FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

Filing Date: **1998-01-05** | Period of Report: **1997-09-30**
SEC Accession No. 0001042910-98-000001

(HTML Version on secdatabase.com)

FILER

PRENTICE CAPITAL INC

CIK:**870256**| IRS No.: **841139554** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **10QSB** | Act: **34** | File No.: **000-24952** | Film No.: **98501140**
SIC: **8011** Offices & clinics of doctors of medicine

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U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-QSB

(Mark One)

|X| Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934 For the quarter ended September 30, 1997.

|_| Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934 For the transition period from ______________________ to _______________________.

Commission File No.: 0-24952

PRENTICE CAPITAL, INC.
(Name of Small Business Issuer in Its Charter)

Delaware	84-1139554
(State or other jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

1499 WEST PALMETTO PARK ROAD, SUITE 304 BOCA RATON, FLORIDA 33486
(Address of Principal Executive Offices) (Zip Code)

(561) 416-0123
(Issuer's Telephone Number, Including Area Code)

Securities registered under Section 12(b) of the Exchange Act:

Title of Each Class	Name of each Exchange on Which Registered

Securities registered under Section 12(g) of the Exchange Act:

Common Stock
(Title of Class)

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes __X__ No_____

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Indicated by check mark whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15 (d) of the Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.
Yes ________ No ________

APPLICABLE ONLY TO CORPORATE ISSUERS

The number of shares outstanding of the issuer's common stock, as of September 30, 1997, was 13,198,889 shares 1/.

ITEM 8: FINANCIAL INFORMATION

The financial statements are attached hereto as required by rule 14(a) - 3(b)

(a) 1. Financial Statements

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PRENTICE CAPITAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

<S>	UNAUDITED 9/30/97 <C>	AUDITED 1996 <C>
ASSETS		
CURRENT ASSETS:		
Cash	$ 100	$ 103
Accounts receivable, less allowance for doubtful accounts of $ -0- and $79,943	--	304,294
Other receivables	36,173	36,557
Prepaid expenses	17,114	70,122
Current portion of notes receivable	88,751	--
Notes receivable - related party	250,000	--
TOTAL CURRENT ASSETS	392,138	411,076
PROPERTY AND EQUIPMENT:		
Property & equipment, net of accumulated depreciation of $-0- and $19,870	--	178,139
OTHER ASSETS:		
Note receivable - Eco2, Inc.	383,757	--
Investments in Eco2, Inc. stock	1,100,000	--
Investments in Mineral Rights	4,100,000	--
Organization costs, net of accumulated amortization of $3,760 and $3,124	1,810	2,946
TOTAL OTHER ASSETS	5,585,567	2,946
TOTAL ASSETS	$ 5,977,705	$ 592,161
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 140,843	$ 36,204
Accrued expenses	5,879	5,413
Current portion of long term debt	--	4,737
Due to related party	97,361	84,884
TOTAL CURRENT LIABILITIES	244,083	131,238
LONG-TERM DEBT	--	10,871
STOCKHOLDERS' EQUITY		
Preferred stock, $.0001 par value; 10,000,000 shares authorized, none issued	--	--
Common stock, $.03 par value; 500,000,000 shares authorized, 13,198,889 and 12,328,889 shares issued and outstanding	372,867	369,867
Additional paid-in-capital	5,747,235	9,658,732
Receivable for stock issued	(13,885)	(8,250,000)

	6,106,217	1,778,599
Retained deficit	(372,595)	(1,328,547)
	5,733,622	450,052
TOTAL LIABILITES AND STOCKHODLERS' EQUITY	$ 5,977,705	$ 592,161

</TABLE>

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

PRENTICE CAPITAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

<S>	Three Months 9/30/97 <C>	Year To Date 1997 <C>	Three Months 9/30/96 <C>	Audited 1996 <C>
REVENUE	$ --	$ --	$ 407,330	$ 2,090,115
COSTS AND EXPENSES				
Accounting and legal	2,192	48,438	11,966	79,159
Depreciation and amortization	835	835	7,428	16,717
Consulting services	50,000	183,334	45,680	171,006
Salaries and benefits	--	75,000	238,522	1,061,550
General and administrative	1,503	3,509	97,471	1,221,555
Total costs and expenses	54,530	311,116	401,067	2,549,987
INCOME (LOSS) FROM OPERATIONS	(54,530)	(311,116)	6,263	(459,872)
OTHER INCOME (EXPENSE)				
Interest income	9,616	141,708	--	3,018
Interest expense	(879)	(5,435)	--	(22,226)
Gain on sale of assets	--	1,502,959	--	--
Loss on disposal of assets	--	(416,334)	--	(40,140)
Net other income (expense)	8,737	1,222,898	--	(59,348)
NET INCOME (LOSS)	$ (45,793)	$ 911,782	$ 6,263	$ (519,220)
NET LOSS PER SHARE OF COMMON STOCK	$ (0.04)	$ 0.11	$ 0.02	$ (0.14)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES COMMON SHARE EQUIVALENTS OUTSTANDING (RESTATED)	12,352,150	8,308,387	328,889	3,726,149

</TABLE>

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

PRENTICE CAPITAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For The Nine Months Ended September 30, 1997, and 1996

<TABLE>
<CAPTION>

<S>	1997 <C>	1996 <C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 911,782	
Adjustments to reconcile net loss to net cash used in operating activities	(1,039,794)	
Net cash used in operating activities	(128,012)	$ (163,803)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(2,128)	(15,596)
Other receivables	8,578	
Net cash provided by (used in) investing activities	6,450	(15,596)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of note payable	(1,482)	
Loans from related parties	12,477	289,969
Net cash provided by financing activities	10,995	289,969
INCREASE (DECREASE) IN CASH	(110,567)	110,570
CASH AT BEGINNING OF PERIOD	110,570	0
CASH AT END OF PERIOD	$ 3	$ 110,570

</TABLE>

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

PRENTICE CAPITAL, INC., AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 1997

NOTE 1 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements included herein have been prepared by Prentice Capital, Inc. without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted as allowed by such rules and regulations. Prentice Capital, Inc. believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these financial statements be read in conjunction with the December 31, 1996 audited financial statements and the accompanying notes thereto. While management believes the procedures followed in preparing these financial statements are reasonable, the accuracy of the amounts are in some respect dependent upon the facts that will exist, and procedures used by the Company later in the year.

Management believes that the accompanying unaudited condensed consolidated financial statements contain all adjustments, including normal recurring adjustments, necessary to present fairly the financial position as well as the operations and cash flows for the periods presented.

NOTE 2 PREFERRED STOCK

On April 15, 1996, the Company sold to Roscom, Ltd., and Vietri Investments, Ltd., two unrelated entities 4,000,000 and 1,000,000 shares of the Company's Series A Preferred Stock in exchange for their promissory notes in the amount of $2,000,000 and $500,000 respectively. On March 17, 1997, the Company, Roscom, Ltd., and Vietri Investments, Ltd. agreed to rescind the sale of preferred stock by returning the preferred shares issued and by the cancellation of the promissory notes. Therefore, the issuance of the preferred shares were not recorded in the accompanying financial statements.

NOTE 3 COMMON STOCK

SALE OF STOCK TO MR. UNGER

On March 10, 1997, the Company and Lee J. Unger, president of the Company, entered into an agreement (Agreement) pursuant to which the Company agreed to sell to Mr. Unger 5,000,000 shares of its restricted common stock at a price of $.05 per share to be effected by delivery to the Company an assignable Promissory Note bearing interest at 6% per annum and due payable one year from the date of the Agreement.

On May 28, 1997, the Company issued 5,000,000 shares of its common stock to Mr. Unger in exchange for two non-recourse promissory notes in the amounts of $200,000 and $50,000 respectively. The notes are due and payable on May 27, 1998, including accrued interest at the rate of 6% per annum. The notes are secured with 5,000,000 shares of the Company common stock issued to Mr. Unger.

NOTE 3 COMMON STOCK (Continued)

On March 21, 1997 the Company agreed to issue Hunter Equities, Inc., an independent consultant, 100,000 shares of the Company's common stock valued at $2 per share, in exchange for Hunter Equity's efforts in connection with the acquisition of certain mineral rights from Chartwell International, Inc.

In connection with the acquisition of certain mineral rights from Chartwell International, Inc. (Note 5), the Company issued Chartwell International, Inc. 2,000,000 shares of the Company's common stock valued at $2 per share.

SALE OF STOCK TO MATT DWYER

On August 8, 1997 the Company, due to its limited cash position, agreed to issue Matt Dwyer 500,000 shares of common stock for the services he has renedered and for future services to be rendered. The stock was valued at $.10 per share.

NOTE 4 CANCELLATION OF DEBTS

On June 6, 1996, the Company authorized the issuance of 10,000,000 shares of the Company's common stock, 5,000,000 shares to Alan S. Lipstein, and 5,000,000 shares to Gerard Norton, former president and vice-president of the Company respectively, in exchange for their promissory notes from Mr. Lipstein and Mr. Norton in the amount of $2,500,000 each.

On March 17, 1997, Mr. Lipstein and Mr. Norton agreed to return 7,800,000 shares of the Company's common stock in exchange for the cancellation of promissory notes due and payable to the Company in the following amounts due by the respective parties: Mr. Lipstein - $2,500,000; Dr. Gerard Norton - $2,500,000; Roscom, Ltd. - $500,000; Vietri Investments, Ltd. - $500,000, and a liability assumed by Mr. Lipstein of $2,250,000 in connection with the purchase of 75,000 shares of common stock on March 31, 1995.

NOTE 5 PURCHASE OF MINERAL RIGHTS

On March 17, 1997, the Company and Chartwell International, Inc., a Nevada corporation (Chartwell) entered into a Purchase and Sale Agreement (Agreement) pursuant to which the Company purchased certain gypsum mining property located in Washington County, Utah, generally known as Riverview Placer Claims and New Riverview Claims (Claims) in exchange for $4,000,000 in cash, cash equivalents and restricted shares of the Company's Common Stock.

NOTE 5 PURCHASE OF MINERAL RIGHTS (Continued)

Under the terms of the Agreement, the Company delivered to Chartwell 1,000,000 shares of Common Stock of the Company (Closing Shares). According to the Agreement, in the event that on April 1, 1997 (which date was subsequently extended until April 15, 1997 by an Extension Agreement), the market value of the Closing Shares is less than $4,000,000, then the Company would deliver to Chartwell a sufficient number of additional shares of the Company's Common Stock

(Exchange Shares) having a market value equal to the difference between the value of the closing shares on April 1, 1997 (extended until April 15, 1997) and $4,000,000. Further, under the terms of an Amended Purchase Agreement dated April 10, 1997 (Amended Agreement), for purposes of determining the market value of the Common Stock under the Agreement the market value would be determined based on the closing bid price of the Company's Common Stock on April 15, 1997.

The Agreement also provided that in the event that on April 1, 1998, the date on which all restrictions on the Closing Shares and the Exchange Shares are removed, the market value of the combined shares is not equal to or in excess of $4,000,000, then at the option of the Company, the Company will have the right and obligation to issue Chartwell additional shares, or deliver to Chartwell cash equal to the difference between the market value of the Closing Shares and the Exchange Shares and $4,000,000, or, in lieu thereof, return to Chartwell the Claims, with Chartwell retaining all shares of Common Stock previously issued to it.

On April 2, 1997, the Company and Chartwell entered into an Extension Agreement (Extension Agreement) pursuant to which each party agreed to extend the time period established for valuing the market price of the Closing Shares from April 1, 1997 to April 15, 1997. Additionally, pursuant to the Extension Agreement, the Company issued Chartwell 1,000,000 shares of the Company's Common Stock. The parties also agreed that in the event that on April 15, 1997, the bid price of the Company's Common Stock is $4.00 per share or greater, Chartwell shall return to the Company the 1,000,000 shares referenced in the sentence above, or the Exchange Shares such that the stock retained by Chartwell has a market value on April 15, 1997 of $4,000,000. Further, pursuant to the Extension Agreement, the Company paid Chartwell $100,000 on April 15, 1997, plus shares of the Company's Common Stock (unrestricted) that together with the $100,000 will equal $500,000 based on the bid price on the day of delivery.

All shares of Company Common Stock under the Agreement are restricted securities under the Securities Act of 1933 and will be legended with the normal Securities Act of 1933 restrictive legend. Further, the Company has agreed to grant Chartwell, on customary terms, piggyback registration rights on all shares of common Stock granted pursuant to the Agreement.

NOTE 6 PURCHASE OF MRI BUSINESS

On June 3, 1997, the Company entered into a Stock Purchase Agreement (Agreement) with U.S.A. Diagnostics, Inc., a Florida corporation (Diagnostics) and its sole shareholder, Nate Hollander, for the acquisition of 100% of the capital stock of Diagnostics and the assets of MRI Management Services, Inc. (MMS) and Bentley Designers and Builders, Inc. (BDB) consisting of two Magnetic Resonance Imagining (MRI) units. Mr. Hollander is the sole shareholder of MMS and BDB, each of which owns one MRI unit with an estimated value of $500,000 each. Diagnostics is in the business of magnetic resonance imaging and neurological nerve conduction testing in the South Florida area.

The aggregate purchase price of Diagnostics and the two MRI units is $5,500,000 payable $4,000,000 in cash at the closing, and shares of restricted common stock of the Company having a value of $1,500,000, determined by the average closing bid price over the five trading day period preceding the date of the Agreement.

Within 45 days of signing the Agreement, the Company was to deposit $1,750,000 into an escrow account, and within 75 days the Company would obtain a firm commitment underwriting, represented by a letter of intent satisfactory to Mr. Hollander, to raise net proceeds of at least $2,500,000 to be used for the closing. According to the Agreement, if the Company fails to obtains a firm commitment underwriting within 45 days or have an effective registration within 75 days, then the escrowed funds will be returned to the Company and the Agreement will terminate.

The shares representing the $1,500,000 are to be paid 10% at the closing and the remaining 90% on February 2, 1998. However, in the event closing does not occur prior to February 2, 1998, then the entire 100% of the shares will be paid at closing. As of September 30, 1997 the terms and conditions of the purchase had not been met and both parties mutually agreed to recind the agreement.

NOTE 7 CASINO INTERNATIONAL MERGER

On February 26, 1997, the Company, together with its wholly owned subsidiary Casinos International, Inc. (Casinos) entered into an Agreement and Plan of

Reorganization with Eco2, Inc., a publicly traded company, its wholly owned subsidiary, Eco2 Acquisition, Inc. whereby Casinos would be merged into Eco2 Acquisition, Inc. As a result of this merger contemplated by this agreement, Prentice received 5,000,000 shares of Eco2, Inc. $.01 par value common stock and a promissory note in the amount of $500,000 from Eco2 Acquisition, Inc. Immediately after the merger the name of Eco2 Acquisition, Inc. was changed to Casinos International, Inc.

NOTE 7 CASINO INTERNATIONAL MERGER (Continued)

The promissory note, including interest at the rate of 8% per annum, is payable in sixty equal monthly installments of $10,138, the first installment being payable on March 31, 1997. No payments have been received by the Company. The promissory note is secured by 100 shares of common stock of Casinos held in escrow in accordance with an Escrow and Disposition Agreement of even date.

On the effective date of the merger, the existing members of the Board of Directors of Eco2, Inc. appointed Alan S. Lipstein, the president of the Company, as director of Eco2, Inc., and immediately thereafter the former members of the Board of Directors and Officers of Eco2, Inc. resigned.

Eco2, Inc. and Prentice jointly and severally agreed to indemnify Charles Ledford, Vivian Ledford, and Raymond Ledford, all of the officers and directors of Eco2, Inc., as well as Energy Systems, Inc., a company owned by the Ledfords, (hereinafter collectively referred to as "Indemnitees") from and against any and all damages, losses, obligations, deficiencies, liabilities, claims, encumbrances, penalties, costs and expenses, including reasonable attorney's fees, which the Indemnitees may suffer or incur, resulting from (a) their being an officer or director of Eco2, Inc.; (b) the transaction contemplated under the merger contemplated under this agreement; (c) misrepresentations, breach of warranty, or nonfulfillment of any of the covenants or agreements of Casinos International in this agreement or from any misrepresentation in or omission from any certificate or document furnished or to be furnished to the Indemnitees hereunder, and; (d) any and all actions, suits, investigations, proceedings, demands, assessments, audits, judgments, and claims arising out of the foregoing.

NOTE 8 COMMITMENTS

OFFICE SPACE

Subsequent to the end of the year, the Company entered into a month to month lease for its executive offices located in Coral Spring, Florida at $418 per month until October 1997. After October 1997, the Company subleases office on a month to month bases.

EMPLOYMENT AGREEMENT

On April 10, 1997, the Company entered into a one-year employment agreement ("Agreement") with Lee J. Unger, as the Company's president and Chief Executive Officer in charge of administration. Under the terms of the Agreement, which became effective March 10, 1997, Mr. Unger is to be paid 200,000 unrestricted common shares of the Company, or $10,000 per month until such shares have been delivered. The Agreement provides that in case of termination, the Company must deliver to Mr. Unger the 200,000 shares of the Company's unrestricted common stock plus the total cumulative monthly payments of $10,000 for the entire 12 month term.

EMPLOYMENT AGREEMENT (Continued)

On October 27, 1997, the Company entered into a Severance and Separation Agreement with Lee J. Unger, whereby the Company agrees to pay Mr. Unger $90,000 as follows: $15,000 on October 27, 1997, $15,000 on November 19, 1997, $10,000 on January 2, 1998 and $50,000 on January 30, 1998. Simultaneously, Mr. Unger will receive 200,000 shares of the Company's common stock as part of Mr. Unger's previously committed employment agreement.

NOTE 9 CONSULTING AGREEMENT

On August 4, 1997, the Company entered into a one year Consulting and Acquisition Management Agreement (Agreement) with Hong Kong Trading, Ltd., a BWI corporation, whereby Hong Kong Trading, Ltd. (Consultant) is to provide the Company consulting services in order to identify, evaluate and structure mergers, consolidations acquisitions, joint ventures and strategic alliances.

In exchange for such consulting services the Company issued the Consultant 300,000 shares of the Company's restricted common stock. The Company agreed to provide the Consultant with registration rights for the shares in a registration statement to be filed by the Company.

NOTE 10 SUBSEQUENT EVENTS

RESIGNATION/ELECTION OF PRESIDENT AND CEO

In connection with the Severance and Separation Agreement dated October 27, 1997, Mr. Lee J. Unger resigned as President and Director of the Company effective October 28, 1997, and Mr. William L. Haynes was appointed President and Director effective the same day. In connection with Mr. Unger's resignation, the Company agreed to hold Mr. Unger harmless, and indemnify him against any and all damages, losses, obligations, losses, obligations, liabilities, claims, encumbrances, penalties, costs and expenses, including reasonable attorney's fees, resulting from having been an officer and director of the Company.

On October 27, 1997, the Company entered into an Indemnification Agreement with Mr. William L. Haynes, the newly elected president and director of the Company. According to the Agreement, the Company agreed to hold Mr. Haynes harmless, and indemnify him against any and all damages, losses, obligations, losses, obligations, liabilities, claims, encumbrances, penalties, costs and expenses, including reasonable attorney's fees, resulting from having been an director of the Company.

NOTE 10 SUBSEQUENT EVENTS (Continued)

SHARES OF STOCK

Mr. Unger purchased 5,000,000 shares of the company's common stock, being held in escrow by Atlas, Pearlman , Trop & Borkson , P.A. pending the payment of Mr. Unger of two promissory notes due to the Company in the aggregate amount of $250,000. Under the Severance and Separation Agreement dated October 27, 1997, the parties agreed that upon receipt by Mr. Unger of the final payment to be made by January 30, 1998, 4,500,000 of such shares will be returned by to the treasury and Mr. Unger will retain 500,000 of the referenced shares, which would have piggyback registration rights, and the two promissory notes due from Mr. Unger in the aggregate amount of $250,000 will be canceled.

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ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

On February 26, 1997, the Company, along with its subsidiary Casino International, Inc., entered into an Agreement and Plan of Reorganization with

Eco2, Inc., a publicly traded company, its wholly owned subsidiary, Eco2 Acquisition, Inc. whereby Casino International was merged into Eco2 Acquisition, Inc. As a result of this merger Prentice received 5,000,000 shares of Eco2, Inc. $.01 par value common stock and a promissory note in the amount of $500,000 from Eco2 Acquisition, Inc.

On March 17, 1997, the Company and Chartwell International, Inc., a Nevada corporation (Chartwell) entered into a Purchase and Sale Agreement (Agreement) pursuant to which the Company purchased certain gypsum mining property located in Washington County, Utah, generally known as Riverview Placer Claims and New Riverview Claims (Claims) in exchange for 2,000,000 restricted shares of the Company's common stock and $100,000 in cash.

On March 26, 1997, the Company, along with its subsidiary Universal Footcare, Inc., and its wholly owned subsidiary Universal Operations, Inc. and Drs. Joel M. Levy, D.P.M., James P. Dameron, D.P.M., and Steven Baker, D.P.M. (Podiatrists) entered into an Agreement of Merger with Footcare Centers of America, Inc. (FCA), its wholly owned subsidiary Footcare Acquisition, Inc. (Acquisition) whereby the assets and liabilities of the Clinics were transferred to Acquisition in exchange for the Company being relieved responsibility and liability under the Original Merger to issued additional shares and/or to pay the former shareholders of Clinic the difference in shares value and the agreed price paid for the Clinic.

On June 3, 1997, the Company entered into an agreement with U.S.A. Diagnostics, Inc., a Florida corporation and its sole shareholder, Nate Hollander, for the acquisition of 100% of the capital stock of that company, and two Magnetic Resonance Imagining (MRI) units owned by MRI Management Services, Inc. (MMS) and Bentley Designers and Builders, Inc. (BDB). Mr. Hollander is the sole shareholder of MMS and DBD, each of which owns one MRI unit.

The aggregate purchase price of Diagnostics and the two MRI units is $5,500,000 payable $4,000,000 in cash at the closing, and shares of restricted common stock of the Company having a value of $1,500,000, determined by the average closing bid price over the five trading day period preceding the date of the Agreement. As of September 30, 1997 both parties to the agreement had agreed to recind the agreement.

RESULTS OF OPERATIONS

The Company completed the merger with Dameron Levy & Baker, P.A. on February 10, 1995 in a transaction recorded as a purchase, and merged its operations as of that date, therefore as of that date, the Company is no longer in the development stage. Prior to that time, the Company had no revenues, other than interest income. Subsequent to the merger of the Clinics with Footcare Centers of America, Inc. on March 26, 1997, the Company was no longer an operating company. The Company is in the process of targeting another operating company for a possible merger or acquisition.

Comparison of operations for the quarter ended September 30, 1997 with the quarter ended September 30, 1996.

For the quarter ended September 30, 1997, net revenues from operations amounted to $-0- compared to $6,263 for the quarter ended September 30, 1996.

For the quarter ended September 30, 1997, accounting and legal expenses decreased from $11,966 to $2,192 for the quarter ended September 30, 1996 due to the completion of the investigation of business opportunities relating to mineral rights, merger negotiations of the Company's subsidiaries Casino International and Universal Footcare, Inc., and the recinsion of the MRI acquisition.

Depreciation and amortization expense decreased from $7,428 in 1996 to $835 in 1997 reflecting the disposition of the operating assets of the footcare Clinics.

Consulting fees expense increased from $45,680 in 1996 to $50,000 in 1997 reflecting the services to consultants for the continous search for purchase and acquisition opportunities.

Salaries expense decreased from $238,522 in 1996 to $-0- in 1997 reflecting the selling off the Clinic operations and the termination of the employment agreement with Alan Lipstein on February 28, 1997.

General and administrative expenses decreased from $97,471 for the quarter ended September 30, 1996 to $1,403 during the same period in 1997 reflecting the level activity of operations by the Company after the operations of the footcare Clinics were disposed of during the first quarter.

Comparison of the major components of general and administrative expenses for the quarter ended September 30, 1997 compared to September 30, 1996 were as follows:

	1997	1996
Insurance	$ -0-	$ 23,144
Medical suplies	-0-	14,765
Office expenses	100	12,031
Rent	837	20,539
Taxes	-0-	7,859
Telephone	400	3,485
Utilities	-0-	3,585
Equipment rental	165	-0-

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ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Comparison of operations for the nine months ended September 30, 1997 with the nine months ended September 30, 1996.

For the nine months ended September 30, 1997, net revenues from operations amounted to $-0- compared to $1,064,444 for the nine months ended September 30, 1996, reflecting the disposal of the footcare Clinics, the Company's main operating segment.

Accounting and legal expenses decreased from $57,220 in 1996 to $51,438 in 1997. Expenses during the third quarter of 1997 were significantly lower due to the divestiture of the Company's Clinic operations and the nature of its new investments that require minimun day to day operating activitites at this time.

Depreciation and amortization expense decreased from $16,950 in 1996 to $835 in 1997 reflecting the disposal of the depreciable assets of the footcare Clinics.

Consulting fees expense decreased from $221,781 in 1996 to $183,334 in 1997 reflecting the write off of previous commitment by the Company for banking services and independent evaluation of business activity of the Clinic.

Salaries expense decrease from $661,901 in 1996 to $75,000 in 1997 reflecting the termination of the employment agreement with Alan S. Lipstein on February 28, 1997, and the termination of the employment agreement with the professional employees of the Clinic are not fully reflected in the accompanying statements, since the Clinics were sold on March 26, 1997.

General and administrative expenses for the nine months ended September 30, 1997 were $3,344 compared to $298,298 for the same period in 1996, reflecting the total decrease level activity of operations by the Company after the disposal fo the footcare Clinics.

Comparison of the major components of general and administrative expenses for the six months period ended September 30, 1997 compared to September 30, 1996 were as follows:

TYPE	1997	1996
Insurance	$ -0-	$ 55,031
Contract labor	-0-	7,690
Medical suplies	-0-	4,423
Office expenses	415	25,125
Rent	2,094	59,081
Taxes	-0-	33,869
Telephone	1,000	15,128
Utilities	-0-	7,165
Dues & subscriptions	-0-	6,982
Materials & supplies	-0-	53,876

ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

LIQUIDITY AND CAPITAL RESOURCES

Although the Company's capital is limited, management believes it has sufficient resources to continue its current business operations and the evaluation of business opportunities relating to the acquisition of MRI units and centers. The Company anticipates operational costs will be limited until such time as the Company is in position to develop the gypsum mineral property rights.

At September 30, 1997, the Company had no material commitments for capital expenditures.

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PART II - OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

None.

Item 2. CHANGES IN SECURITIES.

None.

Item 3. DEFAULTS UPON SENIOR SECURITIES.

None.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

(a) None

(b) None

(c) None

Item 5. OTHER INFORMATION.

None

Item 6. EXHIBITS AND REPORTS ON FORM 8-K.

None

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SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

PRENTICE CAPITAL, INC.

Dated: 12/28/97

By /s/ Willian L. Haynes

Mr. William L. Haynes, President

In accordance with the Exchange Act, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Capacity	Date
/s/ William L. Haynes ---------------------- William L. Haynes	President, Chief Executive Officer, Chief Financial and Accounting Officer and Director	12/28/97

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