

COMMUNITY FINANCIAL CORP /MD/
Form 8-K
August 01, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 1, 2018

THE COMMUNITY FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

001-36094

(Commission

File Number)

52-1652138

(IRS Employer

Identification
No.)

3035 Leonardtown Road, Waldorf, Maryland 20601

(Address of principal executive offices)

(301) 645-5601

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On August 1, 2018, The Community Financial Corporation (the "Company"), the holding company for Community Bank of the Chesapeake, will make available management's presentation materials which will be used at Keefe, Bruyette & Woods, Inc.'s Annual Community Bank Investor Conference 2018 on the same date. The presentation materials include information regarding the Company's operating and growth strategies and financial performance. Pursuant to Regulation FD, the presentation materials are attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

Exhibits

Number Description

99.1 Presentation materials

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 hereunto duly authorized.

Dated: August 1, 2018 By: /s/ Todd L. Capitani
Todd L. Capitani
Chief Financial Officer

2

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4

CITIZENSHIP OR PLACE OF ORGANIZATION
British Virgin Islands

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH

5

SOLE VOTING POWER

0
6

SHARED VOTING POWER

8,196,721 (1)
7

SOLE DISPOSITIVE POWER

0
8

SHARED DISPOSITIVE POWER

8,196,721 (1)
9

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

8,196,721
10

CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (See Instructions)

11

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

12.84% of the total shares of Common Stock*
12

TYPE OF REPORTING PERSON (See Instructions)

CO

(1) Shared with the other Reporting Persons (defined below) solely by virtue of the fact that Galahad Securities Limited ("GSL"), the holder of these shares, is a direct wholly owned subsidiary of Legatum Capital Limited ("LCL"), and an indirect wholly owned subsidiary of each other Reporting Person.

* Based on a total of 63,827,846 shares of Common Stock, par value \$0.01 per share (the "Stock"), which was determined by adding (i) 42,188,072, the number of outstanding shares of Stock as confirmed by a representative of the Issuer on December 3, 2012, plus (ii) 21,639,774, the number of shares of Stock offered by the Issuer announced via a press release dated December 5, 2012.

2

CUSIP No. Y7542C106

Page 3 of 10 Pages

1 NAME OF REPORTING PERSON
Legatum Capital Limited

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(See Instructions) (a) (b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
British Virgin Islands

NUMBER OF	5	SOLE VOTING POWER
SHARES		0
BENEFICIALLY	6	SHARED VOTING POWER
OWNED BY		8,196,721 (1)
EACH	7	SOLE DISPOSITIVE POWER
REPORTING		0
PERSON	8	SHARED DISPOSITIVE POWER
WITH		8,196,721 (1)

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
8,196,721

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (See Instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
12.84% of the total shares of Common Stock*

12 TYPE OF REPORTING PERSON (See Instructions)
CO

(1) Shared with the other Reporting Persons (defined below) solely by virtue of the fact that GSL, the holder of these shares, is a direct wholly owned subsidiary of LCL, and an indirect wholly owned subsidiary of each other Reporting Person.

* Based on a total of 63,827,846 shares of Stock, which was determined by adding (i) 42,188,072, the number of outstanding shares of Stock as confirmed by a representative of the Issuer on December 3, 2012, plus (ii) 21,639,774, the number of shares of Stock offered by the Issuer announced via a press release dated December 5, 2012.

CUSIP No. Y7542C106

Page 4 of 10 Pages

1 NAME OF REPORTING PERSON
Legatum Global Holdings Limited

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(See Instructions) (a) (b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
British Virgin Islands

NUMBER OF	5	SOLE VOTING POWER
SHARES		0
BENEFICIALLY	6	SHARED VOTING POWER
OWNED BY		8,196,721 (1)
EACH	7	SOLE DISPOSITIVE POWER
REPORTING		0
PERSON	8	SHARED DISPOSITIVE POWER
WITH		8,196,721 (1)

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
8,196,721

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (See Instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
12.84% of the total shares of Common Stock*

12 TYPE OF REPORTING PERSON (See Instructions)
CO

(1) Shared with the other Reporting Persons (defined below) solely by virtue of the fact that GSL, the holder of these shares, is a direct wholly owned subsidiary of LCL, and an indirect wholly owned subsidiary of each other Reporting Person.

* Based on a total of 63,827,846 shares of Stock, which was determined by adding (i) 42,188,072, the number of outstanding shares of Stock as confirmed by a representative of the Issuer on December 3, 2012, plus (ii) 21,639,774, the number of shares of Stock offered by the Issuer announced via a press release dated December 5, 2012.

4

CUSIP No. Y7542C106

Page 5 of 10 Pages

1 NAME OF REPORTING PERSON
Senate Limited, acting on behalf of that certain trust formed under the law of the Cayman Islands as of 1 July 1996

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(See Instructions) (a) £
(b) £

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
The Cayman Islands

NUMBER OF	5	SOLE VOTING POWER
SHARES		0
BENEFICIALLY	6	SHARED VOTING POWER
OWNED BY		8,196,721 (1)
EACH	7	SOLE DISPOSITIVE POWER
REPORTING		0
PERSON	8	SHARED DISPOSITIVE POWER
WITH		8,196,721 (1)

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
8,196,721

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (See Instructions) £

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
12.84% of the total shares of Common Stock*

12 TYPE OF REPORTING PERSON (See Instructions)
OO

(1) Shared with the other Reporting Persons (defined below) solely by virtue of the fact that GSL, the holder of these shares, is a direct wholly owned subsidiary of LCL, and an indirect wholly owned subsidiary of each other Reporting Person.

* Based on a total of 63,827,846 shares of Stock, which was determined by adding (i) 42,188,072, the number of outstanding shares of Stock as confirmed by a representative of the Issuer on December 3, 2012, plus (ii) 21,639,774, the number of shares of Stock offered by the Issuer announced via a press release dated December 5, 2012.

5

Item 1.

- (a) Name of Issuer:
Scorpio Tankers Inc.
- (b) Address of Issuer's Principal Executive Offices:
9, Boulevard Charles III Monaco 98000

Item 2.

- (a) Name of Person Filing:

(i) Galahad Securities Limited ("GSL")
(ii) Legatum Capital Limited ("LCL")
(iii) Legatum Global Holdings Limited
(iv) Senate Limited, acting on behalf of that certain trust formed under the laws of the Cayman Islands as of 1 July 1996
Each of the entities (i) through (iv) above is a "Reporting Person" and collectively, the "Reporting Persons."
- (b) Address of Principal Business Office, or if none, Residence:

For each of Reporting Persons (i)-(iv):
Level 9, Convention Tower, PO Box 71082, Dubai, UAE
- (c) Citizenship:

For each of Reporting Persons (i)-(iii): British Virgin Islands
For Reporting Person (iv): The Cayman Islands
- (d) Title of Class of Securities:

Common Stock, par value of \$0.01 per share ("Stock")
- (e) CUSIP Number:

Y7542C106

Item 3.

If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a(n):

Not applicable.

- (a) Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78o);
- (b) Bank as defined in Section 3(a)(6) of the Act (15 U.S.C. 78c);
- (c) Insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C. 78c);
- (d) Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);

- (e) Investment adviser in accordance with Section 240.13d-1(b)(1)(ii)(E);
- (f) Employee benefit plan or endowment fund in accordance with Section 240.13d-1(b)(1)(ii)(F);
- (g) Parent holding company or control person in accordance with Section 240.13d-1(b)(1)(ii)(G);
- (h) Savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) Church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) A non-U.S. institution in accordance with Section 240.13d-1(b)(1)(ii)(J);
- (k) Group, in accordance with Section 240.13d-1(b)(1)(ii)(K).

Item 4. Ownership.

- (a) Amount beneficially owned: 8,196,721
- (b) Percent of class: 12.84% *
- (c) Number of shares as to which the person has:
 - (i) Sole power to vote or direct the vote: 0
 - (ii) Shared power to vote or direct the vote: 8,196,721 (1)
 - (iii) Sole power to dispose or to direct the disposition of: 0
 - (iv) Shared power to dispose or to direct the disposition of: 8,196,721 (1)

Item 5. Ownership of Five Percent or Less of a Class.

Not applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Not applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.

Not applicable.

Item 8. Identification and Classification of Members of the Group.

Not applicable.

Item 9. Notice of Dissolution of Group.

Not applicable.

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in

connection with or as a participant in any transaction having that purpose or effect.

- * Based on a total of 63,827,846 shares of Stock, which was determined by adding (i) 42,188,072, the number of outstanding shares of Stock as confirmed by a representative of the Issuer on December 3, 2012, plus (ii) 21,639,774, the number of shares of Stock offered by the Issuer announced via a press release dated December 5, 2012.
- (1) Shared with the other Reporting Persons solely by virtue of the fact that GSL, the holder of these shares, is a direct wholly owned subsidiary of LCL, and an indirect wholly owned subsidiary of each other Reporting Person.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: December 12, 2012

GALAHAD SECURITIES LIMITED

By: /s/ Mark Stoleson
Mark Stoleson
Director

Dated: December 12, 2012

LEGATUM CAPITAL LIMITED

By: /s/ Mark Stoleson
Mark Stoleson
Director

Dated: December 12, 2012

LEGATUM GLOBAL HOLDINGS LIMITED

By: /s/ Mark Stoleson
Mark Stoleson
Director

Dated: December 12, 2012

SENATE LIMITED, ACTING ON BEHALF OF THAT CERTAIN
TRUST FORMED UNDER THE LAWS OF THE CAYMAN
ISLANDS AS OF 1 JULY 1996

By: /s/ Mark Stoleson
Mark Stoleson
Director

9

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Total cost of sales increased \$29,000 to \$178,000 during the second quarter of 2011 primarily as a result of overall higher animal food spending at the Missouri Park.

Total gross profit declined \$24,000, or 2%, in 2011 to \$1.04 million versus \$1.068 million in 2010.

Operating expenses decreased \$31,000, or 5% in 2011 as compared with 2010's second quarter. The Georgia Park spent less on advertising in the second quarter but this reduction was offset by more spending on wages and other operating costs. The Missouri Park also spent less on advertising but these savings were offset by higher wages and other operating costs.

The Company's operating margin increased \$18,000, or 4%, in the quarter versus that of the same period in 2010. Last year's second quarter included a \$11,961 loss on disposal of operating assets versus no charges this year. The attendance at both parks declined during the second quarter but net sales remained unchanged as a result of higher revenue per visitor at both parks.

Corporate Spending

Corporate spending decreased \$21,000 to \$201,000 during the first six months of 2011. Management continues to seek ways to be more cost effective with its overhead spending. This year's corporate salaries are \$35,000 lower as a result of eliminating a \$70,000 per year Executive position in December 2010. Last year's second quarter's corporate spending benefited from negotiating and settling outstanding legal and accounting bills for \$40,000 less than the amount that the Company had originally been billed and accrued. The favorable settlement was recorded as a credit to professional fees in the second quarter of 2010.

The Company reported a net profit from operations of \$67,161, or \$0.00 per share, for the six months ended June 26, 2011 as compared to a net loss of \$78,387, or \$0.00 per share, for the six months ended June 27, 2010. The combined operating margins from the Parks increased \$86,000 this year as compared to the first half of 2010.

The Company reported a net profit of \$258,197, or \$0.00 per share, for the second quarter of 2010 as compared with a net profit of \$223,680, or \$0.00 per share, for this quarter last year. This year's second quarter profit reflected slightly lower operating profit from the parks but this was more than offset by lower Selling, General and Administrative spending as well as lower interest cost. The renegotiated Georgia mortgage has a new interest rate of 6.5% versus old rate of 7.75% saving the Company more than \$24,000 annually.

Financial Condition

Management believes that it has improved its operations to the point that it can now generate enough cash to fund its operations, make its mortgage payments and spend modestly on capital improvements in the near-term. Any slowdown in revenue or unusual capital outlays would require us to seek additional capital. In March of 2011 the Company borrowed \$50,000 from its Chairman to make a one-time \$50,000 lump sum principal payment on the Missouri mortgage that allowed us to extend such loan for an additional two years on the same terms. This \$50,000 related party note (the Related Party Note) has terms similar to the Company's line of credit with a commercial bank and is unsecured and bears interest at a rate of 6% per annum. The related party note was repaid in full in April 2011.

The Company's working capital is negative \$548,215 at June 26, 2011 versus negative \$606,904 at December 26, 2010. This working capital improvement is a direct result of the year to date profit of \$67,161.

Total debt related to property mortgages and lines of credit (LOC), including current maturities, at June 26, 2011 was \$4.177 million versus \$4.308 million at December 26, 2010. The decrease in debt was a result of paying an additional \$50,000 principal payment on its Missouri Park note as well as its regular debt repayments. The Company owed

\$385,000 on its lines of credit (as compared to \$365,000 at year end 2010) leaving us an available LOC balance of \$215,000.

Unrestricted cash was \$175,000 at June 26, 2011. Capital spending will be kept to a minimum during the next twelve months as the Company works to improve its financial condition. The Company spent \$55,000 on assets in the first six months of 2011.

At June 26, 2011, the Company had equity of \$2,282,915 and total debt of \$4,177,029, and a debt to equity ratio of 1.83 to 1. The Company's debt to equity ratio was 1.94 to 1 as of December 26, 2010.

Our principal source of income is from cash sales, which is projected to provide sufficient cash flow to fund operations and service our current debt. During the next twelve to twenty-four months, management will continue to focus on improving the financial condition of the Company.

Off Balance Sheet Arrangements

We do not have any off balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenues, results of operations, liquidity or capital expenditures.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

N/A

ITEM 4. CONTROLS AND PROCEDURES.

Based on an evaluation conducted by management, of the effectiveness of the design and operation of our disclosure controls and procedures, as required by Exchange Act Rule 13a-15(e) they concluded that our disclosure controls and procedures were effective as of March 27, 2011, to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act are:

1.

recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, and

2.

accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States and includes those policies and procedures that:

(a) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States and that receipts and

expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

(c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce this risk.

Based on its assessment, management has concluded that the Company's disclosure controls and procedures and internal control over financial reporting are effective.

PART II

ITEM 1. LEGAL PROCEEDINGS.

We are not a party to any pending legal proceeding, nor is our property the subject of a pending legal proceeding, that is not in the ordinary course of business or otherwise material to the financial condition of our business. None of our directors, officers or affiliates is involved in a proceeding adverse to our business or has a material interest adverse to our business.

ITEM 1A. RISK FACTORS.

Risk Factors Relating to Our Business:

Significant Amounts of Additional Financing May Be Necessary For the Implementation of Our Business Plan.

The Company may require additional debt and equity financing to pursue its acquisition strategy. Given its limited operating history, there can be no assurance that we will be successful in obtaining additional financing. Lack of additional funding could force us to curtail substantially our expansion plans. Furthermore, the issuance by us of any additional securities and the exercise of Warrants which might arise under any future fundraising activities undertaken by us would dilute the ownership of existing shareholders and may reduce the price of our common stock.

The Theme Park Industry is Highly Competitive and We May Be Unable to Compete Effectively.

The theme park industry is highly competitive, highly fragmented, rapidly evolving, and subject to technological change and intense marketing by providers with similar products. One of our competitors for attracting general recreation dollars, Callaway Gardens, is located within five miles of our Georgia Park. Branson, Missouri is located just 45 minutes from our Missouri Park.

Many of our current competitors are significantly larger and have substantially greater market presence as well as greater financial, technical, operational, marketing and other resources and experience than we have. In the event that such a competitor expends significant sales and marketing resources in one or several markets we may not be able to compete successfully in such markets. The Company believes that competition will continue to increase, placing downward pressure on prices. Such pressure could adversely affect our gross margins if we are not able to reduce

costs commensurate with such price reductions. In addition, the pace of technological change makes it impossible for us to predict whether we will face new competitors using different technologies to provide the same or similar products offered or proposed to be offered by us. If our competitors were to provide better and more cost effective products, our business could be materially and adversely affected.

We Face Strong Competition from Numerous Entertainment Alternatives.

In addition to competing with other themed and amusement parks, our venues compete with other types of recreational venues and entertainment alternatives, including but not limited to movies, sports attractions, vacation travel and video games. There can be no assurance that we will successfully differentiate ourselves from these entertainment alternatives or that consumers will consider our entertainment offerings to be more appealing than those of our competitors. The development of technology-based entertainment has provided families with a wider selection of entertainment alternatives close to or in their homes, including home entertainment units, online gaming, and video game parlors. In addition, traditional theme parks have been able to reduce the cost and increase the variety of their attractions by implementing technologies that cannot be readily incorporated by a wild animal park such as the Georgia Park or Missouri Park.

Our Insurance Coverage May Not Be Adequate To Cover All Possible Losses That We Could Suffer, and Our Insurance Costs May Increase.

Companies engaged in the theme park business may be sued for substantial damages in the event of an actual or alleged accident. An accident occurring at our parks or at competing parks may reduce attendance, increase insurance premiums, and negatively impact our operating results. the Georgia Park contains a drive-through, safari style animal park, and there are inherent risks associated with allowing the public to interact with animals. Although we carry liability insurance to cover this risk, there can be no assurance that our coverage will be adequate to cover liabilities, or that we will be able to afford or obtain adequate coverage should a catastrophic incident occur.

We currently have \$6,000,000 of liability insurance. We will continue to use reasonable commercial efforts to maintain policies of liability, fire and casualty insurance sufficient to provide reasonable coverage for risks arising from accidents, fire, weather, other acts of God, and other potential casualties. There can be no assurance that we will be able to obtain adequate levels of insurance to protect against suits and judgments in connection with accidents or other disasters that may occur in our theme parks.

Our Ownership of Real Property Subjects Us to Environmental Regulation, Which Creates Uncertainty Regarding Future Environmental Expenditures and Liabilities.

We may be required to incur costs to comply with environmental requirements, such as those relating to discharges to air, water and land; the handling and disposal of solid and hazardous waste; and the cleanup of properties affected by hazardous substances. Under these and other environmental requirements we may be required to investigate and clean up hazardous or toxic substances or chemical releases at one of our properties. As an owner or operator, we could also be held responsible to a governmental entity or third party for property damage, personal injury and investigation and cleanup costs incurred by them in connection with any contamination. Environmental laws typically impose cleanup responsibility and liability without regard to whether the owner or operator knew of or caused the presence of the contaminants. The liability under those laws has been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of the responsibility. The costs of investigation, remediation or removal of those substances may be substantial, and the presence of those substances, or the failure to remediate a property properly, may impair our ability to use our property. We are not currently aware of any material environmental risks regarding our properties. However, we may be required to incur costs to remediate potential environmental hazards or to mitigate environmental risks in the future.

The Suspension or Termination of Any of our Business Licenses May Have a Negative Impact On Our Business

We maintain a variety of standard business licenses issued by federal, state and city government agencies that are renewable on a periodic basis. We cannot guarantee that we will be successful in renewing all of our licenses on a periodic basis. The suspension, termination or expiration of one or more of these licenses could have a significant adverse affect on our revenues and profits. In addition, any changes to the licensing requirements for any of our licenses could affect our ability to maintain the licenses.

We Are Dependent Upon the Services of Our Executive Officers and Consultants.

Our success is heavily dependent on the continued active participation of our executive officers. Loss of the services of one or more of these officers could have a material adverse effect upon our business, financial condition or results of operations. In particular, we place substantial reliance upon the efforts and abilities of Dale Van Voorhis, Chairman of the Board of Directors and Chief Operating Officer and Jim Meikle, President of Wild Animal-Georgia and Wild Animal-Missouri and also a member of the Company's Board of Directors. The loss of Mr. Van Voorhis or Mr. Meikle's services could have a serious adverse effect on our business, operations, revenues or prospects.

Further, our success and achievement of our growth plans depend on our ability to recruit, hire, train and retain other highly qualified technical and managerial personnel. Competition for qualified employees among companies in the theme park industry is intense, and the loss of any such persons, or an inability to attract, retain and motivate any

additional highly skilled employees required for the expansion of the Company's activities, could have a materially adverse effect on the Company. The inability of the Company to attract and retain the necessary personnel and consultants and advisors could have a material adverse effect on the Company's business, financial condition or results of operations.

Our Common Stock is Subject to the Penny Stock Rules of the SEC and the Trading Market in Our Securities is Limited, Which Makes Transactions In Our Stock Cumbersome and May Reduce the Value of an Investment in Our Stock.

The Securities and Exchange Commission has adopted Rule 15c-9 which establishes the definition of a "penny stock," for the purposes relevant to us, as any equity security that has a market price of less than \$5.00 per share or with an exercise price of less than \$5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, the rules require:

that a broker or dealer approve a person's account for transactions in penny stocks; and

the broker or dealer receive from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased.

In order to approve a person's account for transactions in penny stocks, the broker or dealer must:

obtain financial information and investment experience objectives of the person; and

make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the Commission relating to the penny stock market, which, in highlight form:

sets forth the basis on which the broker or dealer made the suitability determination; and

that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Generally, brokers may be less willing to execute transactions in securities subject to the "penny stock" rules. This may make it more difficult for investors to dispose of our common stock and cause a decline in the market value of our stock.

Disclosure also has to be made about the risks of investing in penny stocks in both public offerings and in secondary trading and about the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

We Do Not Expect to Pay Dividends for Some Time, if At All.

No cash dividends have been paid on our common stock. We expect that any income received from operations will be devoted to our future operations and growth. We do not expect to pay cash dividends in the near future. Payment of dividends would depend upon our profitability at the time, cash available for those dividends, and other factors.

Future Capital Needs Could Result in Dilution to Investors; Additional Financing Could be Unavailable or Have Unfavorable Terms.

Our future capital requirements will depend on many factors, including cash flow from operations, progress in our present operations, competing market developments, and our ability to market our products successfully. It may be necessary to raise additional funds through equity or debt financings. Any equity financings could result in dilution to our then-existing stockholders. Sources of debt financing may result in higher interest expense. Any financing, if available, may be on terms unfavorable to us.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

N/A

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None

ITEM 4. REMOVED AND RESERVED

ITEM 5. OTHER INFORMATION.

None

ITEM 6. EXHIBITS.

Exhibit Number	Description of Exhibit
31.1	Certification by Chief Executive Officer as required by Rule 13a-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification by Chief Financial Officer as required by Rule 13a-14 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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.

PARKS! AMERICA, INC.

July 29, 2011

