Company becomes involved in such a business opportunity, there is no assurance that it would generate revenues or profits, or that the market price of the Company's common stock would be increased thereby.

Management continues to seek out financing to help fund working capital needs of the Company. In this regard, management believes that additional borrowings against the CGC could be arranged although there can be no assurance that the Company would be successful in securing such financing or with terms acceptable to the Company.

The consolidated financial statements do not include any adjustments relating to the recoverability of assets and the classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

5. RECLASSIFCATIONS

Certain prior period amounts have been reclassified to conform to the current period presentation.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

The following information should be read in conjunction with the Company's consolidated financial statements and related notes included in this report.

OVERVIEW

The Company's operations consist of the management and operation of the Callaway Golf Center (CGC). The CGC includes a par 3 golf course fully lighted for night golf, a 110-tee two-tiered driving range, and a 20,000 square foot clubhouse which includes the Callaway Golf fitting center. Also located within the clubhouse are two sub-leased spaces. The first is occupied by the Saint Andrews Golf Shop retail store. The other space was for a restaurant and bar that was unoccupied until May 31, 2005. A lease was signed with a new tenant on January 25, 2006 and the restaurant re-opened in February 2006. The lease is for one year and there is an option to extend the lease after one year for an additional four-year term through 2011.

RESULTS OF OPERATIONS - THREE MONTHS ENDED JUNE 30, 2006 AS COMPARED TO THE THREE MONTHS ENDED JUNE 30, 2005.

REVENUES. Revenues of the Callaway Golf Center ("CGC") for the three months ended June 30, 2006 increased $16,277 or 2.6% to $654,450 from $638,173 reported for the three months ended June 30, 2005. The increase in revenues is attributed to increased golf lesson fees, cart rentals and golf league fees. The golf lesson fees increased by $20,752 to $80,550 in 2006 compared to $59,798 in 2005 because of an upgrade in the golf pros and supervision. Golf cart rental revenue increased by $9,325 to $60,895 in 2006 from $51,570 in 2005 due to a increase in rental rates. The CGC marketed to golf leagues in 2006 and was able to attract several golf leagues. This resulted in an additional $8,981 in golf league revenues for the three months ended June 30, 2006. There was a decrease of $20,928 in golf course green fees because of unusually hot weather that occurred starting in May 2006. Golf course green fees decreased to $192,936 in 2006 from

$213,864 in 2005. This decrease is due to unreasonably hot weather that resulted in a 25% decrease in green fees during mid-day hours in order to attract visitors to the golf course.

COST OF REVENUES. Cost of revenues consists mainly of commissions paid to the golf instructors, the payroll and benefits expenses of ACG staff, and operating supplies. Cost of revenues increased by $21,669 or 15.4% to $162,850 from $141,181 for the same period in the prior year. Commissions paid to golf instructors increased $13,895 to $51,890 from $37,995 due to higher golf lesson fees above and addition of another instructor. The payroll and payroll taxes at the activities counter increased by $7,555 to $21,442 in 2006 from $13,887 in 2005 compared to last year due to the addition of assistant manager and addition of mid-shift cashier in the second quarter of 2006.

SELLING, GENERAL AND ADMINISTRATIVE. These expenses consist principally of landscaping services and professional fees, ground lease, utilities, insurance and administrative payroll. These expenses increased $48,812 or 9.3% to $571,295 from $522,483 for the three months ending June 30, 2006 and 2005 respectively. Audit and tax expense increased by $48,917 to $55,417 from $6,500 in the prior year. The increased expenses were related to the responding to SEC comment letters and a change of Company's public accounting firm that occurred in April 2006.

Lease expense increased by $9,952 to $109,471 in 2006 from $99,519 in 2005 for the land on which that the CGC is located. The lease contains provision to periodically raise the minimum rent by 10% and the rent was increased in September 2005. The Company is protesting the rent increase and the matter is currently in litigation. These increases were offset by a decrease in landscaping services of $11,520 to $92,795 from $104,315 for the same period last year due to the six months in 2005 reflecting a settlement with the Company's prior landscaper.

OTHER INCOME AND EXPENSE. Other income and expense consists principally of interest income and expense and non-operating income. For the three months ended June 30, 2006 there was little or no change from prior year.

NET LOSS. The net loss before minority interest for the three months ending June 30, 2006 is a net loss of $222,720 compared to a loss of $162,983 in the prior year. The difference of $59,787 is due to a lower margin and an increase in selling and general administrative expenses.

RESULTS OF OPERATIONS - SIX MONTHS ENDED JUNE 30, 2006 AS COMPARED TO THE SIX MONTHS ENDED JUNE 30, 2005.

REVENUES. Revenues of the Callaway Golf Center ("CGC") for the six months ended June 30, 2006 increased by $20,183 or 1.8% to $1,200,855 from $1,180,672 reported for the same period in 2005. This increase in revenues is due to golf cart rentals and golf lesson fees offset by lower green fees. The golf lesson fees increased by $22,805 to $127,525 in 2006 compared to $104,720 in 2005 because of the upgrade in the golf pros and supervision that occurred in March of 2006. Golf club rentals revenues increased due to a two-stage rate increase of 38 percent that raised revenues by $15,413 to $104,305 in 2006 from 88,892 in 2005. Golf club rental revenue also increased by $5,823 to $59,673 from $53,850 for three months ended 2006 and 2005. Golf activities revenue increased by $6,110 to $10,022 in 2006 from $3,912 in 2005 due to local university conducting local golf lessons in 2006. Offsetting these increases in revenues was a decrease in golf course green fees. Golf course green fees decreased to $371,196 in 2006 from $403,739 in 2005. This decrease is due to unreasonably hot weather that resulted in a 25% decrease in green fees during mid-day hours and lower rates charged to tourists. Driving range revenue remained consistent at $416,786 for the six months ended 2006 compared to $417,151 for the six months ended 2005.

COST OF REVENUES. Cost of revenues consists mainly of commissions paid to the golf instructors, the payroll and benefits expenses of CGC staff, cost of merchandise sold and operating supplies. Cost of revenues increased by $55,100 or 21.9% to $307,192 from $252,092 for the same period of the prior year. Commissions paid to golf instructors increased $11,924 to $81,269 from $69,345 due to higher golf lesson fees mentioned above. The payroll and payroll taxes increased by $13,303 compared to last year due to the addition of assistant manager at the end of 2005 and addition of mid-shift cashier in the second quarter of 2006. Payroll and payroll taxes also increased by $14,433 as a result of the addition of a salaried supervisor in February 2006. Finally, golf operating supplies increased $20,685 due to the addition of range balls, range mats, and other operating supplies for the six months ended June 30, 2006.

SELLING, GENERAL AND ADMINISTRATIVE. These expenses consist principally of landscaping services and professional fees, ground lease, utilities, insurance and administrative payroll. These expenses increased by $67,684 to $1,020,268

10

from $960,584 for the same period in the prior year. Of this increase the largest amount related to an increase in audit and tax frees of $55,417 to $61,917 from $6,500 in the prior year. The increased expenses were related to responding to SEC comment letters and a change of Company's registered public accounting firm that occurred in April 2006. Other increases include a $10,043 increase in administrative salaries and payroll taxes because payroll expense for the first six months of 2005 did not reflect a controller's salary for the first month and a half of 2005 as the position was not occupied until mid February 2005. Legal expenses increased by $18,411 from the same period last year due to the arbitration with Urban Land related to the settlement of Sierra SportService matter. Lease expense increased by $19,902 to $218,942 in 2006 from $199,051 in 2005 for the land on which the CGC is located. The lease contains provision to periodically raise the minimum rent by 10% and the rent was increased in September 2005. The Company is protesting the rent increase and the matter is currently in litigation. There was also an increase of $8,937 from $75,514 in 2006 to $66,577 in 2006 due to higher rates charged by the Las Vegas Water District. These increases were offset by a decrease in landscaping services of $17,622 from $185,604 to $203,226 for the same period last year due the six months in 2005 reflecting a settlement with the Company's prior landscaper. In addition, there was no bad debt expense in 2006 compared $24,764 in 2005 related to the Sports Entertainment Enterprises, Inc. sale on February 7, 2005. The company received 10,000 shares of Sports Entertainment Enterprises, Inc. (CKX) stock as compensation for the debt owed. Additional amounts owed to the Company were written off in the first quarter of 2005.

OTHER INCOME AND EXPENSE. Other income and expense consists principally of interest income and expense and non-operating income. For the six months ended June 30, 2005 the Company had other income of $8,394 related primarily to insurance proceeds. Interest expense increased $6,650 to $250,317 in 2006 compared to $243,757 in 2005 due to net increase in borrowing from related parties.

NET LOSS. The net loss before minority interest for the six months ending June 30, 2006 is $421,878 compared to a loss of $298,092 in the prior year. The difference of $123,786 is due to higher cost of revenues and selling and general administrative expenses, increased interest expense offset by the increase in revenues.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2006, the Company had a working capital deficit of $2,160,544, as compared to a working capital deficit of $1,875,279 at December 31, 2005. The CGC has generated positive cash flow before corporate overhead and interest expense. There is no assurance that it will continue to provide positive cash flow.

Management believes that the CGC operations and existing cash balances as of June 30, 2006, may not be sufficient to fund operating cash needs and debt service requirements over the next 12 months. In its report on the Company's annual financial statements for 2005, the Company's auditors expressed substantial doubt about the Company's ability to continue as a going concern.

Management continues to seek other sources of funding, which may include Company officers or directors or other related parties. In addition, management continues to analyze all operational and administrative costs of the Company and has made and will continue to make the necessary cost reductions as appropriate.

Among its alternative courses of action, management of the Company may seek out and pursue a business combination transaction with an existing private business enterprise that might have a desire to take advantage of the Company's status as a public corporation. At this time, management does not intend to target any particular industry but, rather, intends to judge any opportunity on its individual merits. Any such transaction would likely have a dilutive effect on the interests of the Company's stockholders that would, in turn, reduce each shareholders proportionate ownership and voting power in the Company. There is no assurance that the Company will acquire a favorable business opportunity through a business combination. In addition, even if the Company becomes involved in such a business opportunity, there is no assurance that it would generate revenues or profits, or that the market price of the Company's common stock would be increased thereby.

The Company has no commitments to enter into or acquire a specific business opportunity and, therefore, is able to disclose the risks of a business or opportunity that it may enter into only in a general manner, and unable to disclose the risks of any specific business or opportunity that it may enter into. An investor can expect a potential business opportunity to be quite risky. Any business opportunity acquired may be currently unprofitable or present other negative factors.

Working capital needs have been helped by favorable payment terms and conditions included in our notes payable to an Affiliate. Management believes that additional notes could be negotiated, if necessary, with similar payment terms and conditions.
Management continues to seek out financing to help fund working capital needs of the Company. In this regard, management believes that additional borrowings against the CGC could be arranged although there can be no assurance that the Company would be successful in securing such financing or with terms acceptable to the Company.

SPECIAL CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Certain information included in this quarterly report contains statements that are forward-looking such as statements relating to plans for future expansion and other business development activities, as well as other capital spending and financing sources. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ from those expressed in any forward-looking statements made by or on behalf of the Company. These risks and uncertainties include, but are not limited to, those relating to dependence on existing management, leverage and debt service (including sensitivity to fluctuations in interest rates), domestic or global economic conditions, changes in federal or state tax laws or the administration of such laws, and changes in regulations and application for licenses and approvals under applicable jurisdictional laws and regulations.

ITEM 3. CONTROLS AND PROCEDURES

As of June 30, 2006, under the supervision and with the participation of the Company's Chief Executive Officer and Principal Financial Officer, management has evaluated the effectiveness of the design and operations of the Company's disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and Principal Financial Officer concluded that the Company's disclosure controls and procedures were effective as of June 30, 2006. There have been no changes in internal control over financial reporting that occurred during the second quarter of the fiscal year covered by this report that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

12

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is plaintiff in a lawsuit against Western Technologies and was awarded a judgment of $660,000 in March 2003. Western Technologies has appealed the judgment, and it is currently pending before the Nevada Supreme "Court". The Court is expected to hear arguments in the case in summer of 2006. Western Technologies was required to and did file a bond in the amount of the judgment to date, which is approximately $1,180,000 including the judgment, interest, and attorney's fees.

On May 31, 2005, Sierra SportService, Inc. the Company's tenant, who operated the restaurant in CGC, ceased operations. Sierra SportService filed a notice of default pertaining to the restaurant concession agreement and against all guarantors of that agreement. A settlement was reached on November 18, 2005 for a total amount of $800,000, of which the AASP paid $700,000 and the remaining $100,000 was paid by AAGC, which is 65% owned by the Company.

In December 2005, the Company commenced an arbitration proceeding before the American Arbitration Association against Urban Land of Nevada ("Urban Land") seeking reimbursement of the $800,000 paid in settlement of the Sierra SportService matter plus fees and costs pursuant to the terms of the Company's agreements with Urban Land which owns the property on which the CGC is located. Urban Land filed a counterclaim against the Company and claims against other parties in the arbitration proceeding. The other parties include, among others, Ronald S. Boreta, the President of the Company; Vaso Boreta, Chairman of the Board of the Company; and Boreta Enterprise, Ltd., a principal shareholder of the Company. The counterclaims and other party claims allege that the Company and others defrauded otherwise injured Urban Land in connection with Urban Land entering into certain agreements in which the Company is a party. Urban Land is seeking damages and other relief under various claims.

On February 10, 2006, Urban Land filed a notice of default on the CGC ground lease claiming that certain repairs to the property had not been performed or documented. It is expected that the issues in the notice of default will be included in the above arbitration proceeding. The company is also disputing the rent increase under the ground lease. Legal counsel has been hired and has advised the company to pay all amounts due pending litigation.

The Company is involved in certain other litigation as both plaintiff and defendant related to its business activities. Management, based upon consultation with legal counsel, does not believe that the resolution of these and the forgoing matters will have a material adverse effect, if any, upon the Company. Accordingly, no provision has been made for any estimated losses in connection with such matters.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds. None.

Item 3. Defaults Upon Senior Securities. None

Item 4. Submission of Matters to a Vote of Security Holders. None.

Item 5. Other Information. None.

Item 6. Exhibits

31	Certification of Chief Executive Officer and Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith electronically
32	Certification of Chief Executive Officer and Principal Financial Officer Pursuant to Section 18 U.S.C. Section 1350	Filed herewith electronically

SIGNATURES

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.

ALL-AMERICAN SPORTPARK, INC.

Date: August 11, 2006

By: /s/ Ronald Boreta
Ronald Boreta, President and
Chief Executive Officer(Principal
Executive Officer) and Treasurer
(Principal Financial Officer)