UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2006

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: 333-118185

LAZY DAYS' R.V. CENTER, INC.

(Exact name of registrant as specified in its charter)

Florida **(State of incorporation)**	**59-1764794** **(I.R.S. Employer Identification No.)**
6130 Lazy Days Boulevard **Seffner, Florida 33584-2968** **(Address of Principal Executive Offices, including Zip Code)**	**(813) 246-4333** **(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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated Filer ☐ Non-accelerated filer ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule (12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 14, 2006, the registrant had 100 shares of common stock outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

Lazy Days' R.V. Center, Inc., a wholly owned subsidiary of LD Holdings, Inc.
Condensed Balance Sheets

ASSETS	June 30, 2006 (Unaudited)	December 31, 2005
Current assets		
Cash	$ 5,963,265	$ 4,726,164
Receivables, net of allowance for doubtful accounts of $309,716 in 2006 and $279,557 in 2005	14,136,824	21,854,867
Refundable income taxes	--	491,266
Inventories	65,804,293	87,391,692
Prepaid expenses and other	2,576,155	2,061,728
Total current assets	88,480,537	116,525,717
Property and equipment, net	37,954,119	37,168,221
Loan and other costs, net	4,814,468	5,348,787
Goodwill	104,865,672	104,865,672
Intangible assets, net	76,456,562	77,690,313
Deferred income taxes	2,180,727	2,180,727
Other assets	232,249	242,792
Total assets	$ 314,984,334	$ 344,022,229

Lazy Days' R.V. Center, Inc., a wholly owned subsidiary of LD Holdings, Inc.
Condensed Balance Sheets (continued)

LIABILITIES AND STOCKHOLDER'S EQUITY	June 30, 2006 (Unaudited)	December 31, 2005
Current liabilities		
Floor plan notes payable	$ 43,340,312	$ 74,608,769
Current maturities of long-term debt	3,375,000	147,374
Accounts payable and accrued expenses	8,342,850	13,310,162
Accrued interest	2,466,121	2,608,414
Reserve for chargebacks	1,229,000	1,121,000
Customer deposits	500,060	982,871
Income taxes payable	2,700,178	---
Deferred income taxes	394,306	394,306
Total current liabilities	62,347,827	93,172,896
Long-term debt, less current maturities	140,677,045	143,790,776
Reserve for chargebacks	1,040,000	964,000
Deferred rent	1,761,495	1,802,460
Deferred income taxes	32,224,931	32,776,649
Other	15,168	18,428
Total liabilities	238,066,466	272,525,209
Stockholder's equity		
Common stock, $.01 par value: 100 shares issued and outstanding	1	1
Paid-in capital	67,000,000	67,000,000
Retained earnings	9,917,867	4,497,019
Total stockholder's equity	76,917,868	71,497,020
Total liabilities and stockholder's equity	$ 314,984,334	$ 344,022,229

See accompanying notes to condensed financial statements.

Lazy Days' R.V. Center, Inc., a wholly owned subsidiary of LD Holdings, Inc.
Condensed Statements of Operations (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2006	**June 30, 2005**	**June 30, 2006**	**June 30, 2005**
Revenues				
New vehicle	$ 115,184,473	$ 121,097,476	$ 247,233,593	$ 263,486,134
Pre-owned vehicle	60,847,473	67,235,090	146,537,402	150,560,803
Parts, service and other	10,900,983	10,765,424	22,980,941	22,313,655
Finance and insurance	5,000,429	5,259,021	11,797,766	12,182,047
Rally Park	313,356	293,038	1,059,277	1,062,158
Other	588,418	149,582	989,772	289,744
Total revenues	192,835,132	204,799,631	430,598,751	449,894,541
Cost of revenues				
New vehicle	104,798,517	109,973,168	224,526,076	239,121,189
Pre-owned vehicle	54,058,545	59,240,010	130,536,093	132,603,621
Parts, service and other	4,862,007	5,032,037	9,632,417	9,855,831
Total cost of revenues	163,719,069	174,245,215	364,694,586	381,580,641
Gross profit	29,116,063	30,554,416	65,904,165	68,313,900
Selling, general and administrative expenses	21,572,625	23,729,891	46,397,031	48,269,275
Interest expense	5,217,026	5,256,606	10,661,560	10,656,319
Income before income taxes	2,326,412	1,567,919	8,845,574	9,388,306
Income tax expense	904,429	815,007	3,424,726	3,631,984
Net income	$ 1,421,983	$ 752,912	$ 5,420,848	$ 5,756,322

See accompanying notes to condensed financial statements.

Lazy Days' R.V. Center, Inc., a wholly owned subsidiary of LD Holdings, Inc.
Condensed Statements of Cash Flows (Unaudited)

	Six Months Ended	
	June 30, 2006	**June 30, 2005**
Cash flows from operating activities		
Net income	$ 5,420,848	$ 5,756,322
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation of property and equipment	1,472,242	1,388,217
Depreciation of rental vehicle inventory	424,469	2,494,122
Amortization of intangible costs	1,233,751	2,583,749
Amortization and write-off of loan and other costs	534,319	597,359
Amortization of discount on long-term debt	114,269	134,960
Gain on sale of property and equipment	(2,519)	(2,792)
Loss on debt extinguishment	--	95,200
Reserve for chargebacks	184,000	99,000
Deferred income taxes	(551,718)	(1,057,968)
Change in assets and liabilities		
Receivables	7,718,043	(2,300,825)
Inventories	21,162,930	15,653,301
Prepaid expenses and other	(514,427)	(231,369)
Refundable income taxes	491,266	7,503,869
Other assets	10,543	(513,978)
Accounts payable, accrued interest, other accrued expenses and customer deposits	(5,596,050)	(913,228)
Income taxes payable	2,700,178	(1,686,083)
Deferred rent	(40,965)	(40,965)
Net cash provided by operating activities	34,761,179	29,558,891
Cash flows from investing activities		
Proceeds from sale of property and equipment	15,215	9,662
Purchases of property and equipment	(2,270,836)	(2,726,156)
Net cash used in investing activities	(2,255,621)	(2,716,494)
Cash flows from financing activities		
Net payments under floor plan	(31,268,457)	(23,334,360)
Repayment of long-term debt	--	(1,455,200)
Net cash used in financing activities	(31,268,457)	(24,789,560)
Net change in cash	1,237,101	2,052,837
Cash at beginning of period	4,726,164	5,103,556
Cash at end of period	$ 5,963,265	7,156,393
Supplemental disclosure of cash flow information		
Cash paid during the period for interest	$ 10,803,853	10,754,858
Cash paid during the period for income taxes	785,000	(4,500,000)

See accompanying notes to condensed financial statements.

NOTE 1 - BASIS OF PRESENTATION AND OPINION OF MANAGEMENT

The accompanying unaudited interim condensed financial statements include the accounts of Lazy Days' R.V. Center, Inc. (the "Company" or "Lazy Days"), a wholly owned subsidiary of LD Holdings, Inc. ("LD Holdings"), a non-operating holding company, and have been prepared in accordance with the instructions to Form 10-Q and therefore do not include all of the information and financial statement disclosures necessary for a fair presentation of financial position, results of operations and cash flows in conformity with accounting principles generally accepted in the United States of America. In the opinion of management, the information furnished herein includes all adjustments necessary to reflect a fair statement of the interim periods reported. All adjustments are of a normal and recurring nature. Due to the seasonal nature of our business, interim results are not necessarily indicative of results for the entire fiscal year. The December 31, 2005 condensed balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America. These interim financial statements and the related notes should be read in conjunction with the financial statements and notes included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2005.

NOTE 2 - RECEIVABLES

Receivables consist of the following:

	June 30, 2006	December 31, 2005
Contracts in transit and vehicle receivables	$ 6,416,044	$ 15,522,299
Manufacturer receivables	6,639,408	5,419,335
Finance and other receivables	1,391,088	1,192,790
	14,446,540	22,134,424
Less: Allowance for doubtful accounts	309,716	279,557
	$ 14,136,824	$ 21,854,867

Contracts in transit represent receivables from financial institutions for the portion of the vehicle sales price financed by the Company's customers through financing sources arranged by the Company.

NOTE 3 - INVENTORIES

Inventories consist of the following:

	June 30, 2006	December 31, 2005
New recreational vehicles	$ 50,120,701	$ 62,449,704
Pre-owned recreational vehicles	17,712,422	25,822,589
Parts, accessories and other	1,240,881	1,250,745
	69,074,004	89,523,038
Less: LIFO reserve	3,287,126	3,709,236
	65,786,878	85,813,802
Rental recreational vehicles, less accumulated depreciation of $62,780 in 2006 and $367,956 in 2005	17,415	1,577,890
	$ 65,804,293	$ 87,391,692

NOTE 4 - GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill represents the excess of costs over fair value of net assets of businesses acquired. Pursuant to Statement of Financial Accounting Standards ("SFAS") No. 142, *Goodwill and Other Intangible Assets*, goodwill and intangible assets acquired in a purchase business combination and determined to have an indefinite life are not amortized, but instead tested for impairment at least annually. SFAS No. 142 also requires that intangible assets with estimable useful lives be amortized over their respective estimated useful lives and reviewed for impairment in accordance with SFAS No. 144, *Accounting for Impairment or Disposal of Long-Lived Assets*.

Intangible assets and the related accumulated amortization are summarized as follows:

	June 30, 2006		December 31, 2005	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortizable intangible assets:				
Manufacturer relationships	$ 26,700,000	$ 1,418,438	$ 26,700,000	$ 1,084,687
Non-compete agreement	9,000,000	3,825,000	9,000,000	2,925,000
Customer database	3,600,000	3,600,000	3,600,000	3,600,000
	39,300,000	8,843,438	39,300,000	7,609,687
Unamortizable intangible assets:				
Trade names and trademarks	46,000,000	--	46,000,000	--
	$ 85,300,000	$ 8,843,438	$ 85,300,000	$ 7,609,687

Amortizable intangible assets are being amortized using the straight-line method over 40 years for manufacturer relationships, five years for the non-compete agreement and one year for the customer database. The weighted-average amortization period for all amortizable intangible assets acquired during 2004 is 28.4 years. Trade names and trademarks are considered to have indefinite useful lives and are not being amortized.

Amortizable expense for intangible assets for the three and six-month periods ended June 30, 2006 was $616,875 and $1,233,751, respectively, compared to $1,066,875 and $2,583,749 for the three and six-month periods ended June 30, 2005. Estimated amortization expense for the six-month period ending December 31, 2006 and for each of the subsequent five years ending December 31 is: 2006 (six-months) - $1,233,750, 2007 - $2,467,500, 2008 - $2,467,500, 2009 - $1,342,500 and 2010 - $667,500.

NOTE 5 - FLOOR PLAN NOTES PAYABLE

The Company maintains a floor plan financing agreement (the"Floor Plan Credit Facility") with two financial institutions, collateralized by new and pre-owned recreational vehicles aggregating up to $85,000,000. The entire facility may be used to finance new vehicle inventory but only up to $26,000,000 may be used to finance pre-owned vehicle inventory. The agreement also permits the Company to use floor plan credit to finance new vehicle inventory to be leased by the Company ("rental vehicle inventory"). Borrowings are not to exceed $5,000,000 in the aggregate for rental vehicle inventory or $35,000 per unit. The financial institutions collateralize all vehicles purchased under these agreements and all receivables generated from the sale of these vehicles. The interest rate charged (8.11% at June 30, 2006) is based on the prime rate or LIBOR. Principal is due upon the sale of the respective vehicle.

The Company's floor plan notes payable are subject to certain financial and restrictive covenants including debt service coverage ratio; current ratio; and limitations on lease rentals, certain executive compensation, capital expenditures, accounts payable, additional debt, liens, dividends, distributions, certain restricted investments, and certain other corporate activities, all as defined in the credit agreement. The Company was in compliance with all covenants at June 30, 2006.

Interest expense on the floor plan notes payable for the three and six-month periods ended June 30, 2006 was $898,543 and $2,027,734, respectively, compared to $763,662 and $1,653,918 for the three and six-month periods ended June 30, 2005.

NOTE 6 - LONG-TERM DEBT

Long-term debt consists of the following:

	June 30, 2006	December 31, 2005
11.75% Senior Notes, due 2012, less unamortized discount of $1,350,955 in 2006 and $1,465,224 in 2005	$ 144,052,045	$ 143,938,150
Less: Current maturities	3,375,000	147,374
Total long-term debt	$ 140,677,045	$ 143,790,776

On May 14, 2004, the Company issued $152 million of unsecured, senior notes (the "Senior Notes") through a private placement exempt from the registration requirements of the Securities Act. Subsequently, on December 6, 2004, the Company successfully completed the exchange of $137 million of its Senior Notes. The remaining Senior Notes totaling $15 million were ineligible for exchange. The Senior Notes mature May 15, 2012 and bear interest at an annual rate of 11.75% payable each November 15 and May 15, to the registered holders at the close of business on November 1 and May 1 immediately preceding the interest payment date.

The Company has the option to redeem the Senior Notes at any time before May 15, 2008, at a defined premium plus accrued and unpaid interest to the date of redemption.

The Company is required to offer to repurchase Senior Notes from all holders, on a pro rata basis, to the extent of 50% of the Company's free cash flow, as defined, for any six-month period ending on either June 30 or December 31 of any fiscal year. To the extent the Company's free cash flow for any six-month period is less than $1.0 million, the Company may elect not to make a free cash flow offer for such period and, in lieu thereof, add such free cash flow to the amount of free cash flow for the next succeeding six-month period. The Company's free cash flow offer amount for the six-month period ended June 30, 2006 was approximately $3,600,000 (including a carryover of $160,000 for the six months ended December 31, 2005); the principal portion of that amount is recorded as a current maturity of long-term debt.

The Company also maintains a five-year senior secured revolving line of credit facility (the "Revolver"). The facility provides for borrowings up to $15 million, as defined, which includes a $10 million sub-facility for the issuance of letters of credit. There were no outstanding advances under the Revolver at June 30, 2006 or December 31, 2005. The Company had outstanding letters of credit amounting to $2,800,000 at June 30, 2006. Interest on outstanding advances is payable monthly and is based on the prime rate or LIBOR. Borrowings under the Revolver are collateralized by substantially all of the Company's assets.

Interest expense and related costs on long-term debt for the three and six-month periods ended June 30, 2006 was $4,318,483 and $8,633,826, respectively, compared to $4,492,944 and $9,002,401 for the three and six-month periods ended June 30, 2005.

NOTE 7 - LD HOLDINGS AND RV ACQUISITION

The balance sheets of LD Holdings, a wholly owned subsidiary of RV Acquisition, consisted of the following:

	June 30, 2006	December 31, 2005
ASSETS		
Investment in Lazy Days' R.V. Center, Inc.	$ 76,917,868	$ 71,497,020
STOCKHOLDER'S EQUITY		
Common stock, Class A	$ 1	$ 1
Paid-in capital	67,000,000	67,000,000
Retained earnings	9,917,867	4,497,019
Total stockholder's equity	$ 76,917,868	$ 71,497,020

The balance sheets of RV Acquisition consisted of the following:

	June 30, 2006	December 31, 2005
ASSETS		
Investment in LD Holdings	$ 76,917,868	$ 71,497,020
LIABILITIES		
Due to Lazy Days' R.V. Center, Inc.	$ 51,372	$ --
STOCKHOLDER'S EQUITY		
Preferred stock, Series A, including accrued dividends of $20,733,771in 2006 and $15,340,912 in 2005	82,685,561	77,340,912
Common stock, $.01 par value	49,947	50,000
Paid-in capital	4,941,771	4,950,000
Accumulated deficit	(10,810,783)	(10,843,892)
Total stockholder's equity	76,866,496	71,497,020
Total liabilities and stockholder's equity	$ 76,917,868	$ 71,497,020

Cautionary Statement for Forward-Looking Information

Certain information set forth in this report contains "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions and other information that is not historical information. In some cases, forward-looking statements can be identified by terminology such as "believes," "expects," "may," "will," "should," or "anticipates," or the negative of such terms or other comparable terminology, or by discussions of strategy. We may also make additional forward-looking statements from time to time. All such subsequent forward-looking statements, whether written or oral, by us or on our behalf, are also expressly qualified by these cautionary statements.

All forward-looking statements, including without limitation, management's examination of historical operating trends, are based upon our current expectations and various assumptions. Our expectations, beliefs and projections are expressed in good faith and we believe there is a reasonable basis for them, but there can be no assurance that management's expectations, beliefs and projections will result or be achieved. All forward-looking statements apply only as of the date made. Unless required by law, we undertake no obligation to update or revise forward-looking statements to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events.

There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in or contemplated by this report. The following are among the factors that could cause actual results to differ materially from the forward-looking statements. There may be other factors, including those discussed elsewhere in this report, which may cause our actual results to differ materially from the forward-looking statements. Any forward-looking statements should be considered in light of the risk factors specified in our Annual Report on Form 10-K for the fiscal year ended December 31, 2005, some of which are summarized below.

- changes from anticipated levels of sales, whether due to future national or regional economic and competitive conditions, including new into the industry, customer acceptance of existing and new products, consumer confidence or otherwise;
- significant indebtedness that may limit our financial and operational flexibility;
- increased interest rates which increase the cost of financing vehicle purchases;
- higher fuel costs which may deter purchases of recreational vehicles;
- actions of current or new competitors that increase competition with respect to prices and services;
- increased advertising costs associated with promotional efforts;
- pending or new litigation or governmental regulations;
- severe weather events and other natural disasters which could impact our single-site location near Tampa, Florida;
- other uncertainties which are difficult to predict or beyond our control; and
- the risk that we incorrectly analyze these risks and forces, or that the strategies we develop to address them could be unsuccessful.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is designed to discuss our financial condition, changes in financial condition and results of operations, liquidity, critical accounting policies and the future impact of accounting standards that have been issued but are not yet effective. The MD&A should be read in conjunction with the financial statements and notes included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2005.

Certain Defined Terms

In this report, "Lazydays," the "Company," "we," "us" or "our" refers to Lazy Days' R.V. Center, Inc. In this report, "Holdings" refers to LD Holdings, Inc., our parent company, and, unless the context otherwise requires, its subsidiaries.

Overview

We are the world's largest single-site dealer of recreational vehicles ("RVs") with the industry's broadest selection of new and previously-owned RVs. Our inventory is displayed in a park-like setting, and our facility also includes a full-service RV park, two swimming pools, tennis courts and meeting and dining facilities. We are a primary point of distribution for nine of the leading manufacturers in the recreational vehicle retail industry, an industry with sales of approximately $14 billion in new, and $14 billion in pre-owned RV vehicles annually. Located on a 126-acre site outside of Tampa, Florida, we are widely recognized in the RV community as the premier destination for RV enthusiasts, attracting over 250,000 visitors each year to our RV dealership, and approximately 1.3 million visitors per year to our facility (including visitors to additional attractions that appeal to RV owners located adjacent to our site, namely Camping World, Cracker Barrel and Flying J Travel Plaza). We offer our customers an extensive selection of RVs and a variety of services, such as financing, insurance and a 230-bay, fully-staffed service and repair department.

We derive our revenues principally from sales and rental of new units, sales of pre-owned units, commissions earned on sales of third-party financing and insurance products, service and rental repairs and visitors fees at RallyPark. In 2005, we derived our revenues from these categories in the following percentages, 59.3%, 32.8%, 2.7%, 5.1% and 0.1%, respectively. New and pre-owned unit sales accounted for more than 90% of total revenues.

The vast majority of our costs of revenues are related to inventory purchases. New and pre-owned vehicles have accounted for 97% or more of cost of revenues in each of the previous three years. Increased unit costs are immediately passed through to end customers. As a result, our gross profit margin has been 14.9%, 14.5% and 14.4% for the years ended December 31, 2005, 2004 and 2003, respectively.

Our gross profit margins on pre-owned vehicles are typically higher on a percentage basis while our gross profit margins on an absolute dollar basis are typically higher on new vehicles. In 2005, gross profit margins on new vehicles averaged 9.2% compared to 11.6% for pre-owned vehicles, and our gross profit from sales of new vehicles was $43.8 million and $30.5 million for pre-owned vehicles.

Salaries, commissions and benefits represent the largest component of our total selling, general and administrative expense and comprised more than 50% of total selling, general and administrative expense. In 2005, approximately 16% of our selling, general and administrative expense consisted of commissions for our sales force which are directly correlated to RV vehicle sales levels. Selling, general and administrative expense is typically consistent with revenue on a percentage basis.

Results of Operations

Three Months Ended June 30, 2006 Compared to Three Months Ended June 30, 2005 (unaudited)

Revenues. Revenues decreased $11.9 million to $192.8 million in the three months ended June 30, 2006 from $204.7 million in the comparable period in 2005. Total units decreased 301 units from 2005. In 2006, we experienced lower volume in both new and pre-owned motorized and towable unit sales, as compared to the prior year. Pre-owned unit sales represented $6.4 million of the decrease with new unit sales making up $5.9 million, partially offset by other revenues of $0.4 million.

New Unit Sales. Sales of new vehicles decreased $5.8 million to $115.2 million in the three months ended June 30, 2006 from $121.0 million in the comparable period in 2005. This decrease of new vehicle sales was due to 106 fewer units from 916 units in the three months ended June 30, 2005 to 810 units in the comparable period in 2006. Motorized units, specifically Class A gas and diesel units, and fifth wheel units drove the overall decrease while travel trailers remained relatively consistent with the prior period.

	Three Months Ended	
	June 30, 2006	**June 30, 2005**
Class A - Diesel	346	385
Class A - Gas	134	165
Class C	79	71
Total Motorized	559	621
Fifth Wheel	135	175
Travel Trailer	116	120
Total Towable	251	295
Total New Units	810	916

Pre-Owned Unit Sales. Sales of pre-owned vehicles decreased $6.4 million to $60.8 million in the three months ended June 30, 2006 from $67.2 million in the comparable period in 2005. Unit sales of pre-owned wholesale units decreased 195 units from 1,145 in the three months ended June 30, 2005 to 950 units in the comparable period in 2006. This decrease was primarily attributable to a 139 unit decline in rental unit travel trailer sales as well as decreases in Class A gas of 41 units.

	Three Months Ended	
	June 30, 2006	**June 30, 2005**
Class A - Diesel	280	299
Class A - Gas	216	257
Class C	92	106
Total Motorized	588	662
Fifth Wheel	97	101
Travel Trailer	165	293
Other	100	89
Total Towable	362	483
Total Pre-Owned Units	950	1,145

Parts, Service and Other Revenues. Parts and service revenues in the three months ended June 30, 2006 increased $0.1 million to $10.9 million from $10.8 million from the comparable period in 2005. This was due to increases in retail and warranty sales.

Finance and Insurance Related Revenues. Finance, insurance and extended warranty related revenues decreased from $5.3 million in the three months ended June 30, 2005 to $5.0 million in the comparable period in 2006. The decrease in finance, insurance and extended warranty related revenues were primarily attributable to a decrease in unit sales and a declining interest rate spread (due to rising interest rates).

Gross Profit. Gross profit consists of gross revenues less our cost of sales and services. Gross profit decreased $1.4 million from $30.5 million in the three months ended June 30, 2005 to $29.1 million in the comparable period in 2006. Gross profit margin increased from 14.9% in the three months ended June 30, 2005 to 15.1% in the comparable period in 2006. The decrease in gross profit was primarily due to $1.9 million decrease in new and pre-owned vehicle gross profit, offset by a $0.4 million increase in other revenues. New vehicle gross profit decrease was due to the volume decline and the decrease in the corresponding manufacturer's hold-back and incentives. Used vehicle margin decreases from 2005 was due to a 195 unit decrease from the comparable period in 2005.

Selling, General and Administrative Expenses. Selling, general and administrative expenses, including depreciation and amortization, decreased from $23.7 million, or 11.6% of revenues, in the three months ended June 30, 2005 to $21.6 million, or 11.2% of revenues, in the comparable period in 2006. This decrease was primarily due to a decrease in salary, commissions and benefits due to lower unit sales and margin; decreased marketing expenses due to start-up of our RVLiving magazine in 2005 and lower amortization expense.

Operating Profit. Operating profit represents our gross profit, less selling, general and administrative expenses including depreciation and amortization. Operating profit increased from $6.8 million in the three months ended June 30, 2005 to $7.5 million in the comparable period in 2006. This increase was due to a reduction in selling, general and administrative expenses in excess of the decline in gross profit.

Interest Expense—Floor Plan Credit Facility. Interest expense on our Floor Plan Credit Facility approximated $0.8 million in the three months ended June 30, 2005 and $0.9 million in the comparable period in 2006. The increase in interest rates was offset by the decline in the average borrowings outstanding under the Floor Plan Credit Facility.

Other Interest Expense. Other interest expense was related to interest expense under our Senior Notes. Other interest expense decreased from $4.5 million in the three months ended June 30, 2005 to $4.3 million in the comparable period in 2006.

Income Tax Expense. Income tax expense approximated $0.8 million in the three months ended June 30, 2005 compared to $0.9 million in the comparable period in 2006.

Six Months Ended June 30, 2006 Compared to Six Months Ended June 30, 2005 (Unaudited)

Revenues. Revenues decreased $19.3 million to $430.6 million in the six months ended June 30, 2006 from $449.9 million in the comparable period in 2005. Total new and pre-owned units sold decreased 513 units from 2005. In 2006, we experienced decreased volume in both motorized and towable units, as compared to the prior year. New unit sales drove the decrease and contributed $16.3 million to the decline. Pre-owned vehicle sales also declined by $4.0 million, which was partially offset by parts and service revenues and other revenues (includes $0.7 million of other revenue primarily attributable to marketing revenues from our RVLiving magazine).

New Unit Sales. Sales of new vehicles decreased $16.3 million to $247.2 million in the six months ended June 30, 2006 from $263.5 million from the comparable period in 2005. The $16.3 million decrease of new vehicle sales was due to a decrease of $2.7 million of rental income and a 176 unit decline in new unit sales from 2,023 units in the six months ended June 30, 2005 to 1,847 units in the comparable period in 2006. Motorized units drove the decline. Class A gas units declined significantly as Class A diesel and Class A gas units decreased 10.3% and 25.7%, respectively. We continued to receive rental income from rental units leased during the 2004/2005 hurricane season through May 2006 when the leases ended. New unit sales by class in the six months ended June 30, 2006 compared to the six months ended June 30, 2005 is summarized as follows:

	Six Months Ended	
	June 30, 2006	**June 30, 2005**
Class A - Diesel	735	819
Class A - Gas	318	428
Class C	207	159
Total Motorized	1,260	1,406
Fifth Wheel	330	376
Travel Trailer	257	241
Total Towable	587	617
Total New Units	1,847	2,023

Pre-Owned Unit Sales. Sales of pre-owned vehicles decreased $4.1 million to $146.5 million in the six months ended June 30, 2006 from $150.6 million in the comparable period in 2005. The decrease was attributable to a 269 unit decline in returned rental unit travel trailer sales. Unit sales of pre-owned vehicles, excluding wholesale units, decreased 337 units from 2,492 units in the six months ended June 30, 2005 to 2,155 units in the comparable period in 2006. Pre-owned travel trailers decreased 227 units from the comparable period in 2005, which was primarily driven by fewer sales of returned rental units. Pre-owned unit sales by class in the three months ended June 30, 2006 compared to the six months ended June 30, 2005 is summarized as follows:

	Six Months Ended	
	June 30, 2006	June 30, 2006
Class A - Diesel	691	667
Class A - Gas	534	626
Class C	196	229
Total Motorized	1,421	1,522
Fifth Wheel	231	250
Travel Trailer	299	526
Other	204	194
Total Towable	734	970
Total Pre-Owned Units	2,155	2,492

Parts, Service and Other Revenues. Parts and service revenues in the six months ended June 30, 2006 increased $0.7 million to $23.0 million from $22.3 million from the comparable period in 2005. This was due to increases in retail and warranty sales.

Finance and Insurance Related Revenues. Finance, insurance and extended warranty related revenues decreased slightly by $0.4 million to $11.8 million in the six months ended June 30, 2006 compared to $12.2 million for the same period in 2005. This was due to decreased financing opportunities resulting from the decline in overall unit sales and a decline in interest rate spreads (due to rising interest rates) offset by lower chargebacks, improved finance penetration ratios and improved extended warranty sales.

Gross Profit. Gross profit consists of gross revenues less our cost of sales and services. Gross profit decreased from $68.3 million in the six months ended June 30, 2005 to $65.9 million in the comparable period in 2006. Gross profit margin percentage increased slightly from 15.2% in the six months ended June 30, 2005 to 15.3% in the comparable period in 2006. The decease in gross profit was primarily due to a $2.0 million decrease in pre-owned vehicle gross profit and a $1.3 million decline in rental vehicle gross profit, offset by $1.2 million increase in parts & service and other gross profit.

Selling, General and Administrative Expenses. Selling, general and administrative expenses, including depreciation and amortization, decreased $1.9 million from $48.3 million in the six months ended June 30, 2005 to $46.4 million in the comparable period in 2006. This decrease was primarily due to decreases in salaries, commissions and benfits due to lower unit sales; decreased marketing expenses due to the start-up of RVLiving magazine in 2005; and amortization offset by increases in insurance costs, utilities and maintenance costs.

Operating Profit. Operating profit represents our gross profit, less selling, general and administrative expenses including depreciation and amortization. Operating profit decreased from $20.0 million in the six months ended June 30, 2005 to $19.5 million in the comparable period in 2006. This decrease was due to the overall decrease in gross profit offset by decreased selling, general and administrative expenses.

Interest Expense—Floor Plan Credit Facility. Interest expense on our Floor Plan Credit Facility increased from $1.7 million in the six months ended June 30, 2005 to $2.0 million in the comparable period in 2006. This was attributable to an increase in applicable interest rates under the Floor Plan Credit Facility due to increases in short-term interest rates during the period.

Other Interest Expense. Other interest expense was related to interest expense under our Senior Notes. Other interest expense decreased from $9.0 million in the six months ended June 30, 2005 to $8.6 million in the comparable period in 2006.

Income Tax Expense. Income tax expense decreased from $3.6 million in the six months ended June 30, 2005 to $3.4 million in the comparable period in 2006.

Liquidity and Capital Resources

Liquidity. Historically, we have satisfied our liquidity needs through cash from operations and various borrowing arrangements. Our cash requirements consist principally of scheduled payments of principal and interest on outstanding indebtedness (including indebtedness under our Floor Plan Credit Facility), capital expenditures, salary and sales commissions, lease expenses and the acquisition of inventory. Based upon our current level of operations, we believe that our cash flow from operations, available cash and available borrowings under the senior secured revolving line of credit facility will be adequate to meet our future liquidity needs for the foreseeable future.

Operating Activities. Net cash provided by operating activities during the six months ended June 30, 2006 was equal to $34.8 million, compared with net cash provided by operating activities of $29.6 million during the comparable period in 2005. This increase in net cash provided by operating activities for 2006 was primarily the result of a decrease in inventories and accounts receivables offset by an increase in accounts payable.

Investing Activities. Net cash used in investing activities was $2.3 million during the six months ended June 30, 2006, compared with net cash used in investing activities of $2.7 million during the comparable period in 2005. The decrease in net cash used in investing activities during the six month period ended June 30, 2006 versus 2005 was attributable to a decrease in purchases of property and equipment.

Financing Activities. Net cash used in financing activities during the six months ended June 30, 2006 was $31.3 million, compared to $24.8 million during the comparable period in 2005. The change was due to increased net payments under our Floor Plan Credit Facility in 2006.

Working Capital. Working capital, including cash and cash equivalents, totaled approximately $26.3 million at June 30, 2006. We maintain sizable inventories in order to meet the expectations of our customers, and believe that we will continue to require working capital consistent with past experience. Historically, we have funded our operations with internally generated cash flow and borrowings. Changes in our working capital are driven primarily by our profit levels.

Our principal sources of funds are cash flows from operating activities and available borrowings under our senior secured revolving credit facility and Floor Plan Credit Facility. As of June 30, 2006 , we had $85.0 million of borrowing capacity and $41.7 million of availability under our Floor Plan Credit Facility and $15.0 million of borrowing capacity and $12.2 million of availability under our senior secured revolving credit facility. We have nothing drawn under our senior secured revolving credit facility, while $2.8 million of availability has been used to support letter of credit obligations under our letter of credit sub-facility.

Based on current facts and circumstances, we believe we have adequate cash flow coupled with borrowing capacity under our senior secured revolving credit facility and Floor Plan Credit Facility to fund our current operations and capital expenditures budgeted for 2006.

Borrowings under our Floor Plan Credit Facility to finance our new vehicle inventory may not exceed (i) 100% of the factory invoices for the related vehicles, (ii) 85% of the wholesale value of all pre-owned inventory (as determined in accordance with National Automobile Dealers Association RV Industry Appraisal Guide, or appraised NADA value) for vehicles in the current through 7th prior model years and (iii) 65% of the appraised NADA value with respect to pre-owned vehicles in the 8th, 9th and 10th prior model years. At times, we have made repayments on our Floor Plan Credit Facility using excess cash flow from operations.

Borrowings under our senior secured revolving credit facility generally bear interest based on a margin over, at our option, the base rate or the reserve-adjusted LIBOR. The new senior secured revolving credit facility is secured by first priority interests in, and mortgages on, substantially all of our tangible and intangible assets and first priority pledges of all the equity interests owned by us in any future domestic subsidiaries, other than a second priority lien on those assets which are pledged under our floor plan credit facility.

As of June 30, 2006, our capital expenditures approximated $2.3 million for the six-month period ended June 30, 2006. Our senior secured revolving credit facility and Floor Plan Credit Facility limits our ability to make capital expenditures in excess of $5.0 million per annum.

Based on current estimates, management believes that the amount of capital expenditures permitted to be made under our senior secured revolving credit facility and Floor Plan Credit Facility will be adequate to grow our business according to our business strategy and to maintain the properties and business of our continuing operations.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rates. We are exposed to market risk from changes in the interest rates on a portion of our outstanding indebtedness. Outstanding balances under our senior secured revolving credit facility bear interest at a variable rate on prime or LIBOR as adjusted each interest period. There were no borrowings outstanding at June 30, 2006 under our senior shares revolving credit facility. Amounts outstanding under floor plan financing arrangements bear interest at a variable rate based on prime or LIBOR as adjusted each interest period. As of June 30, 2006, based on the aggregate amount of $43.3 million outstanding under our Floor Plan Financing Facility as of such date, a 100 basis point change in interest rates would have changed our annual floor plan interest expense by approximately $0.4 million.

We continually evaluate our exposure to interest rate fluctuations and follow established policies and procedures to implement strategies designed to manage the amount of variable rate indebtedness outstanding at any point in time in an effort to mitigate the effect of interest rate fluctuations on our earnings and cash flows.

Interest rate fluctuations affect the fair market value of our fixed rate debt, including the Senior Notes, but with respect to such fixed rate instruments, do not impact our earnings or cash flows.

Foreign Currency Exchange Rates. We currently have very limited exposure to exchange rate risk as we have very limited foreign operations. Nearly all of our new and pre-owned vehicle inventories are sourced domestically.

Inflation. Although we cannot accurately anticipate the effect of inflation on our operations, we believe that inflation has not had, and is not likely in the foreseeable future to have, a material impact on our results of operations.

Cyclicality. Unit sales of recreational vehicles historically have been cyclical, fluctuating with general economic cycles. During economic downturns, the RV retailing industry tends to experience similar periods of decline and recession as the general economy. We believe that the industry is influenced by general economic conditions and particularly by consumer confidence, the level of personal discretionary spending, fuel prices, interest rates and credit availability.

Seasonality and Effects of Weather. Our operations generally experience higher volumes of vehicle sales in the first and fourth quarters of each year due in part to consumer buying trends and our hospitable warm climate during the winter months. The service and parts business experiences relatively modest seasonal fluctuations.

We have a single location near Tampa, Florida, which is in close proximity to the Gulf of Mexico. As a single-site operator, a severe weather event such as a hurricane could cause severe damage to our property and inventory. Although we believe we have adequate insurance coverage, if we were to experience a catastrophic loss, we may exceed our policy limits and/or we may have difficulty obtaining similar insurance coverage in the future. There was minimal impact to our facility as a result of hurricane activity throughout the state of Florida in 2005 and 2004.

ITEM 4. Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act") as of June 30, 2006. Based on this evaluation, our chief executive officer and chief financial officer have concluded that, as of June 30, 2006, our disclosure controls and procedures were (1) designed to ensure that material information relating to our Company, is made known to the chief executive officer and chief financial officer by others within those entities, particularly during the period in which this report was being prepared, and (2) effective, in that they provide reasonable assurance that information required to be disclosed by our Company in the reports that we file or submit, or would have filed or submitted, under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms.

No change in our internal control over financial reporting occurred during the three and six-months ended June 30, 2006 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act).

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

We are party to numerous legal proceedings that arise in the ordinary course of our business. We do not believe that the ultimate resolution of these matters will have a material adverse effect on our business, results of operations, financial condition or cash flows. However, the results of these matters cannot be predicted with certainty and an unfavorable resolution of one or more of these matters could have a material adverse effect on our business, results of operations, financial condition and/or cash flows.

ITEM 1A. Risk Factors

There have been no material changes to the factors disclosed in ITEM 1A. Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2005.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

ITEM 3. Defaults Upon Senior Securities

Not applicable.

ITEM 4. Submission of Matters to a Vote of Security Holders

Not applicable.

ITEM 5. Other Information

Not applicable.

ITEM 6. Exhibits

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.

SIGNATURES

Pursuant to the requirements 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.

Lazy Days' R.V. Center, Inc.

/s/ John Horton
By: John Horton
Its: Chief Executive Officer

/s/ Charles L. Thibault
By: Charles L. Thibault
Its: Chief Financial Officer

Dated: August 14, 2006

EXHIBIT INDEX

Number	Description of Exhibits
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

Exhibit 31.1

CERTIFICATIONS

I, John Horton , certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lazy Days' R.V. Center, Inc. ("the registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 14, 2006	By:	/s/ John Horton
		John Horton Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Charles L. Thibault, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lazy Days' R.V. Center, Inc. ("the registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 14, 2006	By:	/s/ Charles L. Thibault
		Charles L. Thibault
		Chief Financial Officer
		(Principal Financial Officer)