

Burlington Coat Factory Investments Holdings, Inc.  
Form 10-Q  
April 15, 2008

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q

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(Mark One)

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

For the quarterly period ended March 1, 2008

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 1-37917

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BURLINGTON COAT FACTORY INVESTMENTS HOLDINGS, INC.  
(Exact Name of Registrant as Specified in its Charter)

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Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

1830 Route 130 North

20-4663833  
(I.R.S. Employer  
Identification No.)

08016

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Burlington, New Jersey  
(Address of Principal Executive Offices)

(Zip Code)

Registrant's Telephone Number, Including Area Code: (609) 387-7800

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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, 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.

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 April 15, 2008, the registrant had 1,000 shares of common stock outstanding (all of which are owned by Burlington Coat Factory Holdings, Inc., our holding company) and are not publicly traded.

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BURLINGTON COAT FACTORY INVESTMENTS HOLDINGS, INC. AND SUBSIDIARIES

INDEX

	Page
Part I - Financial Information	
Item 1. Financial Statements (unaudited).	
Condensed Consolidated Balance Sheets as of March 1, 2008 and June 2, 2007	3
Condensed Consolidated Statements of Operations - Nine and Three Months Ended March 1, 2008 and March 3, 2007	4
Condensed Consolidated Statements of Cash Flows - Nine Months Ended March 1, 2008 and March 3, 2007	5
Notes to Condensed Consolidated Financial Statements	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.	24
Item 3. Quantitative and Qualitative Disclosures About Market Risk.	33
Item 4. Controls and Procedures.	34
Part II - Other Information	35
Item 1. Legal Proceedings.	35
Item 1A. Risk Factors.	35
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.	35
Item 3. Defaults Upon Senior Securities.	35
Item 4. Submission of Matters to a Vote of Security Holders.	35
Item 5. Other Information.	35
Item 6. Exhibits.	36
SIGNATURES	37

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## Part I. FINANCIAL INFORMATION

## Item 1. Financial Statements

BURLINGTON COAT FACTORY INVESTMENTS HOLDINGS, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited)

(All amounts in thousands)

	March 1, 2008	June 2, 2007
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 45,532	\$ 33,878
Restricted Cash and Cash Equivalents	2,707	2,753
Accounts Receivable, Net	31,572	30,590
Merchandise Inventories	784,139	710,571
Deferred Tax Assets	36,849	35,143
Prepaid and Other Current Assets	40,941	34,257
Income Tax Receivable	--	1,109
Assets Held for Disposal	5,078	35,073
<b>Total Current Assets</b>	<b>946,818</b>	<b>883,374</b>
Property and Equipment, Net	936,245	948,334
Tradenames	526,300	526,300
Favorable Leases, Net	557,470	574,879
Goodwill	46,219	46,219
Other Assets	61,137	57,415
<b>Total Assets</b>	<b>\$ 3,074,189</b>	<b>\$ 3,036,521</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts Payable	\$ 465,427	\$ 395,375
Income Taxes Payable	24,561	--
Other Current Liabilities	202,087	198,627
Current Maturities of Long Term Debt and Capital Leases	1,592	5,974
<b>Total Current Liabilities</b>	<b>693,667</b>	<b>599,976</b>
Long Term Debt and Capital Leases	1,404,768	1,456,330
Other Liabilities	128,900	48,447
Deferred Tax Liability	475,951	551,298

Commitments and Contingencies (Note 16)

Stockholders' Equity:

Common Stock	-	-
Capital in Excess of Par Value	456,222	454,935
Accumulated Deficit	(85,319)	(74,465)
Total Stockholders' Equity	370,903	380,470
Total Liabilities and Stockholders' Equity	\$ 3,074,189	\$ 3,036,521

See Notes to Condensed Consolidated Financial Statements.

Any material issues raised internally or by any regulatory agency regarding the independent auditor's quality control procedures and the steps taken to correct any deficiencies; and

All relationships between the independent auditor and the Company.

Any significant changes required in the independent auditor's audit plan.

Any serious difficulties or disputes with management encountered during the course of the audit.

Any accounting adjustments noted by the independent auditor but deemed immaterial by management.

Any communications between the audit team and its national office regarding the Company and the independent auditor's engagement, including any management letter issued by the independent auditor to the Company.

Other matters related to the conduct of the audit that are to be communicated to the Committee under generally accepted auditing standards.

Review with Company management and the independent auditor at least annually the Company's critical accounting policies.

Review with Company management, independent auditor and the internal auditors:

Significant findings during the year and management's responses thereto, including an analysis of the effects of alternative GAAP methods on the financial statements.

Any significant changes in the Company's selection or application of accounting principles.

The adequacy of the Company's internal controls and any steps taken to correct any deficiencies.

The effect, if any, of regulatory and accounting initiatives and off-balance sheet structures.

Any difficulties encountered in the course of their audits, including any restrictions on the scope of their work or access to required information.

Any changes required in planned scope of their audit plan.

In connection with each periodic report of the Company, review:

Management's disclosure to the Committee under Section 302 of the Sarbanes-Oxley Act.

The contents of the Chief Executive Officer and the Chief Financial Officer certificates to be filed under Sections 302 and 906 of the Act.

Review filings (including interim reporting) with the SEC and other published documents containing the Company's financial statements and confirm the information contained in these documents is consistent with the information contained in the financial statements before it is filed with the SEC or other regulators.

Review approve and modify, if necessary, the Company's policies relating to appropriate codes of conduct with Company's management and General Counsel the adequacy of and compliance with such policies.

Review legal and regulatory matters that may have a material impact on the financial statements, related Company compliance policies, and programs and reports received from regulators.

Meet with management in executive sessions to discuss any matters that the Committee or management believe should be discussed privately with the Committee.

Review Company's policies and procedures regarding executive management expense accounts.

## **FRANKLIN COVEY**

### **AUDIT COMMITTEE RESPONSIBILITIES CHECKLIST**

1st Fiscal Quarter

Meet at least once during the 1st fiscal quarter or more frequently as circumstances require. (The Committee may require the attendance of the Company's management or others to attend any Committee meeting and to provide requested information.)

Prepare an agenda for each Committee meeting with input from the chairperson Company management, and the independent auditor

Establish unrestricted communication between the internal auditors, the independent auditor, Company management and the Board.

Report Committee actions to the Board with any recommendations the Committee deems appropriate.

Appoint, approve the compensation of, and oversee the independent auditor. (The independent auditor's lead partner must be rotated every five years pursuant to the Sarbanes-Oxley Act. The Committee should consider a rotation of the independent auditor to assure continued independence.)

Review the independent auditor's non-audit services and related fees to determine if such would be prohibited under the Sarbanes-Oxley Act.

Review with the internal auditors, the independent auditor and Company management the audit scope and plan, and coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, the effective use of audit resources, and the use of independent public accountants other than the appointed auditors of the Company.

The Chairperson shall participate in a telephonic meeting among Company management and the independent auditor prior to earnings releases to review use of "pro forma" or "adjusted" non-GAAP information and the types of information to be disclosed and presentation to be made.

Review the periodic reports of the Company with management, the internal auditors and the independent auditor prior to filing of the reports with the SEC.

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In connection with each periodic report of the Company, review:

Management's disclosure to the Committee under Section 302 of the Sarbanes-Oxley Act.

The contents of the Chief Executive Officer and the Chief Financial Officer certificates to be filed under Sections 302 and 906 of the Act.

Meet with the independent auditor in executive session to discuss any matters that the Committee or the independent auditor believe should be discussed privately with the Committee.

Review all proposed related-party transactions and make recommendation to the Board to approve or disapprove of each proposed transaction.

### **FRANKLIN COVEY AUDIT COMMITTEE RESPONSIBILITIES CHECKLIST**

#### 2nd Fiscal Quarter

Meet at least once during the 2nd fiscal quarter or more frequently as circumstances require. (The Committee may require the attendance of the Company's management or others to attend any Committee meeting and to provide requested information.

Prepare an agenda for each Committee meeting with input from the chairperson Company management, and the independent auditor.

Establish unrestricted communication between the internal auditors, the independent auditor, Company management and the Board.

Report Committee actions to the Board with any recommendations the Committee deems appropriate.

Appoint, approve the compensation of, and oversee the independent auditor.

Review the independent auditor's non-audit services and related fees to determine if such would be prohibited under the Sarbanes-Oxley Act.

The Chairperson shall participate in a telephonic meeting among Company management and the independent auditor prior to earnings releases to review use of "pro forma" or "adjusted" non-GAAP information and the types of information to be disclosed and presentation to be made.

Review the periodic reports of the Company with management, the internal auditors and the independent auditor prior to filing of the reports with the SEC.

In connection with each periodic report of the Company, review:

Management's disclosure to the Committee under Section 302 of the Sarbanes-Oxley Act.

The contents of the Chief Executive Officer and the Chief Financial Officer certificates to be filed under Sections 302 and 906 of the Act.

Meet with the independent auditor in executive session to discuss any matters that the Committee or the independent auditor believe should be discussed privately with the Committee.

Meet with the internal auditors in executive sessions to discuss any matters that the Committee or the internal auditors believe should be discussed privately with the Committee.

Review all proposed related-party transactions and make recommendation to the Board to approve or disapprove of each proposed transaction.

### **FRANKLIN COVEY AUDIT COMMITTEE RESPONSIBILITIES CHECKLIST**

#### 3rd Fiscal Quarter

Meet at least once during the 3rd fiscal quarter or more frequently as circumstances require. (The Committee may require the attendance of the Company's management or others to attend any Committee meeting and to provide requested information.

Prepare an agenda for each Committee meeting with input from the chairperson Company management, and the independent auditor.

Establish unrestricted communication between the internal auditors, the independent auditor, Company management and the Board.

Report Committee actions to the Board with any recommendations the Committee deems appropriate.

Provide a report for inclusion in the Company's annual proxy that details the Committee's review and discussion of matters with management and the independent auditor. The report should include a description of any non-audit services provided by the independent auditor to the Company.

Appoint, approve the compensation of, and oversee the independent auditor.

Confirm the independence of the independent auditor.

Review the independent auditor's non-audit services and related fees to determine if such would be prohibited under the Sarbanes-Oxley Act.



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Consider and review with the independent auditor and the internal auditors:

The adequacy of the Company's internal controls including computerized information system controls and security.

Any related significant findings and recommendations of the independent public accountants and internal auditors together with management's responses thereto.

Review with Company management any significant changes to GAAP and/or MAP policies or standards.

Review with Company management and the independent auditor at the completion of the annual audit:

The Company's annual financial statements and related footnotes.

The independent auditor's audit of the financial statements and its report thereon.

Any significant changes required in the independent auditor's audit plan.

Any serious difficulties or disputes with management encountered during the course of the audit.

Other matters related to the conduct of the audit that are to be communicated to the Committee under generally accepted auditing standards.

Review with Company management and the independent auditor at least annually the Company's critical accounting policies.

The Chairperson shall participate in a telephonic meeting among Company management and the independent auditor prior to earnings releases to review use of "pro forma" or "adjusted" non-GAAP information and the types of information to be disclosed and presentation to be made.

Review the periodic reports of the Company with management, the internal auditors and the independent auditor prior to filing of the reports with the SEC.

In connection with each periodic report of the Company, review:

Management's disclosure to the Committee under Section 302 of the Sarbanes-Oxley Act.

The contents of the Chief Executive Officer and the Chief Financial Officer certificates to be filed under Sections 302 and 906 of the Act.

Meet with the independent auditor in executive session to discuss any matters that the Committee or the independent auditor believe should be discussed privately with the Committee.

Review all proposed related-party transactions and make recommendation to the Board to approve or disapprove of each proposed transaction.

### **FRANKLIN COVEY AUDIT COMMITTEE RESPONSIBILITIES CHECKLIST**

#### 4th Fiscal Quarter

Meet at least once during the 4th fiscal quarter or more frequently as circumstances require. (The Committee may require the attendance of the Company's management or others to attend any Committee meeting and to provide requested information.)

Prepare an agenda for each Committee meeting with input from the chairperson Company management, and the independent auditor.

Establish unrestricted communication between the internal auditors, the independent auditor, Company management and the Board.

Report Committee actions to the Board with any recommendations the Committee deems appropriate.

Review and update the Audit Committee Responsibilities Checklist at least annually.

Appoint, approve the compensation of, and oversee the independent auditor.

Review the independent auditor's non-audit services and related fees to determine if such would be prohibited under the Sarbanes-Oxley Act.

Confirm each Committee member is financially literate, with at least one member who has financial expertise.

Confirm the independence of each Committee member based on NASD and other applicable rules.

Review policies and procedures with respect to transactions between the Company and officers and directors, or affiliates of officers or directors, or transactions that are not a normal part of the Company's business.

The Chairperson shall participate in a telephonic meeting among Company management and the independent auditor prior to earnings releases to review use of "pro forma" or "adjusted" non-GAAP information and the types of information to be disclosed and presentation to be made.

Review the periodic reports of the Company with management, the internal auditors and the independent auditor prior to filing of the reports with the SEC.

In connection with each periodic report of the Company, review:

Management's disclosure to the Committee under Section 302 of the Sarbanes-Oxley Act.

The contents of the Chief Executive Officer and the Chief Financial Officer certificates to be filed under Sections 302 and 906 of the Act.

Review, approve and modify, if necessary, the Company's policies relating to appropriate codes of conduct with Company's management and General Counsel the adequacy of and compliance with such policies.

Meet with the independent auditor in executive session to discuss any matters that the Committee or the independent auditor believe should be discussed privately with the Committee.

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Meet with the internal auditors in executive sessions to discuss any matters that the Committee or the internal auditors believe should be discussed privately with the Committee.

Review all proposed related-party transactions and make recommendation to the Board to approve or disapprove of each proposed transaction.