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

FORM 10-K

☒·ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2012

☐·TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

[redacted]

[redacted]
(Exact name of registrant as specified in its charter)

Nevada	[redacted]
(State or other jurisdiction of incorporation or organization)	(I. R. S. Employer Identification No.)

[redacted]
(Address of principal executive offices)

[redacted]
(Registrant's telephone number, including area code)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐Yes ☒No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐Yes ☒No

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.☒

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

---

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 June 30, 2012, the aggregate market value of voting stock held by non-affiliates of the registrant was approximately $170,000 based on the closing price of the Common Stock on the OTC Bulletin Board of $0.10 per share on that date.

The number of shares of Common Stock, $0.001 par value, outstanding March 19, 2013 was 4,522,123 shares.

[redacted]

FORM 10-K

INDEX

PART I

ITEM 1. BUSINESS

BUSINESS DEVELOPMENT

The Company's business began in 1974 when the Company's Chairman of the Board, [redacted] opened a [redacted] retail store in Las Vegas, Nevada. This store subsequently began distributing catalogs and developing a mail order business for the sale of golf and tennis products. In 1984, the Company began to franchise the [redacted]

Golf & Tennis retail store concept and commenced the sale of franchises. As of February 26, 1997 when the franchise business was sold, the Company had 43 franchised stores in operation in 17 states and 2 foreign countries.

The Company was incorporated in Nevada on March 6, 1984, under the name [redacted] The Company's name was changed to [redacted] on December 27, 1988, to [redacted] on August 12, 1994, and finally to [redacted] on December 14, 1998.

[redacted] formerly known as [redacted] which had been a publicly traded company, acquired the Company in February 1988, from [redacted], who was the Company's sole shareholder. [redacted] also served as [redacted] Chairman of the Board, President, and CEO until February 2005.

In December 1994, the Company completed an initial public offering of 1,000,000 Units, each Unit consisting of one share of Common Stock and one Class A Warrant. The net proceeds to the Company from this public offering were approximately $3,684,000. The Class A Warrants expired unexercised on March 15, 1999.

On July 12, 1996, the Company entered into a lease agreement covering approximately 65 acres of land in Las Vegas, Nevada, on which the Company developed its [redacted] and [redacted] properties. The property is located on the world famous Las Vegas "Strip" at the corner of [redacted] Road which is just south of McCarran International Airport and the Mandalay Bay and MGM Resorts. The property is also adjacent to the [redacted] that encircles the entire Las Vegas valley. On 42 acres of the property is the [redacted] that opened for business in October 1997. The remaining 23 acres was home to the discontinued [redacted] that opened for business in October 1998 and was disposed of in May 2001. The lease for the [redacted] was for fifteen years with options to extend for two additional five-year terms. The lease for the [redacted] commenced on October 1, 1997 when the golf center opened to the public.

During June 1997, the Company and [redacted] formed [redacted] a California limited liability company that was owned 80% by the Company and 20% by [redacted]; the LLC owned and operated the [redacted]. In May 1998, the Company sold its 80% interest in LLC to [redacted]. On December 31, 1998, the Company acquired substantially all the assets of LLC subject to certain liabilities that resulted in the Company owning 100% of the [redacted]

On October 19, 1998, the Company sold 250,000 shares of the Series B Convertible Preferred Stock to [redacted] for $2,500,000. [redacted] had earlier issued 2,303,290 shares of its common stock for $2,500,000 in a private transaction to [redacted] also received 347,975 stock options for [redacted] common stock. [redacted] is a Nevada limited liability company whose members include [redacted] a former professional tennis player.

[redacted] owned 2,000,000 shares of the Company's common stock and 250,000 shares of the Company's Series B Convertible Preferred Stock. In the aggregate, this represented approximately two-thirds ownership in the Company. On April 5, 2002, [redacted] elected to convert its Series B Convertible Preferred Stock into common Stock on a 1 for 1 basis. On May 8, 2002, [redacted] completed a spin-off of the Company's shares held by [redacted] shareholders. This resulted in [redacted] no longer having any ownership interest in the Company.

On June 15, 2011, the Company entered into a Stock Transfer Agreement with [redacted] pursuant to which the Company transferred 49% of the outstanding common stock of [redacted] a subsidiary of the Company, to [redacted]. [redacted] in exchange for the cancellation of $600,000 of debt owed by the Company to [redacted]. The transfer of 49% of the common stock of [redacted] was authorized by the Company's Board of Directors at which all of the Company's Directors voted in favor of the transfer, except that [redacted] abstained from such vote. In connection with this transaction, the Company engaged [redacted] to provide an estimate of the fair market value of a 49% interest in [redacted]. As a result of their analysis, [redacted] was of the opinion that the fair market value of a 49% interest in [redacted] was approximately $600,000. The Board of Directors determined to use this value as the amount to be received from [redacted] for the 49% interest.

[redacted] is owned by [redacted], the Company's President and a Director and [redacted], his brother. [redacted] is a principal shareholder of the Company and became Director of the Company in 2012. The debt owed by the Company to [redacted] was from advances made in the past by [redacted] to provide the Company with working capital.

The original [redacted] store closed to the public in May of 2010. The owner, [redacted] has since retired.

On June 19, 2009, [redacted] entered into a Customer Agreement with [redacted] and [redacted] pursuant to which [redacted] has agreed to make certain cash payments and other consideration to [redacted] in exchange for an exclusive marketing arrangement for the [redacted] operated by [redacted]. [redacted] is a major golf equipment manufacturer and supplier. [redacted] subleases space at the [redacted] and operates a golf equipment store at the [redacted].

The Customer Agreement with [redacted] provides that [redacted] will provide [redacted] with a $250,000 annual advertising contribution in the form of golf related products. In addition, [redacted] will have an opportunity to earn additional credits upon reaching a sales threshold.

In connection with the signing of the Customer Agreement, [redacted] received several concessions to help in the operation of the business, upgrading certain areas, and remodel of some portions of the [redacted] facility. [redacted] also is providing staff uniforms, range golf balls and rental golf equipment for [redacted] use at the [redacted] Golf Center.

Both [redacted] have agreed to exclusively sell only [redacted] golf products at the [redacted] for the term of the Customer Agreement.

On March 9, 2013, [redacted] entered into an amendment to its Customer Agreement with [redacted] (the "Amendment"). The effective date of the Amendment is January 20, 2013. The Amendment provides that [redacted] is to use all reasonable efforts to negotiate and enter into a non-exclusive written contract with an alternative retail branding partner. In the event that [redacted] is successful in executing a written contract with an alternative retail branding partner, the Customer Agreement will terminate on June 30, 2013. In the event that an agreement with an alternative retailed branding partner is not entered into by June 30, 2013, the Customer Agreement will terminate on that date but [redacted] will have the right to continue to operate its [redacted] using the [redacted] name and trademarks for the term of the land lease on the property.

Pursuant to the terms of the Amendment, [redacted] is not required to pay any marketing funds or other fees or expenses required under the Customer Agreement during the first two quarters of 2013. The Amendment also provides that [redacted] may, at its option, continue to feature its products in a second position at the [redacted] Golf Center after termination of Customer Agreement, under certain terms and conditions.

On March 27, 2013, [redacted] entered into a [redacted]., doing business as [redacted]") pursuant to which the golf center operated by [redacted] will be rebranded using [redacted] and other [redacted] trademarks.

As part of the Agreement, [redacted] has agreed to reimburse [redacted] for the reasonable costs associated with the rebranding efforts, including the costs associated with the build-out of the golf center and a new performance lab (described below), up to a specified maximum amount. In addition [redacted] received a payment of $200,000 upon execution of the Agreement and, so long as [redacted] continues to operate the golf center and comply with the terms and conditions of the Agreement [redacted] will make additional payments to [redacted] on each of March 26, 2014 and March 26, 2015.

The Agreement provides that [redacted] will install a performance lab at [redacted] facility which will include one nine-camera motion analysis system and one putting lab, and will provide additional services, equipment, supplies and resources for the golf center.

The Agreement includes provisions concerning the display of [redacted] merchandise, payment terms, retail sales targets and other related matters. Also, [redacted], a tenant of [redacted] which is owned by [redacted], the Company's President, and [redacted], a Director of the Company, will receive a quarterly rebate based on the wholesale price of the [redacted] merchandise purchased at the golf center. In addition, provided that the [redacted] stores owned by [redacted] maintain [redacted] as its premier vendor at its locations, [redacted] will pay such stores a quarterly rebate based on the wholesale price of the Merchandise purchased at those locations.

The initial term of the Agreement is for five years. [redacted] may mutually agree in writing to extend the Agreement for an additional four year period; provided that the option to renew the Agreement shall be determined by the parties not later than ninety (90) days prior to the end of the initial term and shall be consistent with the [redacted] lease on its golf center property.

BUSINESS OF THE COMPANY

The Company currently operates a golf facility called the [redacted] on approximately forty-two (42) acres of land located on Las Vegas Boulevard in Las Vegas, Nevada. The [redacted] opened to the public on October 1, 1997.

The [redacted] is strategically positioned within a few miles of the largest hotels and casinos in the world. Las Vegas had over 38,928,708 visitors in 2011. There are over 151,000 hotel rooms in Las Vegas and, according to the Las Vegas Convention and Visitors Authority, nineteen of the top twenty-five largest hotels in the world are within five miles of the CGC. They include the MGM Grand, Mandalay Bay, Luxor, Bellagio, Monte Carlo, and the new City Center. The CGC is also adjacent to McCarran International Airport, the 7th busiest airport in the world with 41,479,814 in passenger traffic during 2011 according to Las Vegas Convention and Visitors Authority. The Las Vegas valley residential population is approximately 2 million.

The [redacted] includes a two tiered, 110-station, driving range. The driving range is designed to have the appearance of an actual golf course with ten impact greens and island greens. Pro-line equipment and popular brand name golf balls are utilized through [redacted] Golf. In addition to the driving range, the [redacted] has a lighted, nine-hole, par three golf courses, named the [redacted] The golf course has been designed to be challenging, with creeks, golf cart paths and designated practice putting and chipping areas. At the entrance to the [redacted] is a 20,000 square foot clubhouse which includes an advanced state of the art golf swing analyzing system developed by [redacted], and two tenant operations: (a) the [redacted] featuring the latest in [redacted] equipment and accessories, and (b) the [redacted], which features an outdoor patio overlooking the golf course and driving range with the Las Vegas "Strip" in the background.

The Company subleases space in the clubhouse to [redacted]. Base rent was initially $13,104 per month through July 2012 with a 5% increase for each of the two 5-year options to extend in July 2012 and July 2017. [redacted] exercised its first option to extend the lease through July 2017. For the years ended December 31, 2012 and 2011, the Company recognized rental income totaling $160,020 and $157,248 respectively.

The Company executed a trademark license agreement with [redacted] pursuant to which the Company licenses the right to use the marks [redacted] from [redacted] for a term beginning on December 30, 1998 and ending upon termination of the lease on the [redacted]. The Company paid a one-time fee for the license agreement that was a component of the purchase price the Company paid for the [redacted] upon acquisition of the facility on December 30, 1998. Pursuant to this agreement, [redacted] has the right to terminate the agreement upon the occurrence of any "Event of Termination" as defined in the agreement.

On June 19, 2009, the Company entered into a "Customer Agreement" with [redacted] Golf Company ("[redacted] through our majority owned subsidiary [redacted]. As part of the agreement, that continues through 2013 and automatically extends until December 31, 2018, [redacted] invested money to improve both [redacted] range facility as well as the golfing center. They also provide advertising expense each year paid for by [redacted] and reimbursed in golf merchandise to [redacted]. [redacted] is then reimbursed by [redacted] expenditures in advertising as incurred.

Pursuant to this agreement, [redacted] is required to expend at least $250,000 for marketing and promotion of [redacted] for a period of approximately three and one half years with an automatic extension to December 31, 2018 unless written notice of termination is received by June 2013. Additionally, pursuant to the Customer Agreement [redacted] has expended amounts to improve both its range facility as well as the golfing center. These improvements include [redacted] branded elements. [redacted] agreed to provide funding and resources in the minimum amount of $2,750,000 to be allocated as follows: 1) $750,000 towards operating expenses of [redacted]; 2) $750,000 towards facility improvements for both [redacted]; 3) $500,000 in range landing area improvements of [redacted] and 4) three payments each of $250,000 for annual advertising expenses paid by [redacted], which will be repaid in golf merchandise to [redacted]. [redacted] is then reimbursed by [redacted] for [redacted] expenditures in advertising as incurred. As discussed above, [redacted] Callaway have agreed that this agreement will end on June 13, 2013.

LIABILITY INSURANCE

The Company has a comprehensive general liability insurance policy to cover possible claims for injury and damages from accidents and similar activities, with a limit of $2 million per occurrence, and an umbrella policy that provides an addition $2 million per occurrence for any amounts that exceed the limits of the general liability policy. Although management of the Company believes that its insurance levels are sufficient to cover all future claims, there is no assurance it will be sufficient to cover all future claims.

MARKETING

The marketing program for the [redacted] has a two-fold focus. The first is on local residents and the second is on tourists. The emphasis on the tourist market has been increasing because of the close proximity that [redacted] has to the Las Vegas hotels located on the strip. In 2012 [redacted] hired a staff member to work as our "Director of Business" whose primary function is to network with hotel guests, concierge and VIP Hosts and with groups visiting Las Vegas in order to bring more business into our facility. The [redacted] marketing efforts in the local resident market has principally relied on print media including the Las Vegas Review Journal, Seven Magazine and a taxicab publication. For the tourist market, the Company has instituted a taxi program, advertising cards placed in hotel lobbies and rooms, and print media in local tourist publications. Also, the [redacted] has implemented programs to attract more group events, clinics, and other special promotional events. A 30 ft. pylon sign with a reader board is located in front of the CGC. The sign makes the general public aware of various programs, specials and information on events and other activities taking place within the [redacted]. The [redacted] has undertaken random surveys of its customers about how they heard about the [redacted]. Over half of the customers stated that they came into the [redacted] because they saw the sign.

The [redacted], which includes a nine-hole par 3 golf course, driving range, and clubhouse, is designed to provide a country club atmosphere for the general public.

The marketing efforts toward establishing additional [redacted]-type locations have been directed towards a

number of large existing and potential markets for which there can be no assurance of financial success. Further, to expand the concept for [redacted]-type facilities beyond the Las Vegas location could require considerably more financial and human resources than presently exists at the Company.

In connection with the agreement with [redacted] that was signed in June of 2009, the Company hired a local marketing and public relations firm to plan and implement strategic marketing for the facility. Beginning in 2012, the Company has handled its own local marketing and public relations planning and implementing strategic marketing for the facility that would best reach their target audience.

The [redacted] uses social media, such as Facebook and Twitter, and also uses its own website to keep guests abreast on specific events and current pricing. The [redacted] also utilizes email blasts to its customer base. All of these help to keep the name of the [redacted] before its guests and potential guests creatively.

FIRST TEE PROGRAM

In March 2002, the CGC became the official home in southern Nevada for the national First Tee program. The First Tee program is a national initiative started in November 1997 by the World Golf Foundation. First Tee is a program sponsored by the PGA Tour, the LPGA, the PGA of America, the United States Golf Association, and Augusta National Golf Club. The First Tee program was formed to eliminate access and affordability issues for children, especially economically disadvantaged children, to participate in the game of golf. In research conducted by the National Golf Foundation, it was noted that only two percent of children through age 17 ever try golf and only five percent of our nation's golfers were minorities. The [redacted] believes its participation in this program offers opportunities for greater public exposure.

COMPETITION

In the Las Vegas market, the Company has competition from other golf courses, family entertainment concerts, and entertainment provided by hotel/casinos. The Company's management believes that the [redacted] has a competitive advantage in the Las Vegas market because of its strategic location, product branding, alliances, and extent of facilities balanced with competitive pricing that is unlike any competitor in the market.

The Company's competition includes other golf facilities within the Las Vegas area that provide a golf course and driving range combination and/or a night lighted golf course. Management believes that the [redacted] is able to compete because it is unique in providing a branded partnership with [redacted] and giving the Las Vegas community one of the largest golf training facilities in the western United States. In addition, several Las Vegas hotel/casinos own their own golf courses that cater to high-roller/VIP tourists. The [redacted] is able to compete against these facilities because it offers a competitively priced golf facility with close proximity to the Las Vegas "Strip" properties where a non-high-roller/VIP tourist can come to enjoy a Las Vegas golf experience.

EMPLOYEES

As of March 19, 2013, there were 4 full-time employees at the Company's executive offices, and 2 full-time and 24 part-time employees at the [redacted].

ITEM 1A.

RISK FACTORS

Not required.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2.

PROPERTIES

The Company's corporate offices are located inside the clubhouse building of the [redacted]. The [redacted] property occupies approximately 42 acres of leased land described in ITEM 1 – DESCRIPTION OF BUSINESS, BUSINESS DEVELOPMENT. The [redacted] was opened October 1, 1997. The property is in good condition both structurally and in appearance.

The [redacted] has two tenant operations. The first is the [redacted] that occupies approximately 4,300 square feet for golf retail sales and pays a fixed monthly rent that includes a prorated portion of maintenance and property tax expenses for its retail and office space. The initial monthly rent was $13,104. The lease was for an initial term of fifteen years through July 2012. The tenant had two options to extend for five years in July 2012 and July 2017 with a 5% rent increase for each extension. The tenant exercised its first five year option in July 2012.

The second tenant is the [redacted] that occupies approximately 3,000 square feet of restaurant space with an initial base rent of $4,000 per month which increases by 4% each year. The lease between [redacted] and [redacted], operators of [redacted], was signed on January 25, 2011 and the facility opened to the public in April of 2011. This lease is for a period of five years.

ITEM 3. LEGAL PROCEEDINGS

The Company is not presently a party to any legal proceedings, except for routine litigation that is incidental to the Company's business.

ITEM 4. MINE SAFETY DISCLOSURES.

This item is not applicable to the company.

PART II

ITEM 5. MARKET FOR REGISTANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

MARKET INFORMATION. The Company's common stock is traded in the over-the-counter market and is quoted on the OTC Bulletin Board under the symbol [redacted]. The following table sets forth the high and low sales prices of the common stock for the periods indicated.

	HIGH	LOW
Year Ended December 31, 2012:		
First Quarter	$ 0.40	$ 0.22
Second Quarter	$ 0.22	$ 0.10
Third Quarter	$ 0.12	$ 0.11
Fourth Quarter	$ 0.30	$ 0.11
Year Ended December 31, 2011:		
First Quarter	$ 0.32	$ 0.15
Second Quarter	$ 0.68	$ 0.16
Third Quarter	$ 0.29	$ 0.15
Fourth Quarter	$ 0.16	$ 0.11

HOLDERS

The number of holders of record of the Company's $.001 par value common stock as of March 19, 2013 was approximately 1,041. This does not include approximately 1,000 shareholders' who hold stock in their accounts at broker/dealers.

DIVIDENDS

Holders of common stock are entitled to receive such dividends as may be declared by the Company's Board of Directors. No dividends have been paid with respect to the Company's common stock and no dividends are expected to be paid in the foreseeable future. It is the present policy of the Board of Directors to retain all earnings to provide for the growth of the Company. Payment of cash dividends in the future will depend, among other things, upon the Company's future earnings, requirements for capital improvements and financial condition.

SALES OF UNREGISTERED SECURITIES.

There were no sales of unregistered securities during the year ended December 31, 2012.

ISSUER PURCHASES OF EQUITY SECURITIES

None.

ITEM 6. SELECTED FINANCIAL DATA.

Not required.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANYLSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following information should be read in conjunction with the Company's Consolidated Financial Statements and the Notes thereto included in this report.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP") In connection with the preparation of the financial statements, we are required to make assumptions and estimates about future events that affect the reported amounts of assets, liabilities, revenue, expenses and the related disclosures. We base our assumption and estimate on historical experience and other factors that management believes are relevant at the time our consolidated financial statements are prepared. On a periodic basis, management reviews the accounting policies, assumptions and estimates to ensure that our financial statements are presented fairly and in accordance with GAAP. However, because future events are their effects cannot be determined with certainty, actual results could differ from the estimates and assumptions, and such differences could be material.

Our significant accounting policies are discussed in Note 2, Summary of Significant Accounting Policies in the Notes to the Consolidated Financial Statements. The following accounting policies are most critical in fully understanding and evaluating our reported financial results.

STOCK BASED COMPENSATION.

In accordance with accounting standards concerning Stock-based Compensation, the Company accounts for all compensation related to stock, options or warrants using a fair value based method in which compensation cost is measured at the grant date based on the value of the award and is recognized over the service period. The Company uses the Black-Scholes pricing model to calculate the fair market value of options and warrants issued to both employees and non-employees. Stock issued for compensation is valued on the date of the related agreement and using the market price of the stock. The Company currently does not have any options that are not fully vested.

LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment are stated at cost and are depreciated or amortized using the straight-line basis over the lesser of the lease term (including renewal periods, when the Company has both the intent and ability to extend the lease) or the useful lives of the assets, generally 3 to 15 years.

REVENUES

The Company primarily earns revenue from golf course green fees, driving range ball rentals and golf and cart rentals, which are recognized when received as payments for the services provided. The Company also receives marketing revenue associated with the [redacted] Agreement which is realized on an equal monthly basis over the life of the agreement. Lease and sponsorship revenues are recognized as appropriate when earned.

RECENT ACCOUNTING PRONOUNCEMENTS

In July 2012, the FASB issued [redacted] 2012-02, "Intangibles—Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment" ("[redacted] 2012-02"), which permits an entity to make a qualitative assessment of whether it is more likely than not that the fair value of a reporting unit's indefinite-lived intangible asset is less than the asset's carrying value before applying the two-step goodwill impairment model that is currently in place. If it is determined through the qualitative assessment that the fair value of a reporting unit's indefinite-lived intangible asset is more likely than not greater than the asset's carrying value, the remaining impairment steps would be unnecessary. The qualitative assessment is optional, allowing companies to go directly to the quantitative assessment. [redacted] 2012-02 is effective for the Company for annual and interim indefinite-lived intangible asset impairment tests performed beginning October 1, 2012; however, early adoption is permitted. The Company believes the adoption of [redacted] 2012-02 will not have a material impact on its consolidated financial statements.

The Company continually assesses any new accounting pronouncements to determine their applicability to the Company. Where it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes a study to determine the consequence of the change to its financial statements and assures that there are proper controls in place to ascertain that the Company's financials properly reflect the change.

OVERVIEW

Our operations consist of the management and operation of the [redacted]). The [redacted] 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 [redacted] exclusively carrying [redacted]. [redacted] has been listed as the number one driving range in [redacted] several times, as recently as August 2010.

The [redacted] has an ideal location at the end of the "Las Vegas strip" and near the international airport; however, much of the land immediately adjacent to the [redacted] has not yet been developed.

The [redacted], which opened in November of 2007, generates significant traffic in the area. [redacted] is a 1.5 million square foot super regional lifestyle center with a mix of retail, dining, and office space across the street from the [redacted]. In addition, traffic from time-share condominium and new casinos at the far south end of the strip has increased local and tourist business for the [redacted].

On June 19, 2009, the Company entered into a "Customer Agreement" with [redacted] Golf Company [redacted] and [redacted]. [redacted] through our majority owned subsidiary [redacted]. Pursuant to this agreement, [redacted] shall expend an amount equal to or exceeding $250,000 for marketing and promotion of [redacted] for a period of approximately three and one half years with an automatic extension to December 31, 2018 unless written notice of termination is received by November 2013. Additionally, pursuant to the Customer Agreement [redacted] expended amounts to improve both its range facility as well as the golfing center. These improvements included [redacted] Golf® branding elements. [redacted] provide funding and resources towards operating expenses of [redacted] in 2009; 2) towards facility improvements for both [redacted] Golf Shop; 3) range landing area improvements of [redacted] and 4) three payments each of $250,000 for annual advertising expenses paid by [redacted], paid in the form of golf merchandise to [redacted]. [redacted] is reimbursed by [redacted] for [redacted] expenditures in advertising as incurred. Due to the fact that [redacted] is a related party, the Company is also considered a customer of [redacted] as it relates to the Customer Agreement.

The annual payments for advertising began in 2010 and will continue as long as [redacted], [redacted] agree to maintain the agreement through the term of the Customer

Agreement in December 2018. Such contributions from [redacted] of up to $250,000 annually are recorded as a reduction of the Company's costs for the related advertising. Additionally, the contributions are paid to [redacted] in the form of golf related products. [redacted] then reimburses [redacted] as the related golf products are received. During the twelve months ended December 31, 2012 and 2011, [redacted] reimbursed [redacted] $118,131 and $161,551 respectively for advertising costs.

The advertising contribution provided by the Customer Agreement helped us to differentiate ourselves in the marketplace. In addition, the $750,000 of operating cash has helped us improve our facility and improve our services while lowering our interest expenses. The combined contribution of approximately $1,250,000 for improvement of our facilities has given us a competitive advantage, primarily due to the lack of capital available for improvements among our competitors. It also has given us the benefit of a state-of-the art driving range, upgraded fitting bay technology, graphics, and marketing improvements such as exterior signage.

As part of the Customer Agreement, [redacted] provides up to 15,000 dozen driving range balls to the facility on a yearly basis as well as all employee uniforms. Prior to this agreement, we were paying approximately $40,000 a year to supply the driving range with quality golf balls to enhance the driving range experience. This provides significant operational cost savings each year to the [redacted] Golf Center. In addition, [redacted] receives a separate $250,000 annual trade credit from [redacted].

As discussed in ITEM 1 – DESCRIPTION OF BUSINESS, BUSINESS DEVELOPMENT, on March 9, 2013, [redacted] entered into an amendment to the Customer Agreement to terminate it on June 13, 2013.

RESULTS OF OPERATIONS – YEAR ENDED DECEMBER 31, 2012 VERSUS YEAR ENDING DECEMBER 31, 2011.

REVENUES. Revenues of the [redacted]") for 2012 increased by $5,468 to $2,127,027 compared to $2,121,541 in 2011. Golf course green fees increased slightly to $561,670 in 2012 compared to $558,805 in 2011. Driving Range revenue increased for 2012 by $15,127 to $845,830 in 2012 compared to $830,703 in 2011. Although our rounds of golf are up this year, the driving range has continued to grow based on the value offered when using our driving range. Rentals for golf carts and golf clubs decreased slightly, $3,515 in 2012 to $305,958, as compared to $309,473 in 2011. Golf lesson revenues increased by $7,731 for 2012 to $103,411 compared to $95,680 for 2011. The increase in golf lesson revenues was due to an effort by our golf pros to increase visibility through advertising, including coupon deals through Groupon.com and organizing special events based around group lessons.

COST OF REVENUES

Costs of revenues increased by $77,037 to $723,107 during 2012 as compared to $646,070 in 2011. This increase is due to the repairs that took place to fix our lake, reducing the size of the lake, and putting in desert landscape to comply with the [redacted] rules and regulations. Other cost of goods, mainly comprised of miscellaneous golf supplies, increased to $139,340 in 2012 as compared to $66,759 in 2011. This increase is due to repairs made during the fall of 2012 to help improve the overall look of the facility, including lighting and painting repairs.

GENERAL AND ADMINISTRATIVE (“G&A”)

G&A expenses consist principally of administrative payroll, rent, professional fees, and other corporate costs. These expenses increased by $75,289 to $1,566,246 in 2012 from $1,490,957 in 2011. Our general and administrative expenses were up in 2012 with increases in: supplies of $5,274: office supplies of $2,035: repairs and maintenance $11,693; repairs and maintenance park services of $1,480; and professional expenses of $5,500. The expenditures in repairs and maintenance had to do with general repairs and maintenance to the facility done in the fall of 2012 including painting, fixing some equipment, and a general clean-up to the facility.

IMPAIRMENT ON PROPERTY AND EQUIPMENT

In 2012, impairment on property and equipment was incurred for $60,057 due to the writing off of several old assets no longer in place. In 2011, there was a gain on disposal of property and equipment for $36,533 due to an insurance claim for wind damage.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization decreased $959 in 2012 to $108,669 from $109,628 in 2011. Although a slight decrease, the depreciation and amortization stayed basically the same in 2012 as they were in 2011.

OTHER INCOME AND INTEREST EXPENSE

Interest expense increased in 2012 by $47,401 to $540,445 from $493,044 in 2011 as a result of the continued increase in intercompany debt.

NET LOSS

In 2012, the net loss (before non-controlling interest) was $874,593 as compared to net loss of $581,625 in 2011. This increase in net loss is primarily due to increased cost of revenues, increased G&A expenses and increased interest expense.

LIQUIDITY AND CAPITAL RESOURCES

Working capital needs have been helped by favorable payment terms and conditions included in our notes payable to related parties. Management believes that additional notes could be negotiated, if necessary, with similar payment terms and conditions.

[redacted] management believes that its continuing operations may not be sufficient to fund operating cash needs and debt service requirements over at least the next 12 months. As such, management plans on seeking other sources of funding including the restructuring of current debt as needed, which may include Company officers or directors and/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. The inability to build attendance to profitable levels beyond a 12-month period may require the Company to seek additional debt, restructure existing debt or equity financing to meet its obligations as they come due. There is no assurance that the Company would be successful in securing such debt or equity financing in amounts or with terms acceptable to the Company.

Nevertheless, 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 [redacted] 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.

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.

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.

As of December 2012, the Company had a working capital deficit of $11,108,119 as compared to a working capital deficit of $10,226,854 in December 2011. The increase was due primarily to the continued increase in the interest associated with the notes payable for which the Company currently is responsible.

FORWARD LOOKING STATEMENTS

Forward-Looking Statements

This document contains “forward-looking statements.” All statements other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, including, but not limited to, any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objections of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements or belief; and any statements of assumptions underlying any of the foregoing.

Forward-looking statements may include the words “may,” “could,” “estimate,” “intend,” “continue,” “believe,” “expect” or “anticipate” or other similar words. These forward-looking statements present our estimates and assumptions only as of the date of this report. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the dates on which they are made. We do not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the dates they are made. You should, however, consult further disclosures we make in future filings of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties. The factors impacting these risks and uncertainties include, but are not limited to:

- increased competitive pressures from existing competitors and new entrants;
- deterioration in general or regional economic conditions;
- adverse state or federal legislation or regulation that increases the costs of compliance, or adverse findings by a regulator with respect to existing operations;
- loss of customers or sales weakness;
- inability to achieve future sales levels or other operating results;
- the inability of management to effectively implement our strategies and business plans; and
- the other risks and uncertainties detailed in this report.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements are set forth on pages F-1 through F-19 hereto.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

As of the end of the period covered by this report, the Company's management carried out an evaluation, under the supervision of and with the participation of the Chief Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15 and 15d-15 under the Exchange Act). Based upon that evaluation, the Company's Chief Executive Officer and principal Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report, to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, completely and accurately, within the time periods specified in SEC rules and forms.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the Securities Exchange Act of 1934 Rule 13a-15(f).

Our Chief Executive Officer and Chief Financial Officer conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO Framework"). Based on our evaluation under the COSO

Framework, our management concluded that our internal control over financial reporting were effective as of December 31, 2012.

The annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by Section 989G of the Dodd Frank Wall Street Reform and Consumer Protection Act.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in internal control over financial reporting that occurred during the fourth quarter of the fiscal year covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

The Directors and Executive Officers of the Company are as follows:

NAME	AGE	POSITIONS AND OFFICES HELD
[redacted]	50	President, Chief Executive Officer, Treasurer, Secretary and Director
[redacted]	78	Chairman of the Board of Directors
[redacted]	72	Director
[redacted]	51	Director
[redacted]	53	Director

[redacted] is the father of [redacted] are brothers. There are no other family relationship between any of the Directors and Executive Officers of the Company.

The Company does not currently have an audit committee or an “audit committee financial expert” because it is not legally required to have one and due to the limited size of the Company's operations, it is not deemed necessary. The Company presently has no compensation or nominating committee.

All Directors hold office until the next Annual Meeting of Shareholders.

Officers of the Company are elected annually by, and serve at the discretion of, the Board of Directors.

The following sets forth biographical information as to the business experience of each officer and director of the Company for at least the past five years.

[redacted] has served as President of the Company since 1992, Chief Executive officer (Principal Executive Officer) since August 1994, Principal Financial Officer since February 2004, and a Director since its inception in 1984. The Company has employed him since its inception in March 1984, with the exception of a 6-month period in 1985 when he was employed by a franchisee of the Company located in [redacted]. Prior to his employment by the Company, [redacted] was an assistant golf professional at [redacted] California, and had worked for two years in [redacted] devotes 90% of his time to the business of the Company. [redacted] was selected to be a Director of the Company because of his long experience with the Company and because he has served as its sole executive officer for many years.

He has also served as an executive officer and director of another publicly-held company, [redacted] (formerly named "[redacted]

[redacted] has served as Chairman of the Board of Directors since August 1994, and has been an Officer and Director of the Company since its formation in 1984. In 1974, [redacted] first opened a specialty business named “[redacted] Golf & Tennis,” which retailed golf and tennis

equipment and accessories. He was one of the first retailers to offer pro-line golf merchandise at a discount. He also developed a major mail order catalog sales program from his original store. [redacted] operated his original store, which moved to a new location near the corner of [redacted] until that store closed in 2011. [redacted] was selected to serve as a Director because of his long experience in the retail golf merchandise business.

[redacted] has served as a Director of the Company since August 1994. [redacted] is a retired professional football player, having played from 1961 to 1978 for the [redacted]. Since 1978, he has toured as a public speaker and has served as a television analyst. [redacted] received a Bachelor's Degree in Physical Education from the University of California at Los Angeles. [redacted] was selected to serve as a Director because of his extensive business experience and service as a Director of the Company for 16 years, has used his business experience and skills as a golfer to help him make informed decisions on behalf of the Company.

[redacted] has been an employee of the Company beginning in 1997 starting as the Assistant Controller and then became the Executive Assistant to the President ([redacted]) in 1999 and serving as his assistant until June of 2008 when she left to work for the Reno Sparks Convention Center as a Catering Sales Manager. She worked for the [redacted] Convention Center from June 2008 to June 2009. In June of 2009, she returned to the Company and has served as its Corporate Controller since that time. [redacted] has been a dedicated employee with the Company and has been well aware of the activities and direction of the Company. She has gained knowledge about the golf industry through the many individuals she has met while employed with the Company, and has used that information to help advise the Company with regard to many aspects of its business.

[redacted] was elected to the Board during the third quarter of 2012. [redacted] has served as General Manager of the [redacted] Golf Center since its inception in 1997. He is involved in all aspects of the day to day operation of the facility. [redacted] moved to [redacted] in 1981 to work in the family golf business, [redacted] Golf and Tennis. He was involved in the daily store operations as a retail sales manager, as well as mail-order sales supervisor. He was promoted to store manager for a store that exceeded $10 million in sales annually. In addition to his involvement with [redacted] Golf Center, he is co-owner of three golf retail store in Las Vegas with his brother, [redacted].

SECTION 16(A) BENEFICIAL REPORTING COMPLIANCE

Based solely on a review of Forms 3 and 4 and amendments thereto furnished to the Company during its most recent fiscal year, and Forms 5 and amendments thereto furnished to the Company with respect to its most recent fiscal year and certain written representations, no persons who were either a director, officer, beneficial owner of more than 10% of the Company's common stock, failed to file on a timely basis reports required by Section 16(a) of the Exchange Act during the most recent fiscal year.

CODE OF ETHICS

The Board of Directors adopted a Code of Ethics on March 26, 2008. The Code of Ethics was filed as Exhibit 14 to the Company's Report on Form 10-KSB for the year ended December 31, 2007.

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth information concerning the compensation received for services rendered in all capacities to the Company for the years ended December 31, 2012 by the Company's President. The Company has no other executive officers.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	SALARY ($)	BONUS ($)(1)	STOCK AWARDS ($)	OPTION AWARDS ($)	ALL OTHER COMPEN-SATION ($)(2)	TOTAL ($)
[redacted]	2010	$ 120,000	$ 5,000	--	--	$ 23,207	$ 148,207
	2011	$ 120,000	$ 25,000	--	--	$ 29,992	$ 179,992
President	2012	$ 120,000	$ 1,798	--	--	$ 32,511	$ 154,306

(1) Beginning in 2011, [redacted] received payment related to bonuses aggregating $31,798 which he earned over ten years ago, but were never paid. He was paid $5,000 in 2011 and $25,000 in 2011 and $1,798 in 2012.

(2) Represents amounts paid for country club memberships for [redacted], and an automobile and related auto expenses for his personal use. For 2010, these amounts were $10,093 for club memberships and $13,114 for an automobile. For 2011, these amounts were an auto and related auto expense, monthly membership due and club membership with auto expenses totaling $19,037, membership dues were $408 and club membership was $10,547. For 2012, these amounts were an auto and related auto expenses, monthly membership due and club membership with auto expenses totaling $20,132, membership dues were $662 and club membership was $11,717

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

There were no outstanding equity awards held by executive officers at December 31, 2012.

COMPENSATION OF DIRECTORS

Directors who are not employees of the Company do not receive any fees for meetings that they attend, but they are entitled to reimbursement for reasonable expenses incurred while attending such meetings. In October 2006, [redacted] received 34,000 shares for his prior service as a director. In 2007, [redacted] received 34,000 shares of stock as an employee of the Company. During 2012 and 2011, no compensation was paid to the Company's directors for their services in that capacity.

[redacted] is an employee of the Company and receives an annual salary of $73,000 as its Corporate Controller.

[redacted] is an employee of the Company's subsidiary and receives an annual salary of $75,000 as the General Manager of the [redacted] Golf Center.

EMPLOYMENT AGREEMENT

Effective August 1, 1994, the Company entered into an employment agreement with [redacted] the Company's President, and Chief Executive Officer, pursuant to which he receives base salary of $100,000 per year plus annual increases as determined by the Board of Directors. His salary was increased to $120,000 beginning the year ended December 31, 1996. The term of the employment agreement ended in May 2012, but he continues to be employed by the Company on the same basis. [redacted] receives the use of an automobile, for which the Company pays all expenses and full medical and dental coverage which totals $666 a month. The Company also pays all dues and expenses for membership at a local country club at which [redacted] entertains business contacts for the Company. [redacted] has agreed that for a period of three years from the termination of his employment agreement that he will not engage in a trade or business similar to that of the Company.

1998 STOCK INCENTIVE PLAN

The company approved a 1998 Stock Incentive Plan that was subsequently approved by shareholders.

That plan expired in 2008.

ITEM 12. SECUIRTY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth, as of March 19, 2013 the stock ownership of each person known by the Company to be the beneficial owner of five percent or more of the Company's common stock, each Executive Officer and Director individually, and all Directors and Executive Officers of the Company as a group. Except as noted, each person has sole voting and investment power with respect to the shares.

NAME AND ADDRESS OF BENEFICIAL OWNERS	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	PERCENT OF CLASS
[redacted]	650,484 (1)	14.38 %
[redacted]	1,589,167 (5)	35.14 %
[redacted]	511,890 (2)	11.31 %
[redacted]	360,784 (4)	7.97 %
[redacted]	3,853 (3)	0.01 %
[redacted]	34,000 (6)	0.08 %

[redacted]	34,000 (6)	0.08 %
All Directors and Executive Officers as a Group (5 persons)	1,234,227 (7)	27.29 %

---

(1) Includes 402,229 shares held directly and 248,255 shares which represents [redacted] share of the Common Stock held by [redacted]

(2) Includes 403,168 shares held directly and 108,704 shares, which represents [redacted] share of the Common Stock held by [redacted] Ltd.

(3) Includes 28 shares held directly and 3,825 shares, which represents [redacted] share of the Common Stock held by [redacted], Ltd.

(4) Direct ownership of shares held by [redacted] a limited liability company owned by [redacted]. Percentage ownership is as follows:

[redacted]	68.81 %
[redacted]	30.13 %
[redacted]	1.06 %

(5) [redacted] are both Nevada limited liability company's whose members include [redacted].

(6) All shares are owned directly.

(7) Includes shares beneficially held by the five named Directors and Executive Officers.

EQUITY COMPENSATION PLAN INFORMATION

As of December 31, 2012, the Company had no compensation plans (including individual compensation arrangements) under which equity securities of the Company were authorized for issuance.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Related Party Transactions

The Company's employees have provided administrative/accounting support for a) three golf retail stores one named [redacted] and the other two named [redacted] Golf and Tennis [redacted] owned by [redacted] the Company's President, and [redacted], a Director of the Company. The [redacted] store is the retail tenant in the [redacted].

Administrative/accounting payroll and employee benefits expenses are allocated based on an annual review of the personnel time expended for each entity. Amounts allocated to these related parties by the Company approximated $80,806 and $90,814 for the years ended December 31, 2012 and 2011, respectively. The Company records this allocation by reducing the related expenses and allocating them to the related parties.

In addition to the administrative/accounting support provided by the Company to the above stores, the Company received funding for operations from these and various other stores owned by [redacted]. These funds helped pay for office supplies, phone charges, postages, and salaries. The net amount due to these stores totaled $1,416,842 and $1,370,830 as of December 31, 2012 and 2011, respectively. The amounts are non-interest bearing and due out of available cash flows of the Company. Additionally, the Company has the right to offset the administrative/accounting support against the funds received from these stores.

Lease to [redacted]

The [redacted] has two tenant operations. One of them is for the [redacted] Golf Shop that occupies approximately 4,300 square feet for golf retail sales and pays a fixed monthly rent that includes a prorated portion of maintenance and property tax expenses. [redacted] is owned by [redacted]. The initial monthly rent was $13,104. The lease was for an initial term of fifteen years through July 2012. [redacted] had two options to extend for five years in July 2012 and July 2017 with a 5% rent increase for each extension. [redacted] exercised its first five year option in July 2012.

For the years ended December 31, 2012 and 2011, the Company recognized rental income totaling $160,020 and $157,248 from [redacted]

Notes to Related Parties

The Company has various notes and interest payable to the following entities as of December 31, 2012 and 2011:

	2012	2011
Various notes payable to the [redacted] bearing 10% per annum and due on demand (1)	$ 3,200,149	$ 3,200,149
Note payable to [redacted] owned by the chairman of the board, bearing 10% per annum and due on demand (2)	100,000	100,000
Various notes payable to [redacted] bearing 10% per annum and due on demand (3)	743,846	693,846
Various notes payable to the [redacted] bearing 10% per annum and due on demand (4)	85,000	85,000
Note payable to [redacted] bearing 10% Per annum and due on demand (5)	200,500	105,500
TOTAL	$ 4,329,495	$ 4,184,495

(1) [redacted] is the Company's Chairman of the Board.
(2) [redacted] is owned by [redacted]
(3) [redacted] is owned by [redacted]
(4) [redacted] is owned by [redacted]
(5) [redacted] is owned by [redacted]

As of December 31, 2012 and 2011, accrued interest payable - related parties related to the notes payable – related parties totaled $4,978,335 and $4,550,849, respectively.

The debt owed by the Company to [redacted] was from advances made in the past by [redacted] to provide the Company with working capital.

Other Transactions

On June 15, 2009, we entered into a “Stock Transfer Agreement” with [redacted] Golf Shop, Ltd. a Nevada limited liability company, which is wholly owned by [redacted], our chief executive officer and [redacted], a principal shareholder and Director of the Company. Pursuant to this agreement, we agreed to transfer a 49% interest in our wholly owned subsidiary, [redacted] as a partial principal payment in the amount of $600,000 on our outstanding loan due to [redacted] Shop, Ltd. In March 2009, we engaged the services of an independent third party business valuation firm, [redacted], to determine the fair value of the business and the corresponding minority interest. Based on the Minority Value Estimate presented in connection with this appraisal, which included valuations utilizing the income, market and transaction approaches in its valuation methodology, the fair value of a 49% interest totaled $ 600,000.

[redacted] who became a Director of the Company in 2012, has been employed by [redacted] Golf Center [redacted] a subsidiary, as its general manager for over 12 years. On June 15, 2009, [redacted] entered into an employment agreement with [redacted]. The employment agreement was for a period through June 15, 2012 and provided for a base annual salary of $75,000. Although the term of the employment agreement ended in June 2012, he continues to be employed on the same basis. During 2012, [redacted] received compensation of $81,000 for his services in that capacity, which includes an auto allowance. He also receives health insurance that is fully paid for by [redacted] at a current cost of $666 per month.

The Company’s Board of Directors believes that the terms of the above transactions were on terms no less favorable to the Company than if they transactions were with unrelated third parties.

Director Independence

The Company has determined that [redacted] is an independent director as defined under the rules used by the NASDAQ Stock Market.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

AUDIT FEES

The aggregate fees billed for fiscal years ended December 31, 2012 and 2011 by [redacted] for professional services rendered for the audit of the Company’s annual financial statements and review of financial statements included in the Company's quarterly reports on Form 10-Q were $36,000 during each year.

AUDIT RELATED FEES

Not Applicable.

TAX FEES

The aggregate fees billed for tax services rendered by [redacted] for tax compliance and tax advice for the fiscal years ended December 31, 2012 and 2011, were $5,000 during each year.

ALL OTHER FEES

None.

AUDIT COMMITTEE PRE-APPROVAL POLICY

Under provisions of the Sarbanes-Oxley Act of 2002, the Company's principal accountant may not be engaged to provide non-audit services that are prohibited by law or regulation to be provided by it, and the Board of Directors (which serves as the Company's audit committee) must pre-approve the engagement of the Company's principal accountant to provide audit and permissible non-audit services. The Company's Board has not established and policies or procedures other than those required by applicable laws and regulations.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

EXHIBIT NUMBER	DESCRIPTION	LOCATION
2	Agreement for the Purchase And Sale of Assets, as amended	Incorporated by reference to Exhibit 10 to the Registrant's Current Report on Form 8-K dated February 26, 1997
3.1	Restated Articles of Incorporation	Incorporated by reference to Exhibit 3.1 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
3.2	Certificate of Amendment To Articles of Incorporation	Incorporated by reference to Exhibit 3.2 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
3.3	Revised Bylaws	Incorporated by reference to Exhibit 3.3 to the Registrant's Form SB-2 Registration Statement (No. 33-08424)
3.4	Certificate of Amendment Articles of Incorporation Series A Convertible Preferred	Incorporated by reference to Exhibit 3.4 to the Registrant's Annual report on Form 10-KSB for the year ended December 31, 1998
3.5	Certificate of Designation Series B Convertible Preferred	Incorporated by reference to Exhibit 3.5 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 1998
3.6	Certificate of Amendment to Articles of Incorporation - Name change	Incorporated by reference to Exhibit 3.6 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 1998
10.1	Employment Agreement With [redacted]	Incorporated by reference to Exhibit 10.1 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)

10.2	Stock Option Plan	Incorporated by reference to Exhibit 10.2 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
10.3 [redacted]	Promissory Note to [redacted]	Incorporated by reference to Exhibit 10.11 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
10.4	Lease Agreement between [redacted] LLC	Incorporated by reference to Exhibit 10.17 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
10.5	Operating Agreement for [redacted] a limited liability Company	Incorporated by reference to Exhibit 10.18 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
10.6	Lease and Concession Agreement with [redacted]	Incorporated by reference to Exhibit 10.20 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
10.7	Promissory Note of [redacted]. For $3 million payable to [redacted] Golf Center	Incorporated by reference to Exhibit 10.23 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 1998
10.8	Guaranty of Note to [redacted] Golf Company	Incorporated by reference to Exhibit 10.24 to the Registrant's Annual Report on Form 10-KSB for The year ended December 31, 1998
10.9	Forbearance Agreement Dated March 18, 1998 With [redacted] Golf	Incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-KSB for

	Company	the year ended December 31, 1998
10.10	Promissory Note to [redacted].	Incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form-KSB for the year ended December 31, 2005

10.11	Promissory Note to [redacted]	Incorporated by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 2005
10.12	Promissory Notes to [redacted] During 2007	Incorporated by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 2007
10.13	Settlement Agreement with [redacted] of Nevada, Inc.	Incorporated by reference to Exhibit 10.11 to the Registrant's Quarterly Report on Form 10-Q for The quarter ended September 31, 2008
10.14	Customer Agreement among [redacted]	Incorporated by reference to Exhibit 10.1 to the Registrant's Report on Form 8-K filed on June 19, 2009
10.15	Stock Transfer Agreement among [redacted] Center, Inc. dated June 15, 2009	Incorporated by reference to Exhibit 10.2 to the Registrant's Report on Form 8-K filed on June 19, 2009
10.16	Employment Agreement between [redacted]	Incorporated by reference to Exhibit 10.3 to the Registrant's Report on Form 8-K filed on June 19, 2009

10.17	Addendum No. 2 to Employment Agreement [redacted]	Incorporated by reference to Exhibit 10.4 to the Registrant's Report on Form 8-K filed on June 19, 2009
10.18	Agreement with [redacted] dated September 23, 2009	Incorporated by reference to Exhibit 10.1 to the Registrant's Report on Form 8-K filed on September 24, 2009.
10.19	First Amendment to Customer Agreement with [redacted] Golf Company	Filed herewith electronically
14	Code of Ethics	Incorporated by reference to Exhibit 14 to the Registrant's Annual Report on Form 10-KSB for The year ended December 31, 2007

21	Subsidiaries of the Registrant	Incorporated by reference to Exhibit 21 to the Registrant's Form SB-2 Registration Statement (No. 33-84024)
31	Certification of Chief Executive Officer and Principal Financial Officer Pursuant to Section 302 or the Sarbanes-Oxley Act of 2002	Filed herewith electronically
32	Certification of Chief	Filed herewith electronically

Executive Officer and
Principal Financial
Officer Pursuant to
Section 18 U. S. C.
Section 1350

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
[redacted]
Las Vegas, Nevada

We have audited the accompanying consolidated balance sheets [redacted] as of December 31, 2012 and 2011, and the related consolidated statements of income, stockholders' deficit, and cash flows for each of the years in the two year period ended December 31, 2012. [redacted] management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards, of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of [redacted] as of December 31, 2012 and 2011, and the results of its operations and its cash slows for each of the years in the two year period ended

December 31, 2012 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that The Company will continue as a going concern. As discussed in Note 1d to the consolidated financial statements, current liabilities exceed current assets and the Company has incurred recurring losses, all of which raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regards to these matters are also described in Note 1d. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

[redacted]
April 1, 2013
Las Vegas, Nevada

[redacted]

CONSOLIDATED BALANCE SHEETS

	December 31, 2012	December 31, 2011
Assets		
Current assets:		
Cash	$ 5,500	$ 1,900
Accounts receivable	5,942	2,807
Prepaid expenses and other	5,733	107,472
Total current assets	17,175	112,179
Property and equipment, net of accumulated depreciation of $702,488 and $856,025 as of 2012 and 2011, respectively	669,441	693,364
Total Assets	$ 686,616	$ 805,543
Liabilities and Stockholders' Deficit		
Current liabilities:		

Cash in excess of available funds	$ 5,594	$ 29,184
Accounts payable and accrued expenses	359,907	160,469
Current portion of notes payable - related parties	4,329,495	4,184,494
Current portion of due to related parties	1,416,843	1,370,830
Current portion of capital lease obligation	35,120	43,208
Accrued interest payable - related party	4,978,335	4,550,848
Total current liabilities	11,125,294	10,339,034
Long-term liabilities:		
Long-term portion of capital lease obligation	6,529	29,469
Deferred rent liability	691,780	699,434
Total long-term liabilities	698,309	728,903
Commitments and Contingencies		
Stockholders' (deficit):		
Preferred stock, Series "B", $0.001 par value, 10,000,000 shares authorized, no shares issued and outstanding as of December 31, 2012 and December 31, 2011, respectively	-	-

Common stock, $0.001 par value, 50,000,000 shares authorized, 4,522,123 and 4,522,123 shares issued and outstanding as of December 31, 2012 and December 31, 2011, respectively	4,522	4,522
Additional paid-in capital	14,387,972	14,387,972
Accumulated deficit	(25,877,864)	(24,976,480)
Total [redacted] stockholders' (deficit)	(11,485,370)	(10,583,986)
Non-controlling interest in subsidiary	348,383	321,592
Total stockholder's (deficit)	(11,136,987)	(10,262,394)
Total Liabilities and Stockholders' Deficit	$ 686,616	$ 803,543

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

[redacted]

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended December 31, 2012	2011
Revenue	$ 1,967,007	$ 1,964,293
Revenue – Related Party	160,020	157,248
Total Revenue	2,127,027	2,121,541
Cost of revenue	723,107	646,070
Gross profit	1,403,920	1,475,471
Expenses		
General & administrative	1,566,246	1,490,957
Depreciation and amortization	108,669	109,628
Total expenses	1,674,915	1,600,585
Loss from operations	(270,995)	(125,114)
Other income (expense)		
Interest expense	(540,445)	(493,044)
(Loss) gain on property or equipment	(60,057)	36,533
Other expense	(3,096)	(147)
Total other expense	(603,598)	(456,658)
Net loss before provision for income tax	(874,593)	(581,772)
Provision for income tax expense	-	-
Net loss	(874,593)	(581,772)
Net income attributable to non-controlling interest	26,791	112,091

Net loss attributable to [redacted] Inc.	$ (901,384)	$ (693,863)
Weighted average number of common shares outstanding-basic and fully diluted	4,522,123	4,522,123
Net loss per share – basic and fully diluted	$ (0.20)	$ (0.15)

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

[redacted]

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Common Stock		AdditionalPaid-In	Accumulated	Non-Controlling	
	Shares	Amount	Capital	Deficit	Interest	Total
Balance, December 31, 2010	4,522,123	$ 4,522	$ 14,387,972	$ (24,282,617)	$ 209,501	$ (9,680,622)
Net Loss	-	-	-	(693,863)	112,091	(581,772)
Balance, December 31, 2011	4,522,123	4,522	14,387,972	(24,976,480)	321,592	(10,262,394)
Net Loss	-	-	-	(901,384)	26,791	(874,593)
Balance December 31, 2012	4,522,123	$ 4,522	$ 14,387,972	$ (25,877,864)	$ 348,383	$ (11,136,987)

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

[redacted]

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31, 2012	2011
Cash flows from operating activities		
Net loss	$ (874,593)	$ (581,772)
Adjustments to reconcile net loss to net cash used by operating activities		
Depreciation expense	108,669	109,628
Loss/(gain) on disposal of property and equipment	60,057	(36,533)
Changes in operating assets and liabilities:		
Accounts receivable	(3,135)	3,614
Prepaid expenses	11,739	(4,822)
Cash in excess of available funds	(23,590)	29,184
Accounts payable and accrued expenses	199,438	(38,195)
Deferred rent liability	(7,655)	4,387
Accrued interest payable – related parties	427,487	410,103
Net cash used in operating activities	(101,583)	(104,406)
Cash flows from investing activities		
Deposits on property and equipment	90,000	(90,000)
Proceeds from insurance settlement	-	46,436
Purchase of property and equipment	(144,803)	(83,141)
Net cash used in investing activities	(54,803)	(126,705)
Cash flows from financing activities		
Net proceeds from related parties	46,013	139,134
Payments on capital lease obligation	(31,028)	(8,087)
Proceeds from notes payable – related parties	145,001	93,499
Payments on notes payable	-	(2,182)

Net cash provided by financing activities	159,986	222,364
Net increase (decrease) in cash	3,600	(8,747)
Cash – beginning	1,900	10,647
Cash – ending	$ 5,500	$ 1,900

Supplemental disclosures:		
Interest paid	$ 7,443	$ 9,344
Income taxes paid	$ -	$ -
Supplemental disclosures of non-cash financing activities:		
Assumption of capital lease obligation	$ 6,529	$ 21,171

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

[redacted]

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ORGANIZATIONAL STRUCTURE AND BASIS OF PRESENTATION

a. PRINCIPLES OF CONSOLDIATION

The consolidated financial statements of [redacted] include the accounts of [redacted] and its 51% owned subsidiary, [redacted] collectively the "Company". All significant intercompany accounts and transactions have been eliminated. The Company's business operations consists solely of the [redacted] Golf Center [redacted] are included in [redacted].

b. BUSINESS ACTIVITIES

The [redacted] includes the [redacted] par 3 golf course fully lighted for night golf, a 110-tee two-tiered driving range, a 20,000 square foot clubhouse which includes the [redacted] Golf fitting center and two tenants: the [redacted] Golf Shop retail store, and [redacted] and Sports Lounge restaurant.

Because our business activities are not structured on the basis of different services provided, the above activities are reviewed, evaluated and reported as a single reportable segment. The Company is based in and operates solely in Las Vegas, Nevada, and does not receive revenues from other geographic areas although its tourist customers come from elsewhere. No one customer of the Company comprises more than 10% of the Company's revenues.

c. CONCENTRATIONS OF RISK

The Company has implemented various strategies to market the [redacted] tourists and local residents. Should attendance levels at the [redacted] not meet expectations in the short-term, management believes existing cash balances would not be sufficient to fund operating expenses and debt service requirements for at least the next 12 months.

d. GOING CONCERN

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. As shown in the accompanying consolidated financial statements, for 2012, the Company had net loss of $901,384. As of December 31, 2012, the Company had a working capital deficit of $11,108,119 and a shareholders' equity deficiency of $11,136,987.

[redacted] management believes that its continuing operations may not be sufficient to fund operating cash needs and debt service requirements over at least the next 12 months. As such, management plans on seeking other sources of funding including the restructuring of current debt as needed, which may include Company officers or directors and/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. The inability to build attendance to profitable levels beyond a 12-month period may require the Company to seek additional debt, restructure existing debt or equity financing to meet its obligations as they come due. There is no assurance that the Company would be successful in securing such debt or equity financing in amounts or with terms acceptable to the Company.

Nevertheless, 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.

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.

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.

e. ESTIMATES USED IN THE PREPARATION OF FINANCIAL STATEMENTS

Preparation of the 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.

f. RECLASSIFICATIONS

Certain reclassifications have been made in prior periods' financial statements to conform to classifications used in the current period.

NOTE 2 . SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. CASH AND CASH EQUIVALENTS

All highly liquid investments with original maturities of three months or less are classified as cash and cash equivalents. The fair value of cash and cash equivalents approximates the amounts shown on the financial statements. Cash and cash equivalents consist of unrestricted cash in accounts maintained with major financial institutions.

b. INCOME TAXES

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. The Company records net deferred tax assets to the extent the Company believes these assets will more likely than not be realized. In making such determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent financial operations. A valuation allowance is established against deferred tax assets that do not meet the criteria for recognition. In the event the Company were to determine that it would be able to realize deferred income tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the valuation allowance which would reduce the provision for income taxes.

The Company follows the accounting guidance which provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Income tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized initially and in subsequent periods. Also included is guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

c. STOCK-BASED COMPENSATION

The Company accounts for all compensation related to stock, options or warrants using a fair value based method whereby compensation cost is measured at the grant date based on the value of the award and is recognized over the service period, which is usually the vesting period. The Company uses the Black-Scholes pricing model to calculate the fair value of options and warrants issued to both employees and non-employees. Stock issued for compensation is valued using the market price of the stock on the date of the related agreement.

d. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment (Note 5) are stated at cost. Depreciation and amortization is provided for on a straight-line basis over the lesser of the lease term (including renewal periods, when the Company has both the intent and ability to extend the lease) or the following estimated useful lives of the assets:

Furniture and	3-10 years

equipment	
Leasehold improvements	15-25 years

e. ADVERTISING

The Company expenses advertising costs as incurred. Advertising costs charged to continuing operations amounted to $222,849 and $228,052 in 2012 and 2011, respectively. The amount, up to $250,000 is then reimbursed by the [redacted] Golf Shop, per the [redacted] Golf Agreement of 2010 leaving a net amount of $0 on the books for 2012.

f. REVENUES

The Company primarily earns revenue from golf course green fees, driving range ball rentals and golf and cart rentals, which are recognized when received as payments for the services provided. The Company also receives marketing revenue associated with the [redacted] Agreement that they realize equally on a monthly basis over the life of the agreement. Lease and sponsorship revenues are recognized as appropriate when earned.

g. COST OF REVENUES

Cost of revenues is primarily comprised of golf course and driving range employee payroll and benefits, operating supplies (e.g., driving range golf balls and golf course scorecards, etc.), and credit card/check processing fees.

h. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses consist principally of management, accounting and other administrative employee payroll and benefits, land lease expense, utilities, landscape maintenance costs, and other expenses (*e.g.*, office supplies, marketing/advertising, and professional fees, etc.).

i. IMPAIRMENT OF LONG-LIVED ASSETS

Long-lived assets, including property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the long-lived asset may not be recoverable. If the long-lived asset or group of assets is considered to be impaired, an impairment charge is recognized for the amount by which the carrying amount of the asset or group of assets exceeds its fair value. Long-lived assets to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell. In 2012 after a thorough review of all fixed assets, it was determined that several assets were no longer in use and were retired off the books providing an loss of $60,881

j. LEGAL DEFENSE COSTS

The Company does not accrue for estimated future legal and related defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when the services are rendered.

---

k. LEASES

The Company leases land and equipment. Leases are evaluated and classified as operating or capital leases for financial reporting purposes. The lease term used for lease evaluation related to the land includes option periods as the Company believes the option period can be reasonably assured and failure to exercise such option would result in an economic penalty. For equipment, option periods are included only in instances in which the exercise of the option period can be reasonably assured and failure to exercise such options would result in economic penalty.

l. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company adopted the FASB standard related to fair value measurement at inception. The standard defines fair value, establishes a framework for measuring fair value and expands disclosure of fair value measurements. The standard applies under other accounting pronouncements that require or permit fair value measurements and, accordingly, does not require any new fair value measurements. The standard clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. The recorded values of long-term debt approximate their fair values, as interest approximates market rates. As a basis for considering such assumptions, the standard established a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

At each of December 31, 2012 and 2011, the carrying amount of cash, accounts receivable, notes payable, and accounts payable and accrued liabilities approximates fair value because of the short maturity of these instruments.

m. RECENT ACCOUNTING POLICIES

In July 2012, the FASB issued ASU 2012-02, "Intangibles—Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment" ("ASU 2012-02"), which permits an entity to make a qualitative assessment of whether it is more likely than not that the fair value of a reporting unit's indefinite-lived intangible asset is less than the asset's carrying value before applying the two-step goodwill impairment model that is currently in place. If it is determined through the qualitative assessment that the fair value of a reporting unit's indefinite-lived intangible asset is more likely than not greater than the asset's carrying value, the remaining impairment steps would be unnecessary. The qualitative assessment is optional, allowing

---

companies to go directly to the quantitative assessment. ASU 2012-02 is effective for the Company for annual and interim indefinite-lived intangible asset impairment tests performed beginning October 1, 2012; however, early adoption is permitted. The Company believes the adoption of ASU 2012-02 will not have a material impact on its consolidated financial statements.

The Company continually assesses any new accounting pronouncements to determine their applicability to the Company. Where it is determined that a new accounting pronouncement affects the Company’s financial reporting, the Company undertakes a study to determine the consequence of the change to its financial statements and assures that there are proper controls in place to ascertain that the Company’s financials properly reflect the change.

NOTE 3. EARNINGS (LOSS) PER SHARE

A basic earnings per share excludes any dilutive effects of options, warrants, and convertible securities. A basic earnings per share is computed using the weighted average number of shares of common stock and common stock equivalent shares outstanding during the period. Common stock equivalent shares are excluded from the computation if their effect is antidilutive. The Company did not have any stock equivalent shares for the years ended December 31, 2012 and 2011.

Loss per share is computed by dividing reported net 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 loss per share was 4,522,123 in 2012 and 2011, respectively.

NOTE 4 . RELATED PARTY TRANSACTIONS

Due to related parties

The Company's employees provide administrative/accounting support for (a) three golf retail stores, one of which is named [redacted] and the others named [redacted] Golf and Tennis [redacted] and [redacted] Golf and Tennis [redacted]"), owned by the Company's President and his brother. The [redacted] store is the retail tenant in the [redacted]

Administrative/accounting payroll and employee benefits expenses are allocated based on an annual review of the personnel time expended for each entity. Amounts allocated to these related parties by the Company approximated $80,806 and $90,814 for the years ended December 31, 2012 and 2011, respectively. The Company records this allocation by reducing the related expenses and allocating them to the related parties.

In addition to the administrative/accounting support provided by the Company to the above stores, the Company received funding for operations from these and various other stores owned by the Company's President, his brother, and Chairman. These funds helped pay for office supplies, phone charges, postages, and salaries. The net amount due to these stores totaled $1,416,843 and $1,370,830 as of December 31, 2012 and 2011, respectively. The amounts are

non-interest bearing and due out of available cash flows of the Company. Additionally, the Company has the right to offset the administrative/accounting support against the funds received from these stores.

Notes and Interest Payable to Related Parties:

The Company has various notes and interest payable to the following entities as of December 31, 2012 and 2011:

	2012	2011
Various notes payable to the [redacted]		

bearing 10% per annum and due on demand	$ 3,200,149	$ 3,200,149
Note payable to [redacted], owned by the chairman of the board, bearing 10% per annum and due on demand	100,000	100,000
Various notes payable to [redacted] bearing 10% per annum and due on demand	743,846	693,846
Various notes payable to the [redacted], bearing 10% per annum and due on demand	85,000	85,000
Note payable to [redacted] bearing 10% Per annum and due on demand	200,500	105,500
TOTAL	$ 4,329,495	$ 4,184,495

All maturities of related party notes payable and the related accrued interest payable as of December 31, 2012 are due and payable upon demand. At December 31, 2012, the Company has no loans or other obligations with restrictive debt or similar covenants.

On June 15, 2011, we entered into a “Stock Transfer Agreement” with [redacted] Golf Shop, Ltd. a Nevada limited liability company, which is wholly-owned by [redacted] our chief executive officer and [redacted], a principal shareholder of the Company. Pursuant to this agreement, we agreed to transfer a 49% interest in our wholly owned subsidiary, [redacted] as a partial principal payment in the amount of $600,000 on our outstanding loan due to [redacted] Golf Shop, Ltd. In March 2011, we engaged the services of an independent third party business valuation firm, [redacted] to determine the fair value of the business and the corresponding minority interest. Based on the Minority Value Estimate presented in connection with this appraisal, which included valuations utilizing the income, market and

transaction approaches in its valuation methodology, the fair value of a 49% interest totaled $600,000.

Interest expense on related party notes totaled $427,486 and $410,100 for the years ended December 31, 2012 and 2011, respectively.

As of December 31, 2012 and 2011, accrued interest payable - related parties related to the notes payable – related parties totaled $4,978,335 and $4,550,848, respectively.

[redacted] who became a Director of the Company in 2012, has been employed by [redacted] a subsidiary, as its general manager for over 12 years. On June 15, 2009, [redacted] entered into an employment agreement with [redacted]. The employment agreement was for a period through June 15, 2012 and provided for a base annual salary of $75,000. Although the term of the employment agreement ended in June 2012, he continues to be employed on the same basis. During 2012, [redacted] received compensation of $81,000 for his services in that capacity, which includes an auto allowance. He also receives health insurance that is fully paid for by [redacted] at a current cost of $666 per month.

Effective August 1, 1994, the Company entered into an employment agreement with [redacted], the Company's President, and Chief Executive Officer, pursuant to which he receives base salary of $100,000 per year plus annual increases as determined by the Board of Directors. His salary was increased to $120,000 beginning the year ended December 31, 1996. The term of the employment agreement ended in May 2012, but he continues to be employed by the Company on the same basis. [redacted] receives the use of an automobile, for which the Company pays all expenses and full medical and dental coverage which totals $666 a month. The Company also pays all dues and expenses for membership at a local country club at which [redacted] entertains business contacts for the Company. [redacted] has agreed that for a period of three years from the termination of his employment agreement that he will not engage in a trade or business similar to that of the Company.

Lease to [redacted]

The [redacted] has two tenant operations. The first is the [redacted] Golf Shop that occupies approximately 4,300 square feet for golf retail sales and pays a fixed monthly rent that includes a prorated portion of maintenance and property tax expenses of $13,104 for its retail and office space. The lease is for fifteen years through July 2012. The tenant has two options to extend for five years in July 2012 and July 2017 with a 5% rent increase for each extension. The tenant extended their first option starting August 2012. For the years ended December 31, 2012 and 2011, the Company recognized rental income totaling $160,020 and $157,248 respectively.

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment included the following as of December 31:

	2012	2011
Furniture and Equipment	$ 33,346	$ 144,955
Other Leasehold Improvement	168,096	339,121
Signage	188,571	203,171
Building	252,866	252,866
Land Improvements	495,445	380,479
Landscape Equipment	32,497	40,597
Other	85,224	72,316
Leased Equipment	115,884	115,884
	1,371,929	1,549,389
Less: Accumulated Depreciation	(702,488)	(856,025)
	$ 669,441	$ 693,364

Depreciation expenses totaled $108,669 and $109,628 for the years ended December 31, 2012 and 2011, respectively.

NOTE 6 . COMMITMENTS

Leases

The land underlying the [redacted] is leased under an operating lease that expires in 2012 and has two five-year renewal options. In March 2006, the Company exercised the first of two options, extending the lease to 2018. Also, the lease has a provision for contingent rent to be paid by [redacted] upon reaching certain levels of gross revenues. The Company recognizes the minimum rental expense on a straight-line basis over the term of the lease, which includes the two five year renewal options.

At December 31, 2012, minimum future lease payments under non-cancelable operating leases are as follows:

2012	$	493,715
2013		529,840
2014		529,840
2015		529,840
2016		529,840
Thereafter		2,613,100
	$	5,226,175

Total rent expense for all operating leases were $493,715 for 2012 and $481,673 for 2011.

Customer Agreement

On June 19, 2009, the Company entered into a "Customer Agreement" with [redacted] Golf Company ("[redacted]") through our majority owned subsidiary [redacted]. As part of the agreement, that continues through 2013 and automatically extends until December 31, 2018, [redacted] invested money to improve both [redacted] range facility as well as the golfing center. They also provide advertising expense each year paid for by [redacted] and reimbursed in golf merchandise to [redacted] is then reimbursed by [redacted] expenditures in advertising as incurred.

Pursuant to this agreement, [redacted] is required to expend at least $250,000 for marketing and promotion of Callaway for a period of approximately three and one half years with an automatic extension to December 31, 2018 unless written notice of termination is received by November 2013. Additionally, pursuant to the Customer Agreement [redacted] has expended amounts to improve both its range facility as well as the golfing center. These improvements include [redacted] Golf® branded elements. [redacted] agreed to provide funding and resources in the minimum amount of $2,750,000 to be allocated as follows: 1) $750,000 towards operating expenses of [redacted]; 2) $750,000 towards facility improvements for both [redacted] Golf Shop; 3) $500,000 in range landing area improvements of [redacted] and 4) three payments each of $250,000 for annual advertising expenses paid by [redacted] which will be repaid in golf merchandise to [redacted] will then be reimbursed by [redacted] expenditures in advertising as incurred.

Both [redacted] have agreed to exclusively sell only [redacted] golf products at the [redacted] Golf Center for the term of the Customer Agreement. As discussed in Note 9 - Subsequent Events, [redacted] have agreed to terminate the Customer Agreeement on June 13, 2013

NOTE 7. INCOME TAXES

Income tax expense (benefit) consists of the following:

	2012	2011
Current	$ (303,753)	$ (203,348)
Deferred	303,753	203,348
	$ -	$ -

The components of the deferred tax asset (liability) consisted of the following at December 31:

	2012	2011
Deferred tax liabilities:		
Temporary differences related to:		
Depreciation	$ (173,312)	$ (209,433)
Deferred tax assets:		
Net operating loss carry forward	4,633,802	4,536,245
Related party interest	1,692,634	1,547,287
Other	-	2,396
Net deferred tax asset before valuation allowance	6,153,124	5,874,099
Valuation allowance	(6,153,124)	(5,874,099)
	$ -	$ -

As of December 31, 2012 and 2011, the Company has available for income tax purposes approximately $21.0 and $20.0 million respectively in federal net operating loss carry forwards, which may be available to offset future taxable income. These loss carry forwards expire in 2019 through 2032. The Company may be limited by Internal Revenue Code Section 382 in its ability to fully utilize its net operating loss carry forwards due to possible future ownership changes. A 100% valuation allowance has been effectively established against the net deferred tax asset since it appears more likely than not that it will not be realized.

The provision (benefit) for income taxes attributable to income (loss) from continuing operations does not differ materially from the amount computed at the federal income tax statutory rate. The Company paid $0 and $0 in income tax for the years ended December 31, 2012 and 2011, respectively.

NOTE 8. CAPITAL STOCK, STOCK OPTIONS, AND INCENTIVES

a. CAPITAL STOCK

There are no unusual rights or privileges related to the ownership of the Company's common stock.

There were no share issuances during the year ended December 31, 2012.

b. STOCK OPTION PLANS

There were no outstanding stock option plans at December 31, 2012.

NOTE 9 . **SUBSEQUENT EVENTS**

The Company evaluated subsequent events through the date the accompanying financial statements were issued.

On March 9, 2013, [redacted] entered into an amendment to its Customer Agreement with [redacted] (the "Amendment"). The effective date of the Amendment is January 20, 2013. The Amendment provides that [redacted] is to use all reasonable efforts to negotiate and enter into a non-exclusive written contract with an alternative retail branding partner. In the event that [redacted] is successful in executing a written contract with an alternative retail branding partner, the Customer Agreement will terminate on June 30, 2013. In the event that an agreement with an alternative retailed branding partner is not entered into by June 30, 2013, the Customer Agreement will terminate on that date but [redacted] will have the right to continue to operate its [redacted] Golf Center using the [redacted] name and trademarks for the term of the land lease on the property.

Pursuant to the terms of the Amendment, [redacted] is not required to pay any marketing funds or other fees or expenses required under the Customer Agreement during the first two quarters of 2013. The Amendment also provides that [redacted] may, at its option, continue to feature its products in a second position at the [redacted] Golf Center after termination of Customer Agreement, under certain terms and conditions.

On March 27, 2013, [redacted] entered into a Golf Center Sponsorship Agreement with [redacted] Golf Company, Inc., doing business as [redacted] Golf Company [redacted] pursuant to which the golf center operated by [redacted] will be rebranded using [redacted] and other [redacted] trademarks.

As part of the Agreement, [redacted] has agreed to reimburse [redacted] for the reasonable costs associated with the rebranding efforts, including the costs associated with the build-out of the golf center and a new performance lab (described below), up to a specified maximum amount. In addition [redacted] received a payment of $200,000 upon execution of the Agreement and, so long as [redacted] continues to operate the golf center and comply with the terms and conditions of the Agreement [redacted] will make additional payments to [redacted] on each of March 26, 2014 and March 26, 2015.

The Agreement provides that [redacted] will install a performance lab at [redacted] facility which will include one nine-camera motion analysis system and one putting lab, and will provide additional services, equipment, supplies and resources for the golf center.

The Agreement includes provisions concerning the display of [redacted] merchandise, payment terms, retail sales targets and other related matters. Also, [redacted] Golf Shop, a tenant of [redacted] which is owned by [redacted], the Company's President, and [redacted] a Director of the Company, will receive a quarterly rebate based on the wholesale price of the [redacted] merchandise purchased at the golf center. In addition, provided that the Las Vegas Golf and Tennis stores owned by [redacted] maintain [redacted] as its premier vendor at its locations, [redacted] will pay such stores a quarterly rebate based on the wholesale price of the Merchandise purchased at those locations.

The initial term of the Agreement is for five years. [redacted] may mutually agree in writing to extend the Agreement for an additional four year period; provided that the option to renew the Agreement shall be determined by the parties not later than ninety (90) days prior to the end of the initial term and shall be consistent with the [redacted] lease on its golf center property.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned there under duly authorized.

[redacted]

Dated: April 1, 2013

By: /s/ [redacted]

[redacted] Chief Executive Officer
(Principal Executive Officer and Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
[redacted]	Chairman of the Board and Director	
[redacted]	President (Chief Executive Officer), Treasurer (Principal Financial Officer) and Director	April 1, 2013
[redacted]	Director	April 1, 2013
[redacted]	Director	April 1, 2013
[redacted]	Director	April 1, 2013