

CEDAR FAIR L P
Form 10-Q
May 08, 2009
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 29, 2009

OR

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 1-9444

CEDAR FAIR, L.P.

(Exact name of registrant as specified in its charter)

Edgar Filing: CEDAR FAIR L P - Form 10-Q

DELAWARE
(State or other jurisdiction of
incorporation or organization)

34-1560655
(I.R.S. Employer
Identification No.)

One Cedar Point Drive, Sandusky, Ohio
(Address of principal executive offices)

44870-5259
(Zip Code)

(419) 626-0830

(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 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

Title of Class
Units Representing
Limited Partner Interests

Units Outstanding As Of May 1, 2009
55,190,761

Table of Contents

CEDAR FAIR, L.P.

INDEX

FORM 10 - Q

Part I - Financial Information

Item 1.	<u>Financial Statements</u>	3-11
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	12-17
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	17
Item 4.	<u>Controls and Procedures</u>	17-18

Part II - Other Information

Item 1A.	<u>Risk Factors</u>	18
Item 6.	<u>Exhibits</u>	18
	<u>Signatures</u>	19
	<u>Index to Exhibits</u>	20

Table of Contents**PART I - FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****CEDAR FAIR, L.P.****UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

(In thousands)

	3/29/09	12/31/08
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 7,906	\$ 13,873
Receivables	5,506	8,518
Inventories	37,489	28,591
Prepays and other current assets	44,484	13,552
	95,385	64,534
Property and Equipment:		
Land	318,972	320,200
Land improvements	315,844	315,519
Buildings	572,712	573,842
Rides and equipment	1,295,559	1,295,076
Construction in progress	45,274	28,110
	2,548,361	2,532,747
Less accumulated depreciation	(708,695)	(707,656)
	1,839,666	1,825,091
Goodwill	221,399	222,602
Other Intangibles, net	53,560	54,078
Other Assets	18,281	19,778
	\$ 2,228,291	\$ 2,186,083
LIABILITIES AND PARTNERS EQUITY		
Current Liabilities:		
Current maturities of long-term debt	\$ 17,317	\$ 17,450
Accounts payable	22,361	14,627
Deferred revenue	30,146	17,590
Accrued interest	9,471	3,395
Accrued taxes	10,778	16,581
Accrued salaries, wages and benefits	13,362	17,822
Self-insurance reserves	19,717	20,686
Other accrued liabilities	4,148	7,088
	127,300	115,239
Deferred Tax Liability	126,404	124,269

Edgar Filing: CEDAR FAIR L P - Form 10-Q

Derivative Liability	117,885	128,214
Other Liabilities	4,460	4,950
Long-Term Debt:		
Revolving credit loans	148,700	22,700
Term debt	1,671,058	1,683,925
	1,819,758	1,706,625
Partners' Equity:		
Special L.P. interests	5,290	5,290
General partner	(2)	(1)
Limited partners, 55,191 and 55,076 units outstanding at March 29, 2009 and December 31, 2008, respectively	162,229	242,123
Accumulated other comprehensive loss	(135,033)	(140,626)
	32,484	106,786
	\$ 2,228,291	\$ 2,186,083

The accompanying Notes to Unaudited Condensed Consolidated Financial Statements are an integral part of these statements.

Table of Contents**CEDAR FAIR, L.P.****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, except per unit amounts)

	Three months ended		Twelve months ended	
	3/29/09	3/30/08	3/29/09	3/30/08
Net revenues:				
Admissions	\$ 10,323	\$ 17,599	\$ 558,990	\$ 558,412
Food, merchandise and games	11,453	17,696	349,674	363,778
Accommodations and other	4,690	5,107	73,632	75,186
	26,466	40,402	982,296	997,376
Costs and expenses:				
Cost of food, merchandise and games revenues	3,852	5,406	89,072	93,642
Operating expenses	61,080	68,285	411,345	429,315
Selling, general and administrative	13,564	16,932	128,514	138,065
Loss on impairment of goodwill and other intangibles			86,988	
Loss on impairment / retirement of fixed assets	30		8,455	54,898
Depreciation and amortization	4,214	6,183	123,869	132,488
	82,740	96,806	848,243	848,408
Operating income (loss)	(56,274)	(56,404)	134,053	148,968
Interest expense	28,902	32,801	125,662	144,883
Other (income) expense	(28)	(615)	178	(1,470)
Income (loss) before taxes	(85,148)	(88,590)	8,213	5,555
Provision (credit) for taxes	(31,867)	(44,808)	12,006	(1,296)
Net income (loss)	(53,281)	(43,782)	(3,793)	6,851
Net income (loss) allocated to general partner	(1)			1
Net income (loss) allocated to limited partners	\$ (53,280)	\$ (43,782)	\$ (3,793)	\$ 6,850
Basic earnings per limited partner unit:				
Weighted average limited partner units outstanding	55,127	54,330	55,054	54,248
Net income (loss) per limited partner unit	\$ (0.97)	\$ (0.81)	\$ (0.07)	\$ 0.13
Diluted earnings per limited partner unit:				
Weighted average limited partner units outstanding	55,127	54,330	55,054	55,088
Net income (loss) per limited partner unit	\$ (0.97)	\$ (0.81)	\$ (0.07)	\$ 0.12

The accompanying Notes to Unaudited Condensed Consolidated Financial Statements are an integral part of these statements.

Table of Contents**CEDAR FAIR, L.P.****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PARTNERS EQUITY****FOR THE THREE MONTHS ENDED MARCH 29, 2009**

(In thousands, except per unit amounts)

	Three Months Ended 03/29/09
Limited Partnership Units Outstanding	
Beginning balance	55,076
Limited partnership unit options exercised	7
Issuance of limited partnership units as compensation	108
	55,191
Limited Partners Equity	
Beginning balance	\$ 242,123
Net loss	(53,280)
Partnership distribution declared (\$0.48 per limited partnership unit)	(26,462)
Expense recognized for limited partnership unit options	(17)
Limited partnership unit options exercised	
Tax effect of units involved in option exercises and treasury unit transactions	(1,299)
Issuance of limited partnership units as compensation	1,164
	162,229
General Partners Equity	
Beginning balance	(1)
Net loss	(1)
	(2)
Special L.P. Interests	5,290
Accumulated Other Comprehensive Loss	
Cumulative foreign currency translation adjustment:	
Beginning balance	(6,075)
Current period activity, net of tax \$494	(421)
	(6,496)
Unrealized loss on cash flow hedging derivatives:	
Beginning balance	(134,551)
Current period activity, net of tax (\$1,645)	6,014
	(128,537)

(135,033)

Total Partners Equity	\$ 32,484
------------------------------	-----------

Summary of Comprehensive Income (Loss)

Net loss	\$ (53,281)
Other comprehensive income	5,593

Total Comprehensive Income (Loss)	\$ (47,688)
--	-------------

The accompanying Notes to Unaudited Condensed Consolidated Financial Statements are an integral part of this statement.

Table of Contents**CEDAR FAIR, L.P.****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands)

	Three months ended		Twelve months ended	
	3/29/09	3/30/08	3/29/09	3/30/08
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES				
Net income (loss)	\$ (53,281)	\$ (43,782)	\$ (3,793)	\$ 6,851
Adjustments to reconcile net income (loss) to net cash (for) from operating activities:		March		
	188,000	31,2008		

Pursuant to his agreement, Mr. Laparte also is entitled to receive a housing allowance of \$50,000, up to 11 round-trip tickets to and from Mexico City to San Diego for Mr. Laparte and members of his family and reasonable moving expenses to Mexico at the end of the employment term. Mr. Gans' agreement provides that in the event that the Company terminates the agreement for any reason other than cause, Mr. Gans will be entitled to the continuation of his base salary for one year, payable in conformity with the Company's normal payroll period, and will be entitled to participate in the 401(k) Plan, and the Company's medical plans for the remainder of the term of the agreement.

Mr. Price, Mr. Heffner and Mr. McGrory are covered by our standard severance policy. Under the policy, if they are terminated for other than cause, death or disability, they will be entitled to the continuation of their base salary for a period equal to two weeks per completed year of service up to a maximum of 26 weeks, payable in conformity with the Company's normal payroll period.

Equity Incentive Plans

The Company has four equity incentive plans.

1997 PriceSmart Stock Option Plan

The Stock Option Plan of PriceSmart, Inc. (the 1997 Plan) provides for option grants covering up to 700,000 shares of Common Stock. As of October 31, 2007, 507,135 shares had been issued upon exercise of options granted under the 1997 Plan, options to purchase an aggregate of 71,000 shares of Common Stock at prices ranging from \$6.19 to \$20.00 per share (other than the annual grants to directors of the Company, which range to \$39.00 per share) remained outstanding, and 121,865 shares remained available for future grant.

1998 Equity Participation Plan

Edgar Filing: CEDAR FAIR L P - Form 10-Q

The 1998 Equity Participation Plan of PriceSmart, Inc. (the 1998 Plan) provides that the Compensation Committee of the Board of Directors or a subcommittee thereof may grant or issue incentive stock options, non-qualified stock options, stock purchase rights, stock appreciation rights, restricted stock, deferred stock, dividend equivalents, performance awards, stock payments and other stock related benefits, or any combination thereof. Under the stock purchase feature of the 1998 Plan, the Compensation Committee may grant to any consultant or employee the right to purchase shares of Common Stock (stock purchase rights), under the 1998 Plan from time to time, in such amounts and subject to such terms and conditions as the committee may determine, and, at the discretion of the Committee, such determinations may include determining categories of employees and the number of shares to be made available to employees in each such category. The 1998 Plan further provides that each independent director as of the date of the adoption by the Board of the 1998 Plan automatically shall be granted, on the date of such adoption, a stock purchase right to purchase a number of shares of Common Stock equal to the difference between (1) 2,716 shares of Common Stock and (2) the number

of shares of Common Stock purchased by such independent director since September 1, 1997 (other than purchases pursuant to the exercise of an option granted pursuant to any stock option plan of the Company). A person who is initially elected to the Board of Directors after the adoption by the Board of Directors of the 1998 Plan and who is an independent director at the time of such initial election automatically shall be granted a stock purchase right to purchase 2,716 shares of Common Stock on the date of such initial election. The purchase price for shares of Common Stock purchased pursuant to any stock purchase right granted under the 1998 Plan shall be no less than the fair market value of such Common Stock as of the date of purchase.

The 1998 Plan provides for awards covering up to 700,000 shares of Common Stock. As of October 31, 2007, 216,190 shares had been issued upon exercise of options previously granted under the 1998 Plan, options to purchase an aggregate of 25,750 shares of Common Stock at prices ranging from \$6.19 to \$20.00 per share remained outstanding, 80,421 shares of Common Stock had been issued under the stock purchase provisions of the 1998 Plan, awards of 258,220 shares of restricted Common Stock had been granted, net of forfeitures, under the 1998 Plan, and 119,419 shares remained available for future grant.

The 2001 Plan provides that in the event of a *Change in Control* or a *Corporate Transaction*, each as defined in the 2001 Plan, each outstanding award shall, immediately prior to the effective date of the *Change in Control* or *Corporate Transaction*, automatically become fully vested, exercisable or payable, as applicable, for all of the shares of Common Stock at the time subject to such award and, as applicable, may be exercised for any or all of those shares as fully-vested shares of Common Stock.

2001 Equity Participation Plan

The 2001 Equity Participation Plan of PriceSmart, Inc. (the *2001 Plan*) provides that the Compensation Committee of the Board of Directors or a subcommittee thereof may grant or issue incentive stock options, non-qualified stock options, stock purchase rights, stock appreciation rights, restricted stock, deferred stock, dividend equivalents, performance awards, stock payments and other stock related benefits, or any combination thereof. Under the stock purchase feature of the 2001 Plan, the Compensation Committee may grant to any employee, independent director or consultant stock purchase rights under the 2001 Plan from time to time, in such amounts and subject to such terms and conditions as the Committee may determine, and, at the discretion of the Committee, such determinations may include determining categories of employees and the number of shares to be made available to employees in each such category. The purchase price for shares of Common Stock purchased pursuant to any stock purchase right granted under the 2001 Plan shall be no less than the fair market value of such Common Stock as of the date of purchase.

The 2001 Plan provides for awards covering up to 350,000 shares of Common Stock. As of October 31, 2007, 157,795 shares had been issued upon exercise of options previously granted under the 2001 Plan, options to purchase an aggregate of 114,080 shares of Common Stock at prices ranging from \$6.13 to \$20.00 per share (other than the annual grants to directors of the Company, which range to \$35.00 per share) remained outstanding, awards of 68,000 shares of restricted Common Stock had been granted, net of forfeitures, no shares of Common Stock had been issued under the stock purchase provisions of the 2001 Plan, and 10,125 shares remained available for future grant.

2002 Equity Participation Plan

The 2002 Equity Participation Plan of PriceSmart, Inc. (the *2002 Plan*) provides that the Compensation Committee of the Board of Directors or a subcommittee thereof may grant or issue incentive stock options, non-qualified stock options, stock purchase rights, stock appreciation rights, restricted stock, deferred stock, dividend equivalents, performance awards, stock payments and other stock related benefits, or any combination thereof. Under the stock purchase feature of the 2002 Plan, the Compensation Committee may grant to any employee, independent director or consultant stock purchase rights under the 2002 Plan from time to time, in such amounts and subject to such terms and conditions as the Committee may determine, and, at the discretion of

the Committee, such determinations may include determining categories of employees and the number of shares to be made available to employees in each such category. The purchase price for shares of Common Stock purchased pursuant to any stock purchase right granted under the 2002 Participation Plan shall be no less than the fair market value of such Common Stock as of the date of purchase.

The 2002 Plan provides for awards covering up to 750,000 shares of Common Stock. As of October 31, 2007, 73,682 shares had been issued upon exercise of options previously granted under the 2002 Plan, options to purchase an aggregate of 153,985 shares of Common Stock at prices ranging from \$6.19 to \$20.00 per share remained outstanding, awards of 347,450 shares of restricted Common Stock had been granted, net of forfeitures, no shares of Common Stock had been issued under the stock purchase provisions of the 2002 Plan, and 174,883 shares remained available for future grant.

The 2002 Plan provides that in the event of a Change in Control or a Corporate Transaction, each as defined in the 2002 Plan, each outstanding award shall, immediately prior to the effective date of the Change in Control or Corporate Transaction, automatically become fully vested, exercisable or payable, as applicable, for all of the shares of Common Stock at the time subject to such award and, as applicable, may be exercised for any or all of those shares as fully-vested shares of Common Stock.

The Retirement Plan of PriceSmart, Inc.

In 1998, the Company established a retirement plan. The retirement plan is designed to be a qualified plan under applicable provisions of The Internal Code of 1986, as amended, covering all employees who have completed three months of service, as defined in the retirement plan. Each year, participants may contribute up to 15% of their pre-tax annual compensation (as defined in the retirement plan) up to the maximum allowable by The Internal Revenue Code of 1986, as amended. Participants may also contribute amounts representing distributions from other qualified plans. The Company makes a matching contribution equal to 100% of the participant's elective deferral up to an annual maximum of 4% of base compensation. Although the Company has not expressed any intent to do so, the Company has the right under the retirement plan to discontinue its contributions at any time and to terminate the retirement plan, subject to the provisions of Employee Retirement Income Security Act of 1974, as amended.

All participants in the retirement plan are fully vested in their voluntary contributions and earnings thereon. With regard to the remainder of a participant's account, sums contributed prior to August 15, 2005 are 50% vested after the completion of two years of service and 100% vested after the completion of his or her third year of service (such vesting based upon the participant's years of service with the Company, Price Enterprises, Costco, The Price Company and certain affiliated parties). All sums contributed after August 15, 2005 are immediately 100% vested. A participant becomes fully vested in his or her entire account upon retirement due to permanent disability, attainment of age 65 or death. In the event of a termination of the retirement plan by the Company, participants will become fully vested in their accounts.

Outstanding Equity Awards

The following table sets forth certain information with respect to outstanding equity awards at August 31, 2007 with respect to the named executive officers.

Outstanding Equity Awards at Fiscal Year-End Table

Name	Option Awards					Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares or Rights That Have Not Vested
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares of Stock That Have Not Vested	Market Value of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Shares or Rights That Have Not Vested	
Robert Price Chief Executive Officer	0	0	0			0	\$ 0	0	\$ 0
John M. Heffner Executive Vice President and Chief Financial Officer	24,000	16,000	0	\$ 6.26	1/1/2010	0	\$ 0	12,800	\$ 306,688
Jose Luis Laparte President	50,000 30,000	0 20,000	0	\$ 6.00 \$ 6.00	5/13/2010 2/1/2010	0 0	\$ 0 \$ 0	25,600 124,400	\$ 613,376 \$ 2,980,624
Robert M. Gans Executive Vice President, Secretary and General Counsel	7,000 30,000	0 0	0	\$ 20.00 \$ 6.19	1/17/2008 2/2/2010	0	\$ 0	12,800	\$ 306,688
William J. Naylor Executive Vice President and Chief Operating Officer	0	0	0			0	\$ 0	12,800	\$ 306,688

Option Exercises and Shares Vested

The following table sets forth certain information with respect to option and stock exercises during the fiscal year ended August 31, 2007 with respect to the named executive officers.

Name and Principal Position	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired	Value Realized on Vesting (\$)

Edgar Filing: CEDAR FAIR L P - Form 10-Q

				on Vesting (#)	
Robert Price	0				
Chief Executive Officer					
John M. Heffner	0		3,200	\$	51,200
Executive Vice President and Chief Financial Officer					
Jose Luis Laparte	0		6,400	\$	102,400
President					
Robert M. Gans	15,000	\$	96,150	3,200	\$ 51,200
Executive Vice President, Secretary and General Counsel					
William J. Naylor	10,000	\$	108,592	3,200	\$ 51,200
Executive Vice President and Chief Operating Officer	5,000	\$	33,126		
	30,000	\$	193,380		

Pension Benefits

We do not have any plan that provides for payments or other benefits at, following, or in connection with, retirement.

Nonqualified Deferred Compensation

We do not have any plan that provided for deferred compensation.

Director Compensation

Each non-employee director receives \$20,000 per year for serving on the Board of Directors. In addition, non-employee directors who serve on committees of the Board of Directors (in a capacity other than chairman of a committee) receive \$500 for each meeting attended. The chairmen of the committees of the Board of Directors each receive \$5,000 per year in addition to their other compensation as directors, except that effective November 2002 the chairman of the Audit Committee receives \$35,000 per year. Each director is eligible to receive stock grants and stock options pursuant to the Company's 1997 Stock Option Plan, 1998 Equity Participation Plan, 2001 Equity Participation Plan and 2002 Equity Participation Plan. Under the 1997 Stock Option Plan, the 2001 Equity Participation Plan or the 2002 Equity Participation Plan, as then in effect, non-employee directors are entitled to receive initial grants of non-qualified stock options to purchase 3,000 shares of Common Stock upon becoming directors and additional grants of options to purchase 1,000 shares of Common Stock on the date of each annual meeting of stockholders at which the director is re-elected to the Board. Non-employee directors joining the Board after July 1998 also are eligible to receive grants of non-qualified options under the 1998 Equity Participation Plan upon purchases of shares of Common Stock. For each such director who has purchased at least an aggregate of 500 shares of Common Stock on or after September 1, 1997, on the date such person purchases additional shares of Common Stock (other than upon the exercise of stock options), such person automatically will be granted a non-qualified stock option to purchase a number of shares of Common Stock equal to the difference between (1) three times the number of such shares of Common Stock actually purchased and (2) the number of shares of Common Stock subject to options previously granted to such director under the 1998 Equity Participation Plan. No director, however, may receive options under the 1998 Equity Participation Plan that are exercisable for more than 8,146 shares of Common Stock. The 1998 Equity Participation Plan further provides that each person who is initially elected to the Board after the adoption by the Board of the plan and who is an independent director at the time of such initial election automatically shall be granted on the date of such initial election the right to purchase 2,716 shares of Common Stock at a purchase price equal to the fair market value on the date the shares are purchased.

Directors also receive reimbursement for travel expenses incurred in connection with their duties as directors.

Edgar Filing: CEDAR FAIR L P - Form 10-Q

The following table sets forth a summary of the compensation we paid to our non-employee directors in the fiscal year ended August 31, 2007.

Director Compensation Table

Name	Fees Earned or Paid in Cash	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Murray Galinson	\$ 25,000 ⁽¹⁾	\$ 0	\$ 15,660	\$ 0	\$ 0	\$ 0	\$ 40,660
Katherine L. Hensley	\$ 47,250 ⁽²⁾	\$ 0	\$ 15,660	\$ 0	\$ 0	\$ 0	\$ 62,910
Leon C. Janks	\$ 80,000 ⁽³⁾	\$ 0	\$ 15,660	\$ 0	\$ 0	\$ 0	\$ 95,660
Lawrence B. Krause	\$ 44,250 ⁽⁴⁾	\$ 0	\$ 15,660	\$ 0	\$ 0	\$ 0	\$ 59,910
Jack McGrory	\$ 24,213 ⁽⁵⁾	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 24,213
Keene Wolcott	\$ 20,902	\$ 0	\$ 50,010 ⁽⁶⁾	\$ 0	\$ 0	\$ 0	\$ 86,572
			\$ 15,660				
Edgar Zurcher	\$ 20,000 ⁽⁷⁾	\$ 0	\$ 15,660	\$ 0	\$ 0	\$ 0	\$ 35,660

(1) Includes \$5,000 payment for fiscal year 2006.

(2) Includes \$8,000 payment for fiscal year 2006.

(3) Includes \$15,500 payment for fiscal year 2006.

(4) Includes \$7,750 payment for fiscal year 2006.

(5) Includes \$13,750 payment for fiscal year 2006.

(6) New director initial grant of 3,000 on 10/12/2006 and annual grant of 1,000.

(7) Includes \$5,000 payment for fiscal year 2006.

Severance and Change in Control Payments

We have entered into agreements and maintain plans that may require us to make payments and/or provide certain benefits to our named executive officers in the event of a termination of their employment or a change of control. The following tables summarizes the potential payments to each named executive officer assuming a termination of the executive officer. In the event that the Company terminates the employment of one of our executive officers for any reason other than cause, death or disability, the executive will be entitled to the continuation of his base salary for one year, payable in conformity with the Company's normal payroll period. If the agreement expires and is not renewed by the Company upon expiration of the employment term with at least the same base annual salary or does not thereafter continue upon other mutually agreeable terms, the executive will be entitled to the continuation of his base salary for one year, reduced by any compensation he may receive from another employer during that year. Mr. Gans' agreement provides that in the event that the Company terminates the agreement for any reason other than cause, Mr. Gans will be entitled to the continuation of his base salary for one year, payable in conformity with the Company's normal payroll period, and will be entitled to participate in the 401(k) Plan, and the Company's medical plans for the remainder of the term of the agreement. Mr. Price, Mr. Heffner and Mr. McGrory are covered by our standard severance policy. Under the policy, if they are terminated for other than cause, death or disability, they will be entitled to the continuation of their base salary for a period equal to two weeks per completed year of service up to a maximum of 26 weeks, payable in conformity with the Company's normal payroll period.

The 2001 Equity Participation Plan and 2002 Equity Participation Plan provide that in the event of a Change in Control or a Corporate Transaction, each as defined in the 2002 Plan, each outstanding award shall, immediately prior to the effective date of the Change in Control or Corporate Transaction, automatically become fully vested, exercisable or payable, as applicable, for all of the shares of Common Stock at the time subject to such award and, as applicable, may be exercised for any or all of those shares as fully-vested shares of Common Stock.

Edgar Filing: CEDAR FAIR L P - Form 10-Q

The table assumes that the termination of employment or change of control occurred on August 31, 2007, the last business day of our last completed fiscal year. For purposes of estimating the value of amounts of equity compensation to be received in the event of a change of control, we have assumed a price per share of our common stock of \$23.96, which represents the closing market price of our common stock as reported on the Nasdaq Global Select Market on August 31, 2007.

Named Executive Officer	Severance upon Termination without Cause	Acceleration of Options and Restricted Stock upon Change of Control
Robert Price	(5)	
Chief Executive Officer		
John M. Heffner	(5)	\$ 589,888 ⁽¹⁾
Executive Vice President and Chief Financial Officer		
Jose Luis Laparte	\$ 378,266	\$ 3,594,000 ⁽²⁾
President		
Robert M. Gans	\$ 262,700	\$ 306,688 ⁽³⁾
Executive Vice President, Secretary and General Counsel		
William J. Naylon	\$ 244,333	\$ 306,688 ⁽⁴⁾
Executive Vice President and Chief Operating Officer		

(1) Represents the acceleration of vesting on 12,800 unvested shares of restricted stock as of August 31, 2007 at an assumed price per share of \$23.96 (\$306,688) and the acceleration of vesting on unvested options to purchase 16,000 shares of common stock at an assumed price per share of \$23.96 minus an exercise price per share of \$6.26 (\$283,200).

(2) Represents the acceleration of vesting on 150,000 unvested shares of restricted stock as of August 31, 2007 valued at \$23.96 per share.

(3) Represents the acceleration of vesting on 12,800 unvested shares of restricted stock as of August 31, 2007 valued at \$23.96 per share.

(4) Represents the acceleration of vesting on 12,800 unvested shares of restricted stock as of August 31, 2007 valued at \$23.96 per share.

(5) Mr. Price and Mr. Heffner are covered by our standard severance policy. Under the policy, if they are terminated for other than cause, death or disability, they will be entitled to the continuation of their base salary for a period equal to two weeks per completed year of service up to a maximum of 26 weeks, payable in conformity with the Company's normal payroll period.

Compensation Committee Report

We have reviewed and discussed with management the Compensation Discussion and Analysis provisions to be included in this 10-K/A. Based on the reviews and discussions referred to above, we recommend to the board of directors that the Compensation Discussion and Analysis referred to above be included in this report.

The foregoing has been furnished by the Compensation Committee.

Katherine L. Hensley

Leon C. Janks

Lawrence B. Krause

Compensation Committee Interlocks and Insider Participation

The Compensation Committee is comprised of Ms. Hensley and Messrs. Janks and Krause. No interlocking relationship exists between any member of the Compensation Committee and any member of any other company's board of directors or compensation committee.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Equity Compensation Plan Information

The following table sets forth certain equity compensation plan information for the Company as of August 31, 2007.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders			
Equity compensation plans not approved by security holders			
Total			

Edgar Filing: CEDAR FAIR L P - Form 10-Q

For information regarding the Company's equity compensation plans, please see Item 11. Executive Compensation Equity Incentive Plans.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information regarding the beneficial ownership of the Company's Common Stock as of October 31, 2007 by (1) each of its directors, (2) each of its Named Executive Officers, (3) each person or group known by it to own beneficially more than 5% of the Common Stock and (4) all directors and executive officers as a group.

Name and Address ⁽¹⁾	Number of Shares of Common Stock Beneficially Owned ⁽²⁾	Percentage of Shares of Common Stock Beneficially Owned
Robert E. Price ⁽³⁾⁽⁴⁾	13,837,473	47.1%
Murray L. Galinson ⁽³⁾⁽⁵⁾	10,725,309	36.5%
Katherine L. Hensley ⁽⁶⁾	28,383	*
Leon C. Janks ⁽⁷⁾	29,558	*
Lawrence B. Krause ⁽⁸⁾	23,808	*
Jack McGrory ⁽³⁾⁽⁹⁾	10,718,017	36.5%
Edgar A. Zurcher ⁽¹⁰⁾	686,768	2.3%
Jose Luis Laparte ⁽¹¹⁾	233,850	*
John Heffner ⁽¹²⁾	38,638	*
Robert M. Gans ⁽¹³⁾	44,664	*
William J. Naylon ⁽¹⁴⁾	22,639	*
Keene Wolcott ⁽¹⁵⁾	20,600	*
The Price Group ⁽¹⁶⁾	6,820,204	23.2%
7979 Ivanhoe Ave., Suite 520 La Jolla, CA 92037		
Dimensional Fund Advisors LP	1,709,046	5.8%
1299 Ocean Avenue Santa Monica, CA 90401		
All executive officers and directors as a group (16 persons) ⁽¹⁷⁾	15,077,449	51.0%

* Less than 1%.

(1) Except as indicated, the address of each person named in the table is c/o PriceSmart, Inc., 9740 Scranton Road, San Diego, California 92121.

(2) Beneficial ownership of directors, executive officers and 5% or more stockholders includes both outstanding shares and shares issuable upon exercise or conversion of options, warrants or other securities that are currently exercisable or convertible or will become exercisable or convertible within 60 days after the date of this table. Except as indicated in the footnotes to this table and pursuant to applicable community property laws, the persons named in the table have sole voting and dispositive power with respect to all shares of stock beneficially owned by them.

(3) Messrs. R. Price, Galinson, McGrory and Sol Price are co-managers of The Price Group, LLC. As such, for purposes of this table, they are each deemed to beneficially own shares of Common Stock held by The Price Group, LLC. Each of Messrs. R. Price, Galinson, McGrory and S. Price has shared voting and dispositive powers with respect to, and disclaims beneficial ownership of, the shares held by The Price Group, LLC. In addition, Messrs. R. Price, Galinson, McGrory and S. Price are directors of Price Charities (fka San Diego Revitalization Corp.). As such, for purposes of this table, they are each deemed to beneficially own 3,885,335 shares of Common Stock held by Price Charities. Each of Messrs. R. Price, Galinson, McGrory and S. Price has shared voting and dispositive powers with respect to, and disclaims beneficial ownership of, the shares held by Price Charities. If the percentages of shares of Common Stock beneficially owned by Messrs. R. Price, Galinson, McGrory and S. Price were calculated without regard to the shares held by The Price Group or Price Charities, they would own 10.7%, 0.0%, 0.0% and 3.0%, respectively, of the Common Stock.

(4) Includes 2,245,168 shares of Common Stock held by the Robert & Allison Price Charitable Remainder Trust, of which Mr. R. Price is a trustee. Also includes 829,741 shares of Common Stock held by the

- Robert and Allison Price Trust, of which Mr. R. Price is a trustee. Also includes 56,945 shares of Common Stock held by a trust for the benefit of Mr. R. Price's minor children, of which Mr. R. Price is a trustee.
- (5) Includes 7,270 shares of Common Stock subject to options that are currently exercisable or will become exercisable within 60 days after the date of this table.
- (6) Includes 17,268 shares of Common Stock subject to options that are currently exercisable or will become exercisable within 60 days after the date of this table. Also includes 900 shares of Common Stock held in a trust of which Ms. Hensley is a beneficiary and for which she serves as trustee.
- (7) Includes 21,268 shares of Common Stock subject to options that are currently exercisable or will become exercisable within 60 days after the date of this table.
- (8) Includes 6,268 shares of Common Stock subject to options that are currently exercisable or will become exercisable within 60 days after the date of this table. Also includes 4,540 shares of Common Stock held by the Krause Family Limited Partnership, of which Mr. Krause is a general partner, and 10,000 shares of Common Stock held by the Krause Family Trust, of which Mr. Krause is a trustee.
- (9) Includes 7,268 shares of Common Stock subject to options that are currently exercisable or will become exercisable within 60 days after the date of this table. Also includes 5,210 shares of Common Stock held by a trust for the benefit of Mr. S. Price's grandchildren, of which Mr. McGrory is a co-trustee. Mr. McGrory disclaims beneficial ownership of the shares held by the trust.
- (10) Includes 7,268 shares of Common Stock subject to options that are currently exercisable or will become exercisable within 60 days after the date of this table. Also includes 679,500 shares of Common Stock held by PSC, S.A. Mr. Zurcher is a director of PSC, S.A., and he owns 13% of Capital and Advice, Inc., which Mr. Zurcher is the sole shareholder. of PSC, S.A. Mr. Zurcher disclaims beneficial ownership of the shares held by PSC, S.A.
- (11) Includes 80,000 shares of Common Stock subject to options that are currently exercisable or will become exercisable within 60 days after the date of this table and 153,850 shares of restricted Common Stock that are subject to vesting restrictions.
- (12) Includes 24,000 shares of Common Stock subject to options that are currently exercisable or will become exercisable within 60 days after the date of this table and 14,638 shares of restricted Common Stock that are subject to vesting restrictions.
- (13) Includes 30,000 shares of Common Stock subject to options that are currently exercisable or will become exercisable within 60 days after the date of this table and 14,664 shares of restricted Common Stock that are subject to vesting restrictions.
- (14) Includes 0 shares subject to options that are currently exercisable or will become exercisable within 60 days after the date of this table and 14,955 shares of restricted Common Stock that are subject to vesting restrictions.
- (15) Includes 600 shares of common stock subject to options that are currently exercisable or will become exercisable within 60 days after the date of this table.
- (16) The Price Group is comprised of The Price Group, LLC, the Price Charities, Robert E. Price and Sol Price. Please see notes (3) and (4). Includes 601,159 shares of Common Stock held by the Sol and Helen Price Trust, of which Mr. S. Price is a trustee, and 290,600 shares held by the Price Family Charitable Trust, of which Mr. S. Price is a trustee.
- (17) See notes 3-14. Also includes (a) 12,800 shares of Common Stock beneficially owned by Brud Drachman, all of which are subject to vesting restrictions, (b) 12,800 shares of Common Stock beneficially owned by John D. Hildebrandt, 0 of which are subject to options that are currently exercisable or will become exercisable within 60 days after the date of this table and 12,800 shares of restricted Common Stock that are subject to vesting restrictions, (c) 40,282 shares of Common Stock beneficially owned by Thomas Martin, 12,500 of which are subject to options that are currently exercisable or will become exercisable within 60 days after the date of this table and 14,638 shares of restricted Common Stock that are subject to vesting restrictions, and (d) 12,938 shares of Common Stock beneficially owned by Edward Oats, 0 of which are subject to options that are currently exercisable or will become exercisable within 60 days after the date of this table and 12,838 shares of restricted Common Stock that are subject to vesting restrictions.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Relationships with the Price Family, the Price Group, Directors Galinson and McGrory, and Former Director Cahill

As of October 31, 2007, Sol Price beneficially owned approximately 39.5% of the outstanding Common Stock. Sol Price is the father of Robert E. Price, the Company's Chairman of the Board and Chief Executive Officer. As of October 31, 2007, Robert E. Price beneficially owned approximately 47.1% of the Company's outstanding Common Stock, including shares that may be deemed to be beneficially owned by Sol Price. As of October 31, 2007, Sol Price and Robert E. Price were members of a group that beneficially owned approximately 51.0% of the Company's outstanding Common Stock.

Relationships with PS Ivanhoe and the Price Group. On October 24, 2005, the Company borrowed \$12.5 million from PS Ivanhoe, LLC, a California limited liability company (PS Ivanhoe), which is managed by the Price Group pursuant to a Promissory Note (the Note). The Note bears interest at a rate of 8% per annum and has a term of two years. All unpaid principal and accrued interest was due and payable in full on October 23, 2007 (the Maturity Date). Any amounts outstanding under the Note from and after the Maturity Date bear interest at a rate equal to the lesser of 12% per annum or the maximum interest rate allowed by law. To secure the Company's obligations under the Note, the Company and PS Ivanhoe entered into a Pledge and Security Agreement pursuant to which the Company granted to PS Ivanhoe a security interest in all of the issued and outstanding shares of stock (and all ownership rights with respect thereto) in PriceSmart Real Estate, S.A., the Company's wholly owned Panamanian subsidiary. On June 13, 2006, the promissory note entered with PS Ivanhoe was repaid. The Company paid approximately \$642,000 in interest on the promissory note.

Use of Private Plane. From time to time, members of the Company's management used a private plane owned in part by PFD Ivanhoe, Inc. to travel to business meetings in Central America and the Caribbean. The Price Group owns 100% of the stock of PFD Ivanhoe, and Sol Price is an officer of PFD Ivanhoe. The Price Group's members include Sol Price, Robert E. Price, Murray Galinson and Jack McGrory (Board member and current employee of the Company). If the passengers are solely Company personnel, then the Company reimburses PFD Ivanhoe for a portion of the fixed management fee and additional expenses PFD Ivanhoe incurred as a result of the hours flown, including direct charges associated with the use of the plane, landing fees, catering and international fees. The Company reimbursed PFD Ivanhoe based on the amounts the passengers would have paid if they had flown a commercial airline if one or more of the passengers is a Director of The Price Group (including Robert E. Price). This Agreement was in place through February 23, 2007. The Company paid approximately \$158,000, \$205,000 and \$159,000 for fiscal years ended August 31, 2007, 2006 and 2005, respectively. On February 23, 2007, the Company entered into an agreement with PFD Ivanhoe to purchase their 6.25% undivided interest in a Citation XLS Aircraft for approximately \$658,000. This entitles the Company to 50 hours of flight time per year. The Company still maintains an agreement to reimburse PFD Ivanhoe for use of other aircraft based on the amounts the passengers would have paid if they had flown a commercial airline if one or more of the passengers is a Director of the Price Group (including Robert E. Price).

Settlement of Suit. In connection with the settlement of a Complaint filed against Sol Price as well as the Company, as nominal defendant, alleging that Sol Price violated Section 16(b) of the Securities Exchange Act of 1934, in relation to an alleged purchase and subsequent sale of shares of the Company's Common Stock, an affiliate of Sol Price purchased an aggregate of \$1,500,000 of the Company's Common Stock directly from the Company at a price of \$8.90 per share, which was \$0.50 above the closing price of the Company's Common Stock at the date that price was established. Additionally, Mr. Price reimbursed the Company the sum of \$125,000, which was paid by the Company to Plaintiff's counsel as part of this settlement.

Relationships with Edgar A. Zurcher

Edgar Filing: CEDAR FAIR L P - Form 10-Q

Edgar A. Zurcher, a director of the Company since November 2000, is a partner in a law firm that the Company utilizes in certain legal matters. The Company incurred legal expenses with this entity of approximately \$64,000, \$167,000 and \$313,000 during fiscal years 2007, 2006 and 2005, respectively.

Mr. Zurcher also is President and a director of PSC, S.A., and he owns 13% of Capital and Advice, Inc., which is the sole shareholder of PSC, S.A. PSC, S.A. owns 40% of Payless ShoeSource Holdings, Ltd., which rents retail space from the Company. PSC, S.A. also owns 49% of PSMT Nicaragua (BVI), Inc. and previously had owned 49% of PSMT Caribe, Inc. The Company recorded approximately \$808,000, \$762,000 and \$748,000 in rental income from Payless ShoeSource Holdings, Ltd. during fiscal years 2007, 2006 and 2005, respectively. Mr. Zurcher is also a director and 9.1% owner of Banco Promerica, from which the Company has recorded approximately \$276,000, \$265,000 and \$266,000 of rental income for fiscal years 2007, 2006 and 2005, respectively, for space leased to it by the Company. The Company also received approximately \$647,000, \$938,000 and \$747,000 in incentive fees on a co-branded credit card the Company has with Banco Promerica in fiscal years 2007, 2006 and 2005, respectively. The Company received a one-time refund of approximately \$500,000, \$400,000 and \$0 for an accumulated marketing fund related to the co-branded credit card with Banco Promerica in the fiscal years 2007, 2006 and 2005, respectively. On March 22, 2007, the Company informed certain entities with which Mr. Zurcher is affiliated that the Company was not renewing the Company's credit card relationship with those entities (with the exception of the Dominican Republic) because the Company had determined that another credit card provider, Credomatic, was more suitable for the future needs and expectations of its members. In response, PSC, S.A. and related entities have disputed the Company's right to terminate and not renew the credit card services relationships between the parties notwithstanding expiration of the credit card services agreements by their terms, and threatened to take legal action if the Company proceeded with the terminations. Legal proceedings then commenced, by and against the Company. The Company is engaged in settlement discussions with PSC, S.A. and Promerica. Under terms currently being discussed, the Company would purchase interests in PSMT Nicaragua (BVI), Inc. and certain real property rights from, and make payments to, PSC, S.A., Promerica and Portafolio Inmobiliario, S.A. (aka PINSMA), another entity of which Mr. Zurcher is a 9.1% owner.

Controlled Company

Under the Nasdaq Global Market's listing standards, a controlled company is a company of which more than 50% of the voting power is held by an individual, a group or another company. The Board of Directors has determined that the Company is a controlled company within the meaning of the Nasdaq Global Market's listing standards. The basis for the Board of Directors' determination that the Company is a controlled company is the beneficial ownership of approximately 51.2% of the Company's Common Stock, as of October 31, 2007, by a group comprised of Sol Price, Robert Price, Jack McGrory, Murray Galinson, Keene Wolcott, Jose Luis Laparte and their affiliates including Price Charities and The Price Group, LLC. As a controlled company, the Company is exempt from certain Nasdaq listing standards. Specifically, the Company is not required to have: 1) a board of directors comprised of a majority of independent directors; 2) a compensation committee comprised of independent directors; or 3) director nominees selected, or recommended for selection by the board of directors, by a majority of the independent directors or a nominating committee comprised of independent directors. The Company, however, is not exempt from the requirements to have an audit committee comprised of at least three independent directors and to hold regularly scheduled board meetings in which only the independent directors are present.

Item 14. Principal Accountant Fees and Services

Audit Committee Report

The Audit Committee oversees the Company's financial accounting and reporting process and the audits of the financial statements of the Company. All committee members satisfy the definition of independent director set forth at Rule 4200(a)(15) of the Nasdaq Stock Market's listing standards. On July 15, 2004, the Board of Directors adopted an Amended and Restated Audit Committee Charter, a copy of which was attached to the Proxy Statement for the Company's 2005 Annual Meeting of Stockholders.

In fulfilling its oversight responsibilities, the committee reviewed and discussed with management the audited financial statements in the Annual Report, including a discussion of the quality, and not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Company's independent auditors, Ernst & Young LLP, are responsible for expressing an opinion on the conformity of its audited financial statements with generally accepted accounting principles. Ernst & Young met with the committee and expressed its judgment as to the quality, not just the acceptability, of the Company's accounting principles and discussed with the committee other matters as required under generally accepted auditing standards, including those matters required under Statement on Accounting Standards No. 61 or the Codification of Statements on Auditing Standards, AU Section 380. In addition, Ernst & Young discussed the auditors' independence from the Company and from the Company's management and delivered to the committee those matters to be set forth in written disclosures as required by Independence Standards Board Standard No. 1.

The committee discussed with the Company's independent auditors the overall scope and plan of their audit. The committee meets with the independent auditors, with and without our management present, to discuss the results of their examinations, their evaluations of our internal controls, and the overall quality of our financial reporting.

In reliance on the reviews and discussions referred to above, the committee has recommended that the audited financial statements be included in the Annual Report on Form 10-K for the year ended August 31, 2007 for filing with the SEC.

This report of the Audit Committee shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such acts.

Leon C. Janks

Katherine L. Hensley

Lawrence B. Krause

Accountant Fees

Edgar Filing: CEDAR FAIR L P - Form 10-Q

The Audit Committee of the Company's Board of Directors has selected Ernst & Young LLP to serve as the Company's independent registered accounting firm for the 2008 fiscal year, subject to the Company and Ernst & Young LLP agreeing on a mutually acceptable engagement letter. Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting. Such representatives will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Audit and non-audit fees. The aggregate fees billed to us by Ernst & Young LLP, the Company's independent auditor, for the indicated services for each of the last two fiscal years were as follows:

	2007	2006
Audit Fees ⁽¹⁾	\$ 2,280	\$ 1,913
Audit Related Fees ⁽²⁾		0
Tax Fees ⁽³⁾	1	0
All Other Fees ⁽⁴⁾	0	25
Total	\$ 2,281	\$ 1,938

- (1) Audit Fees consist of fees for professional services performed by Ernst & Young LLP for the audit of the Company's annual financial statements and review of financial statements included in the Company's 10-Q filings, and services that are normally provided in connection with statutory and regulatory filings or engagements.
- (2) Audit Related Fees consist of fees for assurance and related services performed by Ernst & Young LLP that are reasonably related to the performance of the audit or review of the Company's financial statements.
- (3) Tax Fees consist of fees for professional services performed by Ernst & Young LLP with respect to tax compliance, tax advice and tax planning.
- (4) All Other Fees consist of fees for other permissible work performed by Ernst & Young LLP that does not meet with the above category descriptions.

Audit Committee Policy Regarding Pre-Approval of Audit and Permissible Non-Audit Services of Our Independent Auditors

Our Audit Committee has established a policy that generally requires that all audit and permissible nonaudit services provided by the Company's independent auditors will be pre-approved by the Audit Committee. These services may include audit services, audit-related services, tax services and other services. From the time that the recently adopted pre-approval requirements became effective, all permissible non-audit services provided by the Company's independent auditors have been pre-approved by the Company's Audit Committee. Our Audit Committee has considered whether the provision of services under the heading "All Other Fees" is compatible with maintaining the accountants' independence and determined that it is consistent with such independence.

PART IV
Item 15. Exhibits, Financial Statement Schedules

(3) The following exhibits are filed as part of this report.

Exhibit

Number	Description
2.1 ⁽⁴⁰⁾	Settlement Agreement and General Release of All Claims, entered into on August 5, 2005, by and among William Go, E-Class Corporation, PSMT Philippines, Inc., National Import and Export Company, San Marino International Corporation, Arcadia International Corporation, Christine Merchandising, Inc. and PriceSmart, Inc.
3.1 ⁽¹⁾	Amended and Restated Certificate of Incorporation of the Company.
3.2 ⁽³³⁾	Certificate of Amendment of Amended and Restated Certificate of Incorporation of the Company.
3.3 ⁽¹⁰⁾	Certificate of Amendment of Amended and Restated Certificate of Incorporation of the Company.
3.4 ⁽¹⁾	Amended and Restated Bylaws of the Company.
3.5 ⁽³⁴⁾	Amendment to Amended and Restated Bylaws of the Company.
4.1 ⁽³⁷⁾	Specimen of Common Stock certificate.
10.1 ^{(1)**}	1997 Stock Option Plan of PriceSmart, Inc.
10.2 ⁽²⁾	Agreement Concerning Transfer of Certain Assets dated as of November 1996 by and among Price Enterprises, Inc., Costco Companies, Inc. and certain of their respective subsidiaries.
10.3 ^{(a)(3)**}	Employment Agreement dated September 20, 1994 between Price Enterprises, Inc. and Robert M. Gans.
10.3 ^{(b)(4)**}	Third Amendment to Employment Agreement dated April 28, 1997 between Price Enterprises, Inc. and Robert M. Gans.
10.3 ^{(c)(1)**}	Fourth Amendment to Employment Agreement dated as of September 2, 1997 between the Company and Robert M. Gans.

Exhibit	
Number	Description
10.3(d)(5)**	Fifth Amendment to Employment Agreement dated as of March 31, 1999 between the Company and Robert M. Gans.
10.3(e)(6)**	Sixth Amendment to Employment Agreement dated as of November 22, 1999 between the Company and Robert M. Gans.
10.3(f)(6)**	Seventh Amendment to Employment Agreement dated as of July 18, 2000 between the Company and Robert M. Gans.
10.3(g)(7)**	Eighth Amendment to Employment Agreement dated as of September 26, 2001 between the Company and Robert M. Gans.
10.3(h)(7)**	Amendment of Employment Agreement dated as of October 16, 2001 between the Company and Robert M. Gans.
10.3(i)(8)**	Ninth Amendment to Employment Agreement dated as of November 19, 2002 between the Company and Robert M. Gans.
10.3(j)(9)**	Tenth Amendment to Employment Agreement dated as of January 22, 2003 between the Company and Robert M. Gans.
10.3(k)(30)**	Eleventh Amendment to Employment Agreement dated as of July 24, 2003 between the Company and Robert M. Gans.
10.3(l)(47)**	Twelfth Amendment to Employment Agreement dated as of September 24, 2004 between the Company and Robert M. Gans.
10.3(m)(38)**	Thirteenth Amendment to Employment Agreement dated as of February 10, 2005 between the Company and Robert M. Gans.
10.3(n)(41)	Fourteenth Amendment to Employment Agreement dated as of September 26, 2005 between the Company and Robert M. Gans.
10.3(o)(43)	Fifteenth Amendment to Employment Agreement dated as of March 1, 2006 between the Company and Robert M. Gans.
10.3(p)(48)	Sixteenth Amendment to Employment Agreement dated as of September 25, 2006 between the Company and Robert M. Gans.
10.3(q)(45)	Seventeenth Amendment to Employment Agreement dated as of January 1, 2007 between the Company and Robert M. Gans.
10.3(r)*	Eighteenth Amendment to Employment Agreement dated as of October 1, 2007 between the Company and Robert M. Gans.
10.4(11)	Tax Sharing Agreement dated as of August 26, 1997 between the Company and Price Enterprises, Inc.
10.5(12)**	Form of Indemnity Agreement.
10.6(1)**	Assignment and Assumption of Employment Agreement dated August 29, 1997 between the Company and Price Enterprises, Inc.
10.8(a)(16)**	Employment Agreement dated March 31, 1998 between the Company and Thomas D. Martin.
10.8(b)(5)**	First Amendment to Employment Agreement between the Company and Thomas D. Martin, dated March 31, 1999.
10.8(c)(6)**	Second Amendment of Employment Agreement between the Company and Thomas D. Martin, dated November 22, 1999.

Exhibit

Number	Description
10.8 ^{(d)(13)**}	Third Amendment of Employment Agreement between the Company and Thomas Martin dated January 11, 2000.
10.8 ^{(e)(17)**}	Fourth Amendment of Employment Agreement between the Company and Thomas Martin dated January 24, 2001.
10.8 ^{(f)(7)**}	Amendment of Employment Agreement between the Company and Thomas Martin dated October 16, 2001.
10.8 ^{(g)(14)**}	Fifth Amendment of Employment Agreement between the Company and Thomas Martin, dated January 16, 2002.
10.8 ^{(h)(30)**}	Sixth Amendment of Employment Agreement between the Company and Thomas Martin, dated January 22, 2003.
10.8 ^{(i)(34)**}	Seventh Amendment to Employment Agreement between the Company and Thomas Martin, dated March 15, 2004.
10.8 ^{(j)(39)**}	Eighth Amendment to Employment Agreement between the Company and Thomas Martin, dated March 3, 2005.
10.8 ^{(k)(43)}	Ninth Amendment to Employment Agreement between the Company and Thomas Martin dated March 1, 2006.
10.8 ^{(l)(45)}	Tenth Amendment to Employment Agreement between the Company and Thomas Martin dated January 1, 2007.
10.8 ^{(m)(46)}	Eleventh Amendment to Employment Agreement between the Company and Thomas Martin dated March 1, 2007.
10.9 ^{(19)**}	1998 Equity Participation Plan of PriceSmart, Inc.
10.12 ⁽¹⁸⁾	Trademark Agreement between the Company and Associated Wholesale Grocers, Inc., dated August 1, 1999.
10.20 ^{(a)(6)}	Registration Rights Agreement dated as of June 5, 2000 by and among the Company and the Shareholders of PSC, S.A.
10.23 ⁽¹⁷⁾	Master Agreement between the Company and Payless ShoeSource Holdings, Ltd., dated November 27, 2000.
10.29 ^{(a)(14)**}	Employment Agreement between the Company and William Naylon, dated January 16, 2002.
10.29 ^{(b)(9)**}	First Amendment of Employment Agreement between the Company and William J. Naylon, dated January 22, 2003.
10.29 ^{(c)(33)**}	Second Amendment to Employment Agreement between the Company and William Naylon, dated February 1, 2004.
10.29 ^{(d)(38)**}	Third Amendment to Employment Agreement dated as of February 16, 2005 by and between the Company and William Naylon.
10.29 ^{(e)(42)}	Fourth Amendment to Employment Agreement dated as of January 11, 2006 by and between the Company and William Naylon.
10.29 ^{(f)(43)}	Fifth Amendment to Employment Agreement dated as of March 1, 2006 by and between the Company and William Naylon.
10.29 ^{(g)(45)}	Sixth Amendment to Employment Agreement dated as of January 1, 2007 by and between the Company and William Naylon.

Exhibit

Number	Description
10.30(a)(7)**	Employment Agreement between the Company and John D. Hildebrandt, dated as of June 1, 2001.
10.30(b)(7)**	Amendment to Employment Agreement between the Company and John Hildebrandt, dated as of October 16, 2001.
10.30(c)(14)**	First Amendment of Employment Agreement between the Company and John Hildebrandt, dated January 16, 2002.
10.30(d)(30)**	Second Amendment of Employment Agreement between the Company and John Hildebrandt, dated January 22, 2003.
10.30(e)(34)**	Third Amendment to Employment Agreement between the Company and John Hildebrandt, dated March 15, 2004.
10.30(f)(39)**	Fourth Amendment to Employment Agreement dated March 9, 2005 between the Company and John Hildebrandt.
10.30(g)(43)	Fifth Amendment to Employment Agreement dated March 1, 2006 between the Company and John Hildebrandt.
10.30(h)(45)	Sixth Amendment to Employment Agreement dated January 1, 2007 between the Company and John Hildebrandt.
10.30(i)(46)	Seventh Amendment to Employment Agreement dated March 1, 2007 between the Company and John Hildebrandt.
10.33(22)**	2001 Equity Participation Plan of PriceSmart, Inc.
10.43(a)(8)**	Employment Agreement dated as of January 11, 2000 between the Company and Edward Oats.
10.43(b)(8)**	First Amendment to Employment Agreement between the Company and Edward Oats, dated January 24, 2001.
10.43(c)(8)**	Amendment to Employment Agreement between the Company and Edward Oats, dated October 16, 2001.
10.43(d)(8)**	Second Amendment to Employment Agreement between the Company and Edward Oats, dated January 16, 2002.
10.43(e)(30)**	Third Amendment to Employment Agreement between the Company and Edward Oats, dated November 19, 2002.
10.43(f)(30)**	Fourth Amendment to Employment Agreement between the Company and Edward Oats, dated January 22, 2003.
10.43(g)(34)**	Fifth Amendment to Employment Agreement between the Company and Edward Oats, dated March 15, 2004.
10.43(g)(39)**	Sixth Amendment to Employment Agreement dated March 9, 2005 between the Company and Edward Oats.
10.43(h)(43)	Seventh Amendment to Employment Agreement dated March 1, 2006 between the Company and Edward Oats.
10.43(i)(45)	Eighth Amendment to Employment Agreement dated January 1, 2007 between the Company and Edward Oats.

Exhibit

Number	Description
10.43 ⁽ⁱ⁾⁽⁴⁶⁾	Ninth Amendment to Employment Agreement dated March 1, 2007 between the Company and Edward Oats.
10.44 ^{(a)(8)**}	Employment Agreement dated as of January 11, 2000 between the Company and Brud Drachman.
10.44 ^{(b)(8)**}	First Amendment to Employment Agreement between the Company and Brud Drachman, dated January 24, 2001.
10.44 ^{(c)(8)**}	Second Amendment to Employment Agreement between the Company and Brud Drachman, dated June 1, 2001.
10.44 ^{(d)(8)**}	Amendment to Employment Agreement between the Company and Brud Drachman, dated October 16, 2001.
10.44 ^{(e)(8)**}	Third Amendment to Employment Agreement between the Company and Brud Drachman, dated January 16, 2002.
10.44 ^{(f)(30)**}	Fourth Amendment to Employment Agreement between the Company and Brud Drachman, dated November 19, 2002.
10.44 ^{(g)(30)**}	Fifth Amendment to Employment Agreement between the Company and Brud Drachman, dated January 22, 2003.
10.44 ^{(h)(34)**}	Sixth Amendment to Employment Agreement between the Company and Brud Drachman, dated March 15, 2004.
10.44 ^{(h)(39)**}	Seventh Amendment to Employment Agreement dated March 9, 2005 between the Company and Brud Drachman.
10.44 ⁽ⁱ⁾⁽⁴³⁾	Eighth Amendment to Employment Agreement dated March 1, 2006 between the Company and Brud Drachman.
10.44 ^{(j)(45)}	Ninth Amendment to Employment Agreement dated January 1, 2007 between the Company and Brud Drachman.
10.44 ^{(k)(46)}	Tenth Amendment to Employment Agreement dated March 1, 2007 between the Company and Brud Drachman.
10.46 ^{(27)**}	2002 Equity Participation Plan of PriceSmart, Inc.
10.54 ^{(a)(36)**}	Employment Agreement by and between the Company and Jose Luis Laparte, dated as of June 3, 2004.
10.54 ^{(b)(36)**}	First Amendment to Employment Agreement by and between the Company and Jose Luis Laparte, dated as of August 2, 2004.
10.54 ^{(c)(41)}	Second Amendment to Employment Agreement between the Company and Jose Luis Laparte, dated as of September 26, 2005.
10.54 ^{(d)(43)}	Third Amendment to Employment Agreement between the Company and Jose Luis Laparte, dated as of March 1, 2006.
10.54 ^{(e)(48)}	Fourth Amendment to Employment Agreement between the Company and Jose Luis Laparte dated as of September 25, 2006.
10.54 ^{(f)(45)}	Fifth Amendment to Employment Agreement between the Company and Jose Luis Laparte dated as of January 1, 2007.

Exhibit

Number	Description
10.54 ^{(g)*}	Sixth Amendment to Employment Agreement between the Company and Jose Luis Laparte dated as of October 1, 2007.
10.54 ^{(h)*}	Seventh Amendment to Employment Agreement between the Company and Jose Luis Laparte dated as of October 31, 2007.
10.55 ⁽³⁵⁾	Letter of Understanding among the Price Group, the Company, PSMT Caribe, PSMT Trinidad, PSMT Philippines and the IFC, dated September 15, 2004.
10.56 ⁽³⁵⁾	Assignment and Assumption Agreement between the Company and the IFC, dated September 15, 2004.
10.68 ⁽³⁹⁾	Stock Purchase Agreement dated April 19, 2005 between the Company and The Price Group, LLC, the Sol and Helen Price Trust and the Robert and Allison Price Trust.
10.70 ⁽⁴¹⁾	Stock Purchase Agreement dated November 11, 2005 between the Company and Big Box Sales Ltd.
10.71 ^{(a)(41)}	Promissory Note, dated as of October 24, 2005, by and between PriceSmart, Inc. and PS Ivanhoe, LLC.
10.71 ^{(b)(41)}	Pledge and Security Agreement, dated as of October 24, 2005, by and between PriceSmart, Inc. and PS Ivanhoe, LLC.
10.71 ^{(c)(45)}	Acquisition of Fractional Interest on Jet, dated January 23, 2007, between the Company and PFD Ivanhoe, Inc.
10.72 ^{(a)(41)}	Stock Purchase Agreement, dated as of October 6, 2005, by and between PriceSmart, Inc. and the Sol and Helen Price Trust.
10.72 ^{(b)(44)}	Restricted Stock Award Agreement, dated December 7, 2006, between the Company and Jose Luis Laparte.
10.73 ⁽⁴²⁾	Stock Purchase Agreement dated as of December 23, 2005 by and between PriceSmart, Inc. and Carlos Nandwani, an individual, and Technotics International Ltd., a Bahamian company.
13.1	Portions of the Company's Annual Report to Stockholders for the year ended August 31, 2007.
21.1*	Subsidiaries of the Company.
23.1	Consent of Independent Registered Public Accounting Firm.*
31.1*	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*#	Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*#	Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*	Filed herewith as an exhibit.
**	Management contract or compensatory plan or arrangement required to be filed as an exhibit to this Annual Report on Form 10-K.
#	These certifications are being furnished solely to accompany this Report pursuant to 18 U.S.C. 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are

- not to be incorporated by reference into any filing of PriceSmart, Inc. whether made before or after the date hereof, regardless of any general incorporation language in such filing.
- (1) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended August 31, 1997 filed with the Commission on November 26, 1997.
 - (2) Incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form 10 filed with the Commission on July 3, 1997.
 - (3) Incorporated by reference to Exhibit 10.14 to Amendment No. 1 to the Registration Statement on Form S-4 of Price Enterprises, Inc. filed with the Commission on November 3, 1994.
 - (4) Incorporated by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q of Price Enterprises, Inc. for the quarter ended June 8, 1997 filed with the Commission on July 17, 1997.
 - (5) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 1999 filed with the Commission on July 15, 1999.
 - (6) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended August 31, 2000 filed with the Commission on November 29, 2000.
 - (7) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended August 31, 2001 filed with the Commission on November 29, 2001.
 - (8) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended August 31, 2002 filed with the Commission on November 29, 2002.
 - (9) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 2003 filed with the Commission on April 14, 2003.
 - (10) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended August 31, 2003 filed with the Commission on November 23, 2004.
 - (11) Incorporated by reference to the Current Report on Form 8-K filed September 12, 1997 by Price Enterprises, Inc.
 - (12) Incorporated by reference to Exhibit 10.8 to Amendment No. 1 to the Company's Registration Statement on Form 10 filed with the Commission on August 1, 1997.
 - (13) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended February 29, 2000 filed with the Commission on April 11, 2000.
 - (14) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2002 filed with the Commission on July 15, 2002.
 - (15) Incorporated by reference to the Current Report on Form 8-K filed with the Commission on April 1, 2003.
 - (16) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended August 31, 1998 filed with the Commission on November 25, 1998.
 - (17) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 2001 filed with the Commission on April 16, 2001.
 - (18) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended August 31, 1999 filed with the Commission on November 29, 1999.
 - (19) Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 1999 filed with the Commission on April 14, 1999.
 - (20) Incorporated by reference to the Current Report on Form 8-K filed with the Commission on September 5, 2003.
 - (21) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2000 filed with the Commission on July 17, 2000.
 - (22) Incorporated by reference to Exhibit A to the definitive Proxy Statement dated December 7, 2001 for the Company's 2002 Annual Meeting of Stockholders filed with the Commission on December 10, 2001.
 - (23) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 2002 filed with the Commission on April 15, 2002.
 - (24) Incorporated by reference to the Company's Registration Statement on Form S-3 filed with the Commission on April 18, 2002.
 - (25) Incorporated by reference to the Company's Registration Statement on Form S-3 filed with the Commission on July 19, 2002.

-
- (26) Incorporated by reference to the Company's Registration Statement on Form S-3 filed with the Commission on October 25, 2002.
- (27) Incorporated by reference to Exhibit A to the definitive Proxy Statement dated December 11, 2002 for the Company's 2003 Annual Meeting of Stockholders filed with the Commission on December 11, 2002.
- (28) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2003 filed with the Commission on July 15, 2003.
- (29) Incorporated by reference to the Current Report on Form 8-K filed with the Commission on September 5, 2003.
- (30) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended August 31, 2003 filed with the Commission on December 16, 2003.
- (31) Incorporated by reference to the Quarterly Report on Form 10-Q for the quarter ended November 30, 2003 filed with the Commission on January 14, 2004.
- (32) Incorporated by reference to the Current Report on Form 8-K filed with the Commission on July 26, 2004.
- (33) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended February 29, 2004 filed with the Commission on April 14, 2004.
- (34) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2004 filed with the Commission on July 15, 2004.
- (35) Incorporated by reference to the Current Report on Form 8-K filed with the Commission on September 20, 2004.
- (36) Incorporated by reference to the Current Report on Form 8-K filed with the Commission on October 8, 2004.
- (37) Incorporated by reference to the Company's Registration Statement on Form S-3 filed with the Commission on December 2, 2004.
- (38) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 2005 filed with the Commission on April 14, 2005.
- (39) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2005 filed with the Commission on June 15, 2005.
- (40) Incorporated by reference to the Company's Current Report on Form 8-K filed with the Commission on August 18, 2005.
- (41) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended November 30, 2005 filed with the Commission on January 14, 2006.
- (42) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended February 29, 2006 filed with the Commission on April 14, 2006.
- (43) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2006 filed with the Commission on July 14, 2006.
- (44) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended November 30, 2006 filed with the Commission on January 9, 2007.
- (45) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 2007 filed with the Commission on April 9, 2007.
- (46) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2007 filed with the Commission on July 3, 2007.
- (47) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended November 30, 2004 filed with the Commission on January 14, 2005.
- (48) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended August 31, 2006 filed with the Commission on November 13, 2006.

(b) Financial Statement Schedules

Schedules not included herein have been omitted because they are not applicable or the required information is included in the consolidated financial statements or notes thereto.

SCHEDULE II
PRICESMART, INC.**VALUATION AND QUALIFYING ACCOUNTS**

(amounts in thousands)

	Balance at Beginning of Period	Charged (credited) to Costs and Expenses	Deductions	Balance at End of Period
Allowance for doubtful accounts:				
Year ended August 31, 2005	\$ 1,011	\$ 1,473	\$ (224)	\$ 2,260
Year ended August 31, 2006	2,260	(4)	(2,065) ⁽¹⁾	191
Year ended August 31, 2007	191	(52)	(136)	3

⁽¹⁾ Deduction principally consists of China royalty write-off of \$2.0 million in fourth quarter of fiscal year 2006, which had been previously reserved in prior years.

SIGNATURE

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.

Dated: December 26, 2007

PRICESMART, INC.

By:

/s/ ROBERT E. PRICE
Robert E. Price

Chairman of the Board and

Chief Executive Officer