

FORM 10-Q/A

USMD Holdings, Inc. - N/A

Filed: October 11, 2011 (period: June 30, 2011)

Amendment to a previously filed 10-Q

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 10-Q/A
Amendment No.1

(Mark One)

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

For the quarterly period ended June 30, 2011

Or

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

Commission File Number 333-171386

USMD Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

27-2866866
(IRS Employer
Identification No.)

6333 North State Highway 161, Suite 200
Irving, Texas
(Address of principal executive offices)

75038
(zip code)

(214) 493-4000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant 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 (§232.405 of this chapter) 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. (Check one):

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 Exchange Act Rule 12b-2). Yes No

The registrant had 39,100 shares of common stock outstanding as of September 6, 2011.

Explanatory Note

The purpose of this Amendment No. 1 to USMD Holdings, Inc. Quarterly Report on Form 10-Q for the period ended June 30, 2011, filed with the Securities and Exchange Commission on September 8, 2011 (the "Form 10-Q"), is to correct a typographical error on the cover page and to furnish Exhibit 101 to the Form 10-Q in accordance with Rule 405 of Regulation S-T. Exhibit 101 to this report provides the financial statements and related notes for USMD Holdings, Inc. from the Form 10-Q formatted in XBRL (eXtensible Business Reporting Language) and the financial statements and related notes for USMD Inc., supplementally provided in the Form 10-Q, formatted in XBRL.

No other changes have been made to the Form 10-Q. This Amendment No. 1 to the Form 10-Q speaks as of the original filing date of the Form 10-Q, does not reflect events that may have occurred subsequent to the original filing date and does not modify or update in any way disclosures made in the original Form 10-Q.

Pursuant to Rule 406T of Regulation S-T, the interactive data files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

Item 6. Exhibits

Exhibit No.	Description
2.1	Contribution and Purchase Agreement, dated as of August 19, 2010, by and among the USMD Holdings, Inc., USMD Inc., Urology Associates of North Texas, L.L.P. and UANT Ventures, L.L.P. (incorporated by reference to Annex A of registrant's Registration Statement on Form S-4 filed on December 23, 2010)
3.1	Certificate of Incorporation of USMD Holdings, Inc. (incorporated by reference to Exhibit 3.1 of registrant's Registration Statement on Form S-4/A filed on February 16, 2011)
3.2	Bylaws of USMD Holdings, Inc. (incorporated by reference to Exhibit 3.2 of registrant's Registration Statement on Form S-4/A filed on February 16, 2011)
31.1	Certification of John House, M.D., Chairman and Chief Executive Officer, pursuant to Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Christopher Dunleavy, Chief Financial Officer, pursuant to Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of John House, M.D., Chief Executive Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Christopher Dunleavy, Chief Financial Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Definition Linkbase Document
101.LAB	XBRL Label Linkbase Document
101.PRE	XBRL Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Holdings has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

USMD HOLDINGS, INC.

/s/ Christopher Dunleavy

Christopher Dunleavy, Chief Financial Officer
(On behalf of registrant and as Principal Financial Officer)

Date: October 11, 2011

Index to Exhibits

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2.1	Contribution and Purchase Agreement, dated as of August 19, 2010, by and among the USMD Holdings, Inc., USMD Inc., Urology Associates of North Texas, L.L.P. and UANT Ventures, L.L.P. (incorporated by reference to Annex A of registrant's Registration Statement on Form S-4 filed on December 23, 2010)
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Document And Entity Information

Document And Entity Information (USD \$)	6 Months Ended 06/30/2011	09/06/2011
Document Type	10-Q	
Amendment Flag	false	
Document Period End Date	2011-06-30	
Document Fiscal Period Focus	Q2	
Document Fiscal Year Focus	2,011	
Entity Registrant Name	USMD Holdings, Inc.	
Entity Central Index Key	0001507881	
Current Fiscal Year End Date	--12-31	
Entity Filer Category	Smaller Reporting Company	
Entity Common Stock, Shares Outstanding		39,100

Condensed Consolidated Balance Sheets

Condensed Consolidated Balance
Sheets
(USD \$)

Condensed Consolidated Balance Sheets (Parenthetical)

Condensed Consolidated Balance
Sheets
(Parenthetical) (USD \$)

Condensed Consolidated Statements Of Operations

Condensed Consolidated Statements Of
Operations
(USD \$)

Condensed Consolidated Statement Of Stockholders' Equity

Condensed Consolidated Statement Of Stockholders' Equity (USD \$) (in Thousands)	U S M D Inc And Subsidiaries Member	Total
Balance at 2010-12-31	7,913	
Balance, shares at 2010-12-31	1,274	
Net income	772	
Capital contributions from noncontrolling interests	158	
Distributions to noncontrolling interests	(6,329)	
Balance, shares at 2011-06-30	1,274	
Balance at 2011-06-30	8,685	
Net income	3,616	
Net income	3,423	
Balance, shares at 2011-06-30	1,274	
Balance at 2011-06-30	\$ 8,685	

Condensed Consolidated Statements Of Cash Flows

Condensed Consolidated Statements Of Cash
Flows
(USD \$)

Description Of Business And Basis Of Presentation

Description Of Business And Basis Of Presentation
(USD \$)

6 Months Ended
06/30/2011

Description Of Business And Basis Of Presentation

Note 1 – Description of Business and Basis of Presentation

USMD Holdings, Inc. ("Holdings") is a Delaware corporation formed to facilitate the business combination of USMD Inc. ("USMD"), UANT Ventures, L.L.P. ("Ventures") and Urology Associates of North Texas, L.L.P. ("UANT"). Holdings, USMD, Ventures and UANT entered into a Contribution and Purchase Agreement dated August 19, 2010 pursuant to which the shareholders of USMD will contribute all of their common stock in USMD to Holdings, and Ventures will contribute all of its assets, which at the time of the contribution will include all of the equity interests in UANT, to Holdings (the "Contribution"). Holdings described the Contribution in its Form S-4 registration statement filed with the Securities and Exchange Commission, which became effective July 25, 2011. Through June 30, 2011, Holdings has no operations and no assets, liabilities, equity or cash flows.

Except for the exclusion of financial statements for which there was no activity and no balances, the unaudited condensed financial statements have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP") for interim financial statements and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for interim reporting. Certain information and note disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to those rules and regulations, although Holdings believes that the disclosures made are adequate to make the information not misleading. These condensed financial statements reflect all adjustments that, in the opinion of Holdings management, are necessary for fair presentation of the condensed financial statements. The operating results for the interim periods are not necessarily indicative of results for the full fiscal year. These condensed financial statements should be read in conjunction with the audited financial statements and notes thereto included in Holding's Form S-4 registration statement filed with the SEC. There have been no significant changes in the information reported in those notes, other than from normal business activities and as discussed herein.

Recent Accounting Pronouncements

Recent Accounting Pronouncements (USD \$)	6 Months Ended 06/30/2011
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Recent Accounting Pronouncements

Note 2 – Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board (the "FASB") issued Accounting Standard Update ("ASU") No. 2011-04, *Fair Value Measurement (Topic 820), Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* ("ASU 2011-04"). The FASB's primary objective was to collaborate with the International Accounting Standards Board to develop common requirements for measuring fair value and disclosing information about fair value measurements in accordance with GAAP and International Financial Reporting Standards. ASU 2011-04 (i) expands and enhances disclosures about fair value measurements and (ii) clarifies the FASB's intent about the application of existing fair value measurement requirements in certain circumstances. Public companies are required to adopt the provisions of ASU 2011-04 on a prospective basis during interim and annual periods beginning after December 15, 2011. Early adoption of the amended accounting guidance is not permitted. Holdings continues to review ASU 2011-04; however, Holdings does not believe that adoption will have a material impact on its consolidated financial statements or the notes thereto.

In July 2011, the FASB issued ASU No. 2011-07, *Health Care Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* ("ASU 2011-07"). In accordance with ASU 2011-07, Holdings will be required to present its provision for doubtful accounts related to patient service revenue as a deduction from revenue, similar to contractual discounts. Accordingly, Holdings' patient service revenues will be reported net of both contractual discounts as well as its provision for doubtful accounts related to patient service revenues. Additionally, ASU 2011-07 will require Holdings to make certain additional disclosures designed to help users understand how contractual discounts and bad debts affect recorded revenue in both interim and annual financial statements. ASU 2011-07 requires retrospective application and is effective for public companies for fiscal years beginning after December 15, 2011, and interim periods within those fiscal years. The ASU permits early adoption. The adoption of ASU 2011-07 is not expected to impact Holdings' financial position, results of operations or cash flows, however, upon adoption and as required by this ASU, Holdings will reclassify the provision for bad debts related to prior period patient service revenue as a deduction from patient service revenue.

Holdings does not believe any other recently issued, not yet effective, accounting standards will have a material effect on its consolidated financial position, results of operations, or cash flows.

Investments In Nonconsolidated Affiliates

Investments In Nonconsolidated
Affiliates
(USD \$)

Long-Term Debt

Long-Term
Debt
(USD \$)

Interest Rate Swaps

Interest Rate
Swaps
(USD \$)

Fair Value Measurements

Fair Value
Measurements
(USD \$)

Earnings Per Share

Earnings Per
Share
(USD \$)

Commitments And Contingencies

Commitments And
Contingencies
(USD \$)

Subsequent Events

Subsequent Events
(USD \$)

6 Months Ended
06/30/2011

Subsequent Events **Note 3 – Subsequent Events**

Holdings has evaluated subsequent events through the date its financial statements were issued.

Shareholder and Partner Votes

On August 23, 2011, the shareholders of USMD and the partners of UANT and Ventures voted on and approved the Contribution transaction described in Holdings' Form S-4 registration statement and accompanying prospectus. Holdings expects to close the Contribution in late 2011, subject to the satisfaction of certain closing conditions.

Non-Binding Term Sheet Regarding Issuance and Sale of Convertible Preferred Stock

Holdings and USMD Inc. have executed a non-binding term sheet with an unaffiliated private investment firm (the "Investor") that contemplates the sale of 60,000 shares of convertible preferred stock of Holdings at a price of \$1,000 per share, representing a total purchase price of \$60.0 million. The transaction is subject to the completion of Investor due diligence and the negotiation of definitive agreements; therefore, management cannot predict the likelihood of its consummation. The non-binding term sheet does not set forth an actual conversion rate of the preferred stock but rather an expectation that the preferred stock would convert into approximately one-third of the common stock of Holdings. The exact conversion rate and all other terms of the convertible preferred stock financing will depend upon the completion of due diligence and the negotiation of definitive agreements with the Investor. However, should the preferred stock financing be consummated without material changes from the terms set forth in the non-binding term sheet, Holdings estimates that the 60,000 shares of convertible preferred stock would be convertible into an aggregate of approximately 5,021,000 shares of common stock (representing a conversion rate of 83.68 shares of common stock for each share of convertible preferred stock). Under these terms, upon issuance of the convertible preferred stock, Holdings would record \$60.0 million of convertible preferred stock equity and a beneficial conversion discount of \$11.1 million equal to the estimated intrinsic value of the conversion option.

Issuance of Restricted Common Shares

In July 2011, Holdings initiated an employee stock grant program in accordance with the Holdings' 2010 Equity Compensation Plan. Under this stock grant program, Holdings offered 100 restricted shares of its common stock to each of 416 employees of USMD, UANT and Ventures. Until restrictions lapse, the shares cannot be sold, assigned, pledged or otherwise transferred, voluntarily or involuntarily and are subject to forfeiture upon termination of employment. Restrictions lapse upon the earlier of the completion of the Contribution described in Holdings' Form S-4 registration statement or the second anniversary date of the award.

In the third quarter of 2011, Holdings expects to record stock compensation expense of approximately \$0.6 million representing the fair value of the restricted shares based on the fair value of Holdings as calculated in the fairness opinion rendered February 11, 2011 and as discussed in Holding's Form S-4 registration statement. The fairness opinion contemplates the successful completion of the Contribution as described in the Form S-4 and accompanying prospectus. If the Contribution does not close or otherwise fails to occur, the estimated fair value of the restricted shares is likely zero. The fairness opinion was prepared based on financial information as of December 31, 2010 and does not take into account any subsequent changes in the results of operations or financial condition of the underlying business entities; however, Holdings does not believe the fair value of the shares has materially changed from that date.

