MICROPAC INDUSTRIES INC
Form 10-Q
July 16, 2013

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 1, 2013
OR

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

Commission File Number 0-5109

MICROPAC INDUSTRIES, INC.

Delaware	75-1225149
(State of Incorporation)	(IRS Employer Identification No.)
905 E. Walnut, Garland, Texas	75040
(Address of Principal Executive Office)	(Zip Code)

Registrant’s Telephone Number, including Area Code (972) 272-3571

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 x No o

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 x No o

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. (Check one):

Large accelerated filer o Accelerated filer o

Non-accelerated filero Smaller reporting company x
(Do not check if a 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 o No x

On July 15, 2013 there were 2,578,315 shares of Common Stock, $.10 par value outstanding.

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MICROPAC INDUSTRIES, INC.

FORM 10-Q

June 1, 2013

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PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

MICROPAC INDUSTRIES, INC.
CONDENSED BALANCE SHEETS
(Dollars in thousands)

ASSETS

CURRENT ASSETS	06/01/13 (Unaudited)	11/30/12
Cash and cash equivalents	$8,750	$7,415
Short-term investment	2,005	2,004
Receivables, net of allowance for doubtful accounts of $2 at June 1, 2013 and $2 at November 30, 2012	2,260	2,498
Inventories:		
Raw materials	3,093	3,601
Work-in process	2,290	2,384
Total inventories	5,383	5,985
Deferred income taxes	453	659
Prepaid income tax	263	349
Prepaid expenses and other assets	162	121
Total current assets	19,276	19,031
PROPERTY, PLANT AND EQUIPMENT, at cost:		
Land	80	80
Buildings	498	498
Facility improvements	1,074	1,074
Machinery and equipment	8,056	7,914
Furniture and fixtures	677	677
Total property, plant, and equipment	10,385	10,243
Less accumulated depreciation	(8,377)	(8,220)
Net property, plant, and equipment	2,008	2,023
Total assets	$21,284	$21,054

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts payable	$366	$501
Accrued compensation	464	511
Deferred revenue	320	189
Other accrued liabilities	157	215
Income taxes payable	84	112
Total current liabilities	1,391	1,528

DEFERRED INCOME TAXES	497	471
SHAREHOLDERS' EQUITY		
Common stock, ($.10 par value), authorized 10,000,000 shares, 3,078,315 issued and 2,578,315 outstanding at June 1, 2013 and November 30, 2012	308	308
Paid-in capital	885	885
Treasury stock, 500,000 shares, at cost	(1,250)	(1,250)
Retained earnings	19,453	19,112
Total shareholders' equity	19,396	19,055
Total liabilities and shareholders' equity	$21,284	$21,054

See accompanying notes to financial statements.

MICROPAC INDUSTRIES, INC.
CONDENSED STATEMENTS OF OPERATIONS
(Dollars in thousands except share data)
(Unaudited)

	Three months ended		Six months ended	
	06/01/13	05/26/12	06/01/13	05/26/12
NET SALES	$5,093	$4,098	$9,731	$7,812
COST AND EXPENSES:				
Cost of goods sold	(3,062)	(3,054)	(6,044)	(5,659)
Research and development	(434)	(81)	(773)	(203)
Selling, general & administrative expenses	(990)	(947)	(1,979)	(1,815)
Total cost and expenses	(4,486)	(4,082)	(8,796)	(7,677)
OPERATING INCOME BEFORE INTEREST, OTHER INCOME AND INCOME TAXES	607	16	935	135
Interest and other income	-	3	1	6
INCOME BEFORE TAXES	$607	$19	$936	$141
Provision for taxes	(219)	(7)	(337)	(51)
NET INCOME	$388	$12	$599	$90
NET INCOME PER SHARE, BASIC AND DILUTED	$.15	$-	$.23	$.03
DIVIDENDS PER SHARE	$-	$-	$.10	$.10
WEIGHTED AVERAGE OF SHARES, basic and diluted	2,578,315	2,578,315	2,578,315	2,578,315

See accompanying notes to financial statements.

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MICROPAC INDUSTRIES, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

	Six months ended 6/01/13	Six months ended 5/26/12
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 599	$ 90
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	157	166
Deferred tax expense	232	-
Changes in certain current assets and liabilities		
Decrease (increase) in accounts receivable	238	(519)
Decrease (increase) in inventories	602	(117)
Decrease in prepaid expense and other current assets	45	73
Increase (decrease in) deferred revenue	131	(136)
(Decrease) increase in accounts payable	(135)	32
Decrease in accrued compensation	(47)	(182)
Decrease in other accrued liabilities	(58)	(84)
Decrease in income taxes payable	(28)	(62)
Net cash provided by (used in) operating activities	1,736	(739)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of short term investments	(1)	(3)
Additions to property, plant and equipment	(142)	(84)
Net cash used in investing activities	(143)	(87)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividend	(258)	(258)
Net cash used in financing activities	(258)	(258)
Net change in cash and cash equivalents	1,335	(1,084)
Cash and cash equivalents at beginning of period	7,415	8,488
Cash and cash equivalents at end of period	$ 8,750	$ 7,404
Supplemental Cash Flow Disclosure:		
Cash paid for income taxes	$ 48	$ 69

See accompanying notes to financial statements.

MICROPAC INDUSTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

Note 1 BASIS OF PRESENTATION

Business Description

Micropac Industries, Inc. (the "Company"), a Delaware corporation, manufactures and distributes various types of hybrid microelectronic circuits, solid state relays, power operational amplifiers, and optoelectronic components and assemblies. The Company's products are used as components in a broad range of military, space and industrial systems, including aircraft instrumentation and navigation systems, power supplies, electronic controls, computers, medical devices, and high-temperature (200o C) products. The Company's products are either custom (being application specific circuits designed and manufactured to meet the particular requirements of a single customer) or standard, proprietary components such as catalog items.

The Company's facilities are certified and qualified by Defense Logistics Agency (DLA) to MIL-PRF-38534 (class K-space level), MIL-PRF-19500 JANS (space level), and MIL-PRF-28750 (class K-space level) and is certified to ISO 9001-2002. Micropac is a National Aeronautics and Space Administration (NASA) core supplier, and is registered to AS9100-Aerospace Industry standard for supplier certification.

The Company's core technology is the packaging and interconnecting of multi-chip microelectronics modules. Other technologies include light emitting and light sensitive materials and products, including light emitting diodes and silicon phototransistors used in the Company's optoelectronic components and assemblies.

In the opinion of management, the unaudited financial statements include all adjustments (consisting of only normal, recurring adjustments) necessary to present fairly the financial position as of June 1, 2013, the results of operations for the three months and six months ended June 1, 2013 and May 26, 2012, and the cash flows for six months ended June 1, 2013 and May 26, 2012. Unaudited financial statements are prepared on a basis substantially consistent with those audited for the year ended November 30, 2012. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States have been condensed or omitted pursuant to the rules and regulations promulgated by the Securities and Exchange Commission. However, management believes that the disclosures contained are adequate to make the information presented not misleading.

Note 2 SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of sales and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Revenues are recorded as shipments are made based upon contract prices. Any losses anticipated on fixed price contracts are provided for currently. Sales are recorded net of sales returns, allowances and discounts.

The Company recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Subtopic 605-10-S99, Revenue Recognition (ASC 605-10-S99). ASC 605-10-S99 requires that four basic criteria must be met before revenues can be recognized: (1) persuasive evidence of an arrangement exists; (2) shipment has occurred or services have been rendered; (3) the fee is fixed and determinable; and (4) collectibility is reasonably assured.

Deferred revenue represents prepayments from customers and will be recognized as revenue when the products are shipped per the terms of the contract.

Short-Term Investments

The Company has $2,005,000 in short term investments at June 1, 2013. Short-term investments consist of certificates of deposits with maturities greater than 90 days. These investments are reported at historical cost, which approximates fair value. All highly liquid investments with maturities of 90 days or less are classified as cash equivalents. All short-term investments are securities which the Company has the ability and intent to hold to maturity and mature within one year.

Inventories

Inventories are stated at lower of cost or market value and include material, labor and manufacturing overhead. All inventories are valued using the FIFO (first-in, first-out) method of inventory valuation. The Company writes down obsolete and overstocked inventory based on the usage of inventory over a three year period and projected usage based on current backlog.

Income Taxes

The Company accounts for income taxes using the asset and liability method. Under this method the Company records deferred income taxes for the temporary differences between the financial reporting basis and the tax basis of assets and liabilities at enacted tax rates expected to be in effect when such amounts are realized or settled. The resulting deferred tax liabilities and assets are adjusted to reflect changes in tax law or rates in the period that includes the enactment date.

Property, Plant, and Equipment

Property, plant, and equipment are carried at cost, and depreciation is provided using the straight-line method at rates based upon the following estimated useful lives (in years) of the assets:

Buildings	15
Facility improvements	8-15
Machinery and equipment	5-10
Furniture and fixtures	5-8

The Company assesses long-lived assets for impairment under ASC 360-10-35, Property, Plant and Equipment – Subsequent Measurement. When events or circumstances indicate that an asset may be impaired, an assessment is performed. The estimated future undiscounted cash flows associated with the asset are compared to the asset’s net book value to determine if a write down to market value less cost to sell is required.

Repairs and maintenance are expensed as incurred. Improvements which extend the useful life of property, plant, and equipment are capitalized.

Research and Development Costs

Costs for the design and development of new products are expensed as incurred.

Note 3 FAIR VALUE MEASUREMENT

The Company had no financial assets and liabilities measured at fair value on a recurring basis as of June 1, 2013 and November 30, 2012. The fair value of financial instruments such as cash and cash equivalents, short term investments, accounts receivable, and accounts payable approximate their carrying amount based on the short maturity of these instruments. There were no nonfinancial assets measured at fair value on a nonrecurring basis at June 1, 2013 and November 30, 2012.

Note 4 COMMITMENTS

On January 23, 2013, Micropac Industries, Inc. entered into a Loan Agreement with a Texas banking institution. The Loan Agreement replaces the Company's revolving line of credit with the Texas banking institution entered into on

June 1, 2011. The Loan Agreement provides for revolving credit loans, in amounts not to exceed a total principal balance of $6,000,000, and specific advance loans for acquisitions to the Company with an aggregate amount not to exceed $7,500,000 in a single advance or in multiple advances. The Loan Agreement also contains financial covenants to maintain at all times including (i) minimum working capital of not less than $4,000,000, (ii) a ratio of senior funded debt, minus the Company's balance sheet cash on hand to the extent in excess of $2,000,000, to EBITDA of not more than 3.0 to 1.0, and (iii) a ratio of free cash flow to debt service of not less than 1.2 to 1.0. The Company has not, to date, drawn any amounts under the loan agreement or the revolving line of credit and is currently in compliance with the financial covenants.

Note 5 EARNINGS PER COMMON SHARE

Basic and diluted earnings per share are computed based upon the weighted average number of shares outstanding during the respective periods. Diluted earnings per share give effect to all dilutive potential common shares. For the three and six months ended June 1, 2013 and May 26, 2012, the Company had no dilutive potential common stock.

Note 6 SHAREHOLDERS' EQUITY

On December 12, 2011, the Board of Directors of Micropac Industries, Inc. approved the payment of a special dividend of $0.10 per share for shareholders of record as of January 18, 2012. The dividend was paid to the Company's shareholders on February 14, 2012.

On December 12, 2012, the Board of Directors of Micropac Industries, Inc. approved the payment of a $.10 per share special dividend to all shareholders of record as of January 15, 2013. The dividend was paid to shareholders on February 12, 2013.

Note 7 SUBSEQUENT EVENTS

Management has evaluated subsequent events after the balance sheet date, through the issuance of the financial statements, for appropriate accounting and disclosure.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Business

Micropac Industries, Inc. (the "Company"), a Delaware corporation, manufactures and distributes various types of hybrid microelectronic circuits, solid state relays, power operational amplifiers, and optoelectronic components and assemblies. The Company's products are used as components in a broad range of military, space and industrial systems, including aircraft instrumentation and navigation systems, power supplies, electronic controls, computers, medical devices, and high-temperature (200o C) products. The Company's products are either custom (being application specific circuits designed and manufactured to meet the particular requirements of a single customer) or standard, proprietary components such as catalog items.

The Company's facilities are certified and qualified by Defense Logistics Agency (DLA) to MIL-PRF-38534 (class K-space level), MIL-PRF-19500 JANS (space level), and MIL-PRF-28750 (class K-space level) and is certified to ISO 9001-2002. Micropac is a National Aeronautics and Space Administration (NASA) core supplier, and is registered to AS9100-Aerospace Industry standard for supplier certification.

The Company's core technology is the packaging and interconnecting of multi-chip microelectronics modules. Other technologies include light emitting and light sensitive materials and products, including light emitting diodes and silicon phototransistors used in the Company's optoelectronic components and assemblies.

Results of Operations

	Three months ended				Six months ended			
	6/01/2013		5/26/2012		6/01/2013		5/26/2012	
NET SALES	100.0	%	100.0	%	100.0	%	100.0	%
COST AND EXPENSES:								
Cost of Goods Sold	60.1	%	74.5	%	62.1	%	72.5	%
Research and development	8.5	%	2.0	%	7.9	%	2.6	%
Selling, general & administrative expenses	19.4	%	23.1	%	20.3	%	23.2	%
Total cost and expenses	88.1	%	99.6	%	90.4	%	98.3	%
OPERATING INCOME BEFORE INTEREST AND INCOME TAXES	11.9	%	.4	%	9.6	%	1.7	%
Interest income	.0	%	.1	%	.0	%	.1	%
INCOME BEFORE TAXES	11.9	%	.5	%	9.6	%	1.8	%
Provision for taxes	4.3	%	.2	%	3.5	%	.6	%
NET INCOME	7.6	%	.3	%	6.1	%	1.2	%

Sales for the three and six month periods ended June 1, 2013 totaled $5,093,000 and $9,731,000, respectively. Sales for the second quarter increased 24.3% or $995,000 above sales for the same period of 2012, while sales for the first six months of 2013 increased 24.6% or $1,919,000 above the first six months of 2012. Sales were 25% in the commercial market, 53% in the military market, and 22% in the space market for the six months ended June 1, 2013 compared to 26% in the commercial market, 61% in the military market, and 13% in the space market for the six months ended May 26, 2012.

The major increase in sales was associated with a new order for a custom medical sensor product and an increase in sales of various standard solid state relay products. The Company's management expects sales and operating income to increase in the second half of 2013 as compared to 2012, based on the current backlog and anticipated new orders in the second half of 2013.

One customer accounted for 18% of the Company's sales for the three months ended June 1, 2013 and one customer accounted for 9% of the Company's sales for the six months ended June 1, 2013, while two customers each accounted for 12% of the Company's sales for the three months ended May 26, 2012, and one customer accounted for 12% of the Company's sales for the six months ended May 26, 2012.

Cost of goods sold for the second quarters of 2013 and 2012 totaled 60.1% and 74.5% of net sales, respectively, while cost of goods sold for the six months ended June 1, 2013 and May 26, 2012 totaled 62.1% and 72.5% of net sales, respectively. The decrease in cost of goods sold as a percentage of sales is attributable to changes in product mix and lower manufacturing overhead cost. In actual dollars, cost of goods sold increased $8,000 for the second quarter and increased $385,000 for the first six months of 2013 as compared to the same periods in 2012. For the first six months of 2013, material cost increased $719,000 and labor cost increased $94,000 while manufacturing overhead cost decreased $428,000.

Research and development expense increased $353,000 for the second quarter of 2013 versus 2012 and increased $570,000 for the first six months of 2013 compared to the same period of 2012. The research and development expenditures were associated with continued development of several power management products, fiber optic transceivers and high voltage optocouplers. The Company will continue to invest in research and development on these products and other new opportunities.

Selling, general and administrative expense for the second quarter and first six months of 2013 totaled 19.4% and 20.3% of net sales, respectively, compared to 23.1% and 23.2% for the same periods in 2012. In actual dollars, selling, general and administrative expense increased $43,000 for the second quarter and increased $164,000 for the first six months of 2013 compared to the same periods in 2012. The major increase was in selling expenses associated with higher commission expenses with the higher sales.

Provisions for taxes increased $286,000 for the first six months of 2013 compared to the same period in 2012. The estimated effective tax rate was 36% for both periods.

Accounts receivable, net, totaled $2,260,000 as of June 1, 2013 and represents a decrease of $238,000 since November 30, 2012, with improved collections with days sales of 40 compared to 43 days at November 30, 2012.

Inventory decreased $602,000 since November 30, 2012 with the completion and shipment of two contracts that required the purchase of long lead material in 2012.

Liquidity and Capital Resources

Cash and cash equivalents totaled $8,750,000 as of June 1, 2013 compared to $7,415,000 on November 30, 2012, an increase of $1,335,000. The increase in cash and cash equivalents is primarily attributable to $1,736,000 cash provided from operations offset by a payment of a cash dividend of $258,000, and the investment of $142,000 in equipment.

On January 23, 2013, Micropac Industries, Inc. entered into a Loan Agreement with a Texas banking institution. The Loan Agreement replaces the Company's revolving line of credit with the Texas banking institution entered into on June 1, 2011. The Loan Agreement provides for revolving credit loans, in amounts not to exceed a total principal balance of $6,000,000, and specific advance loans for acquisitions to the Company with an aggregate amount not to exceed $7,500,000 in a single advance or in multiple advances. The Loan Agreement also contains financial covenants to maintain at all times including (i) minimum working capital of not less than $4,000,000, (ii) a ratio of senior funded debt, minus the Company's balance sheet cash on hand to the extent in excess of $2,000,000, to EBITDA of not more than 3.0 to 1.0, and (iii) a ratio of free cash flow to debt service of not less than 1.2 to 1.0. The

Company has not, to date, drawn any amounts under the loan agreement or the revolving line of credit and is currently in compliance with the financial covenants.

The Company expects to continue to generate adequate amounts of cash to meet its liquidity needs from the sale of products and services and the collection thereof for at least the next twelve months.

Outlook

New orders for the second quarter and year-to-date 2013 totaled $5,380,000 and $9,728,000, respectively, compared to $6,934,000 and $11,109,000 for the comparable periods of 2012. The fluctuation resulted from a delay in one order for a custom optoelectronic product for a military program which is anticipated to be booked in the third quarter of 2013.

Backlog totaled $9,847,000 on June 1, 2013 compared to $9,606,000 as of May 26, 2012 and $9,850,000 on November 30, 2012. The majority of the backlog is expected to be shipped in the next twelve (12) months and represents a good mix of the company’s products and technologies with 23% in the commercial market, 66% in the military market, and 11% in the space market compared to 14% in the commercial market, 71% in the military market, and 15% in the space market at May 26, 2012.
The Company cannot assure that the results of operations for the interim period presented are indicative of total results for the entire year due to fluctuations in customer delivery schedules, or other factors over which the Company has no control.

Cautionary Statement

This Form 10-Q contains forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially. Investors are warned that forward-looking statements involve risks and unknown factors including, but not limited to, customer cancellation or rescheduling of orders, problems affecting delivery of vendor-supplied raw materials and components, unanticipated manufacturing problems and availability of direct labor resources.

The Company produces silicon phototransistors and light emitting diode die for use in certain military, standard and custom products. Fabrication efforts sometimes may not result in successful results, limiting the availability of these components. Competitors offer commercial level alternatives and our customers may purchase our competitors' products if the Company is not able to manufacture the products using these technologies to meet the customer demands.

The Company disclaims any responsibility to update the forward-looking statements contained herein, except as may be required by law.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures.

The Chief Executive Officer and Chief Financial Officer of the Company evaluated the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e)) as of June 1, 2013 and, based on this evaluation, concluded that the Company's disclosure controls and procedures are functioning in an effective manner to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act, is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms.

(b) Changes in internal controls.

There has been no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting during the three month period ended June 1, 2013.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is not involved in any material current or pending legal proceedings.

ITEM 1A RISK FACTORS

Information about risk factors for the three months ended June 1, 2013 does not differ materially from that set forth in Part I, Item 1A, of our Annual Report on Form 10-K for the year ended November 30, 2012.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURE

Not Applicable

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

(a) Exhibits

31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes- Oxley Act of 2002
31.2	Certification of Chief Accounting Officer pursuant to Section 302 of the Sarbanes- Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley act of 2002.
32.2	Certification of Chief Accounting Officer pursuant to 18 U. S. C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley act of 2002.
101	Interactive data files pursuant to Rule 405 of Regulation S-T.

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 duly authorized.

MICROPAC INDUSTRIES, INC.

July 16, 2013	/s/ Mark King
Date	Mark King
	Chief Executive Officer
July 16, 2013	/s/ Patrick Cefalu
Date	Patrick Cefalu
	Chief Financial Officer