

BROADWAY FINANCIAL CORP \DE\  
Form 10-K/A  
April 19, 2011  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**FORM 10-K/A**

Amendment No. 1

(Mark one)

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

For the fiscal year ended December 31, 2010

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

For the transition period from                      to

Commission file number 0-27464

**BROADWAY FINANCIAL CORPORATION**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of

95-4547287  
(I.R.S. Employer

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incorporation or organization)

Identification No.)

**4800 Wilshire Boulevard, Los Angeles, California**  
(Address of principal executive offices)

**90010**  
(Zip Code)

**(323) 634-1700**

(Registrant's Telephone Number, Including Area Code)

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

<b>Title of each class</b>	<b>Name of each exchange on which registered</b>
Common Stock, par value \$0.01 per share (including attached preferred stock purchase rights)	The NASDAQ Stock Market, LLC

**Securities registered pursuant to Section 12(g) of the Act:**

**None**

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 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

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the 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 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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: \$2,684,000

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: As of March 31, 2011, 1,743,965 shares of the Registrant's common stock were outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Not applicable

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**PART II**

**Item 8. Financial Statements and Supplementary Data**

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**Signatures**

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Exhibit 23.1 Consent of Crowe Horwath LLP

Exhibit 31.1 Section 302 Certification of CEO

Exhibit 31.2 Section 302 Certification of CFO

Exhibit 32.1 Section 906 Certification of CEO

Exhibit 32.2 Section 906 Certification of CFO

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*This amendment is being filed to correct the total authorized shares of common stock reported on our Consolidated Balance Sheets on Item 8 of the Annual Report on Form 10-K for the year ended December 31, 2010 as originally filed. Unless otherwise expressly stated herein this amendment does not reflect any events occurring after the filing of our original Annual Report on Form 10-K for the year ended December 31, 2010.*

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

See Index to Consolidated Financial Statements of Broadway Financial Corporation and Subsidiaries.

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**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, thereunto duly authorized.

BROADWAY FINANCIAL CORPORATION

By: /s/ Paul C. Hudson  
Paul C. Hudson  
Chief Executive Officer  
Date: April 19, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Paul C. Hudson  
Paul C. Hudson  
Chief Executive Officer and Chairman of the Board  
(Principal Executive Officer)

Date: April 19, 2011

/s/ Samuel Sarpong  
Samuel Sarpong  
Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)

Date: April 19, 2011

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**BROADWAY FINANCIAL CORPORATION AND SUBSIDIARIES**

**Index to Consolidated Financial Statements**

**Years ended December 31, 2010 and 2009**

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**Report of Independent Registered Public Accounting Firm**

The Board of Directors and Stockholders

Broadway Financial Corporation:

We have audited the accompanying consolidated balance sheets of Broadway Financial Corporation and subsidiaries as of December 31, 2010 and 2009 and the related consolidated statements of operations and comprehensive earnings (loss), changes in stockholders' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Broadway Financial Corporation and subsidiaries as of December 31, 2010 and 2009 and the results of their operations and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

/s/ Crowe Horwath LLP

Costa Mesa, California

April 14, 2011

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**Table of Contents****BROADWAY FINANCIAL CORPORATION AND SUBSIDIARIES****Consolidated Balance Sheets**

	December 31, 2010	December 31, 2009
	(In thousands, except share and per share)	
<b>Assets</b>		
Cash and cash equivalents	\$ 21,978	\$ 7,440
Securities available-for-sale, at fair value	10,524	14,961
Securities held-to-maturity (fair value of \$13,261 at December 31, 2010 and \$16,838 at December 31, 2009)	12,737	16,285
Loans receivable held for sale, net	29,411	20,940
Loans receivable, net of allowance of \$20,458 and \$20,460	382,616	432,640
Accrued interest receivable	2,216	2,419
Federal Home Loan Bank (FHLB) stock, at cost	4,089	4,305
Office properties and equipment, net	5,094	5,363
Real estate owned	3,036	2,072
Bank owned life insurance	2,522	2,418
Deferred income taxes	5,369	4,986
Other assets	4,338	7,217
<b>Total assets</b>	<b>\$ 483,930</b>	<b>\$ 521,046</b>
<b>Liabilities and stockholders equity</b>		
Deposits	\$ 348,445	\$ 385,488
Federal Home Loan Bank advances	87,000	91,600
Junior subordinated debentures	6,000	6,000
Other borrowings	5,000	-
Advance payments by borrowers for taxes and insurance	272	372
Other liabilities	4,353	6,071
<b>Total liabilities</b>	<b>451,070</b>	<b>489,531</b>
<b>Commitments and Contingencies (Note 16)</b>		
<b>Stockholders Equity:</b>		
Senior preferred cumulative and non-voting stock, \$1,000 par value, authorized, issued and outstanding 9,000 shares of Series D at December 31, 2010 and 2009; liquidation preference of \$9,000 at December 31, 2010 and 2009	8,963	8,963
Senior preferred cumulative and non-voting stock, \$1,000 par value, authorized, issued and outstanding 6,000 shares of Series E at December 31, 2010 and 2009; liquidation preference of \$6,000 at December 31, 2009 and 2009	5,974	5,974
Preferred non-cumulative and non-voting stock, \$.01 par value, authorized 1,000,000 shares; issued and outstanding 55,199 shares of Series A, 100,000 shares of Series B and 76,950 shares of Series C at December 31, 2010 and 2009; liquidation preference of \$552 for Series A, \$1,000 for Series B and \$1,000 for Series C at December 31, 2010 and 2009	2	2
Preferred stock discount	(1,380)	(1,756)
Common stock, \$.01 par value, authorized 8,000,000 shares at December 31, 2010 and 3,000,000 shares at December 31, 2009; issued 2,013,942 shares at December 31, 2010 and 2009; outstanding 1,743,965 shares at December 31, 2010 and 1,743,365 shares at December 31, 2009	20	20
Additional paid-in capital	14,395	14,273
Retained earnings-substantially restricted	8,074	7,322
Accumulated other comprehensive income, net of taxes of \$176 at December 31, 2010 and \$118 at December 31, 2009	263	176

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Treasury stock-at cost, 269,977 shares at December 31, 2010 and 270,577 shares at December 31, 2009	(3,451)	(3,459)
Total stockholders' equity	32,860	31,515
Total liabilities and stockholders' equity	\$ 483,930	\$ 521,046

*See accompanying notes to consolidated financial statements.*

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**Table of Contents****BROADWAY FINANCIAL CORPORATION AND SUBSIDIARIES****Consolidated Statements of Operations and Comprehensive Earnings (Loss)**

	<b>Year Ended December 31,</b>	
	<b>2010</b>	<b>2009</b>
	<b>(In thousands, except per share)</b>	
Interest and fees on loans receivable	\$ 28,821	\$ 27,366
Interest on mortgage-backed securities	914	1,158
Interest on investment securities	50	50
Other interest income	52	94
<b>Total interest income</b>	<b>29,837</b>	<b>28,668</b>
Interest on deposits	5,910	6,922
Interest on borrowings	3,363	3,066
<b>Total interest expense</b>	<b>9,273</b>	<b>9,988</b>
Net interest income before provision for loan losses	20,564	18,680
Provision for loan losses	4,465	19,629
<b>Net interest income after provision for loan losses</b>	<b>16,099</b>	<b>(949)</b>
Non-interest income:		
Service charges	1,175	1,222
Net gains (losses) on sales of loans	(22)	6
Net losses on sales of REO	(88)	-
Other	1,593	731
<b>Total non-interest income</b>	<b>2,658</b>	<b>1,959</b>
Non-interest expense:		
Compensation and benefits	6,657	6,118
Occupancy expense, net	1,429	1,393
Information services	807	813
Professional services	1,167	630
Provision for losses on loans held for sale	1,188	734
Provision for losses on REO	1,102	-
FDIC insurance	1,043	819
Office services and supplies	548	572
Other	1,560	1,036
<b>Total non-interest expense</b>	<b>15,501</b>	<b>12,115</b>
Earnings (loss) before income taxes	3,256	(11,105)
Income tax expense (benefit)	1,341	(4,646)
<b>Net earnings (loss)</b>	<b>\$ 1,915</b>	<b>\$ (6,459)</b>
Other comprehensive income, net of tax:		
Unrealized gain on securities available-for-sale	\$ 145	\$ 240
Income tax effect	(58)	(96)

Other comprehensive income, net of tax	87	144
Comprehensive earnings (loss)	\$ 2,002	\$ (6,315)
Net earnings (loss)	\$ 1,915	\$ (6,459)
Dividends and discount accretion on preferred stock	(1,145)	(749)
Earnings (loss) available to common stockholders	\$ 770	\$ (7,208)
Earnings (loss) per common share-basic	\$ 0.44	\$ (4.14)
Earnings (loss) per common share-diluted	\$ 0.44	\$ (4.14)

*See accompanying notes to consolidated financial statements.*

**Table of Contents****BROADWAY FINANCIAL CORPORATION AND SUBSIDIARIES****Consolidated Statements of Changes in Stockholders' Equity****(In thousands, except per share)**

	Preferred Stock	Preferred Stock Discount	Common Stock	Common Stock Warrant	Additional Paid-in Capital	Retained Earnings (Substantially Restricted)	Accumulated Other Comprehensive Income, Net	Treasury Stock	Total Stockholders Equity
Balance at December 31, 2008	\$ 8,965	\$ (702)	\$ 20	\$ 723	\$ 12,240	\$ 14,878	\$ 32	\$ (3,467)	\$ 32,689
Net loss for the year ended December 31, 2009	-	-	-	-	-	(6,459)	-	-	(6,459)
Unrealized gain on securities available-for-sale, net of tax	-	-	-	-	-	-	144	-	144