

SUPREME INDUSTRIES INC

Form 10-Q

November 10, 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 September 26, 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: 1-8183

SUPREME INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

75-1670945

(I.R.S. Employer Identification No.)

Edgar Filing: SUPREME INDUSTRIES INC - Form 10-Q

2581 E. Kercher Rd., P.O. Box 237, Goshen, Indiana 46528

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (574) 642-3070

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock (\$.10 Par Value)
Class A
Class B

Outstanding at October 30, 2009
12,158,823
2,188,490

Table of Contents

SUPREME INDUSTRIES, INC.

CONTENTS

	Page No.
<u>PART I.</u>	
<u>FINANCIAL INFORMATION</u>	
<u>ITEM 1.</u>	
<u>Financial Statements</u>	
<u>Consolidated Balance Sheets</u>	1
<u>Consolidated Statements of Operations</u>	3
<u>Consolidated Statements of Cash Flows</u>	4
<u>Notes to Consolidated Financial Statements</u>	5
<u>ITEM 2.</u>	
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	10
<u>ITEM 3.</u>	
<u>Quantitative and Qualitative Disclosures About Market Risk</u>	18
<u>ITEM 4.</u>	
<u>Controls and Procedures</u>	18
<u>PART II.</u>	
<u>OTHER INFORMATION</u>	
<u>ITEM 1.</u>	
<u>Legal Proceedings</u>	20
<u>ITEM 1A.</u>	
<u>Risk Factors</u>	20
<u>ITEM 2.</u>	
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	21
<u>ITEM 3.</u>	
<u>Defaults Upon Senior Securities</u>	21
<u>ITEM 4.</u>	
<u>Submission of Matters to a Vote of Security Holders</u>	21
<u>ITEM 5.</u>	
<u>Other Information</u>	21
<u>ITEM 6.</u>	
<u>Exhibits</u>	22
<u>SIGNATURES</u>	
<u>INDEX TO EXHIBITS</u>	
<u>EXHIBITS</u>	

Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS.****Supreme Industries, Inc. and Subsidiaries**

Consolidated Balance Sheets

	September 26, 2009 (Unaudited)	December 27, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 66,890	\$ 932,608
Investments	1,640,288	2,509,848
Accounts receivable, net	19,791,045	25,423,842
Inventories	34,909,064	44,248,516
Other current assets	8,502,347	6,335,740
Total current assets	64,909,634	79,450,554
Property, plant and equipment, at cost	89,967,644	94,128,405
Less, Accumulated depreciation and amortization	46,812,757	48,349,497
Property, plant and equipment, net	43,154,887	45,778,908
Other assets	1,183,544	295,109
Total assets	\$ 109,248,065	\$ 125,524,571

See accompanying notes to consolidated financial statements.

Table of Contents**Supreme Industries, Inc. and Subsidiaries**

Consolidated Balance Sheets, Concluded

	September 26, 2009 (Unaudited)	December 27, 2008
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 613,489	\$ 823,297
Revolving line of credit	20,314,490	
Trade accounts payable	8,352,821	8,266,945
Accrued income taxes	662,380	675,200
Other accrued liabilities	7,933,137	9,349,112
Total current liabilities	37,876,317	19,114,554
Long-term debt	1,335,675	32,805,350
Deferred income taxes	2,403,698	2,403,698
Other long-term liabilities	585,158	818,053
Total liabilities	42,200,848	55,141,655
Stockholders equity	67,047,217	70,382,916
Total liabilities and stockholders equity	\$ 109,248,065	\$ 125,524,571

See accompanying notes to consolidated financial statements.

Table of Contents**Supreme Industries, Inc. and Subsidiaries**

Consolidated Statements of Operations (Unaudited)

	Three Months Ended		Nine Months Ended	
	September 26, 2009	September 27, 2008	September 26, 2009	September 27, 2008
Net sales	\$ 50,101,178	\$ 61,086,346	\$ 148,978,349	\$ 212,317,770
Cost of sales	46,215,513	55,666,495	138,652,416	191,907,710
Gross profit	3,885,665	5,419,851	10,325,933	20,410,060
Selling, general and administrative expenses	5,328,645	6,797,403	16,511,198	20,787,125
Other income	(102,972)	(160,959)	(780,998)	(670,470)
Operating income (loss)	(1,340,008)	(1,216,593)	(5,404,267)	293,405
Interest expense	623,566	508,368	1,780,330	1,625,273
Loss before income taxes	(1,963,574)	(1,724,961)	(7,184,597)	(1,331,868)
Income tax benefit	(435,000)	(1,094,910)	(3,151,000)	(1,144,910)
Net loss	\$ (1,528,574)	\$ (630,051)	\$ (4,033,597)	\$ (186,958)
Loss Per Share:				
Basic	\$ (0.11)	\$ (0.04)	\$ (0.28)	\$ (0.01)
Diluted	(0.11)	(0.04)	(0.28)	(0.01)
Shares used in the computation of loss per share:				
Basic	14,198,782	14,186,973	14,180,168	14,073,863
Diluted	14,198,782	14,186,973	14,180,168	14,073,863
Cash dividends per common share	\$	\$	\$	\$ 0.19

See accompanying notes to consolidated financial statements.

Table of Contents**Supreme Industries, Inc. and Subsidiaries**

Consolidated Statements of Cash Flows (Unaudited)

	Nine Months Ended	
	September 26, 2009	September 27, 2008
Cash flows from operating activities:		
Net loss	\$ (4,033,597)	\$ (186,958)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	3,117,219	3,194,638
Amortization of intangibles		36,278
Provision for losses on doubtful receivables	78,736	170,918
Stock-based compensation expense	469,810	465,616
Losses (gains) on sale of property, plant and equipment, net	(239,708)	28,868
Changes in operating assets and liabilities	11,281,311	544,351
Net cash provided by operating activities	10,673,771	4,253,711
Cash flows from investing activities:		
Additions to property, plant and equipment	(1,655,555)	(2,823,868)
Proceeds from sale of property, plant and equipment	507,071	60,401
Purchases of investments	(85,625)	(1,142,316)
Proceeds from sale of investments	1,053,054	832,670
Decrease in other assets	6,559	6,559
Net cash used in investing activities	(174,496)	(3,066,554)
Cash flows from financing activities:		
Proceeds from revolving line of credit and long-term debt	55,813,354	89,915,986
Repayments of revolving line of credit and long-term debt	(67,178,347)	(90,044,061)
Payment of cash dividends		(2,491,484)
Proceeds from exercise of stock options		247,500
Net cash used in financing activities	(11,364,993)	(2,372,059)
Change in cash and cash equivalents	(865,718)	(1,184,902)
Cash and cash equivalents, beginning of period	932,608	1,266,133
Cash and cash equivalents, end of period	\$ 66,890	\$ 81,231

See accompanying notes to consolidated financial statements.

Table of Contents

SUPREME INDUSTRIES, INC. AND SUBSIDIARIES

Notes To Consolidated Financial Statements

NOTE 1 - BASIS OF PRESENTATION AND OPINION OF MANAGEMENT

The accompanying unaudited consolidated condensed financial statements 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 consolidated 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. The December 27, 2008 consolidated 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. References to we, us, our, its, Supreme, or the Company refer to Supreme Industries, Inc. and its subsidiaries.

The Company has adopted a 52- or 53-week fiscal year ending the last Saturday in December. The results of operations for the three and nine months ended September 26, 2009 and September 27, 2008 are for 13- and 39-week periods, respectively.

The Company evaluated its September 26, 2009 consolidated financial statements for subsequent events through November 10, 2009, the date the consolidated financial statements were issued.

NOTE 2 RECENT ACCOUNTING PRONOUNCEMENTS

In June 2009, the FASB issued Accounting Standards Codification (ASC) 105 which modifies the hierarchy of Generally Accepted Accounting Principles in the United States (GAAP) to include only two levels of GAAP: authoritative and nonauthoritative. All of the content included in the ASC will be considered authoritative. ASC is not intended to amend GAAP but codifies previous accounting literature. ASC is effective for interim and annual periods ending after September 15, 2009. We adopted the ASC when referring to GAAP in this quarterly report on Form 10-Q for the fiscal period ending September 26, 2009. The adoption of the ASC changed the referencing of authoritative accounting literature to conform to the ASC but did not have an impact on our consolidated results.

Table of Contents**SUPREME INDUSTRIES, INC. AND SUBSIDIARIES**

Notes To Consolidated Financial Statements, Continued

NOTE 3 OTHER COMPREHENSIVE INCOME (LOSS)

Other comprehensive income (loss) includes unrealized gains (losses) on hedge-activity, net of tax, and unrealized gains (losses) on available-for-sale securities, net of tax. Total comprehensive loss combines net loss and other comprehensive income (loss).

For the three- and nine-month periods ended September 26, 2009 and September 27, 2008, total and other comprehensive income (loss) are as follows:

	Three Months Ended		Nine Months Ended	
	September 26, 2009	September 27, 2008	September 26, 2009	September 27, 2008
Net loss	\$ (1,528,574)	\$ (630,051)	\$ (4,033,597)	\$ (186,958)
Other comprehensive income (loss)	97,530	(71,374)	228,088	(188,574)
Total comprehensive loss	\$ (1,431,044)	\$ (701,425)	\$ (3,805,509)	\$ (375,532)

NOTE 4 - INVENTORIES

Inventories, which are stated at the lower of cost or market with cost determined using the first-in, first-out method, consist of the following:

	September 26, 2009	December 27, 2008
Raw materials	\$ 19,146,836	\$ 24,596,110
Work-in-progress	6,994,731	8,204,857
Finished goods	8,767,497	11,447,549
	\$ 34,909,064	\$ 44,248,516

Table of Contents

SUPREME INDUSTRIES, INC. AND SUBSIDIARIES

Notes To Consolidated Financial Statements, Continued

NOTE 5 FAIR VALUE MEASUREMENT

Generally accepted accounting principles define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GAAP also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Company used the following methods and significant assumptions to estimate the fair value of items:

Investments: The fair values of investments available for sale are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

Derivatives: Our derivative instruments consist of interest rate swaps, currently reflected as other long-term liabilities on the Consolidated Balance Sheets. The Company obtains fair values from financial institutions who utilize internal models with observable market data inputs to estimate the fair value of these instruments (Level 2 inputs). An increase in interest rates since December 27, 2008 has resulted in a reduction in the liability of \$232,895 and comprehensive income of \$163,495, net of tax.

Table of Contents

SUPREME INDUSTRIES, INC. AND SUBSIDIARIES

Notes To Consolidated Financial Statements, Continued

NOTE 6 - REVOLVING LINE OF CREDIT

Supreme Corporation, the Company's wholly-owned subsidiary, amended its existing credit facility effective September 9, 2009. This amendment reduced the line of credit available to Supreme Corporation to \$25 million from \$33 million and modified the two financial covenants regarding minimum tangible net worth and adjusted EBITDA measurements. The remaining terms of the credit facility are substantially the same as the previous credit facility disclosed in the Annual Report on Form 10-K for the year ended December 27, 2008.

During the quarter ended September 26, 2009, Supreme Corporation was not in compliance with an earnings-related covenant regarding adjusted EBITDA in its existing credit facility with JPMorgan Chase Bank, N. A. On November 6, 2009, the Company obtained consent from its lender to waive the earnings-related covenant through September 26, 2009. Additionally the lender modified the financial covenant regarding minimum tangible net worth and extended the credit facility maturity date three months from July 31, 2010 to October 31, 2010.

Although the maturity date is greater than one year, generally accepted accounting principles (specifically, ASC 470-10) require that a long-term debt be reclassified as current if management is of the opinion that the Company may not be able to cure the default at measurement dates that are within the next twelve months. As a result of previous covenant violations and the current economic environment, management has changed the classification of the Company's debt from long-term to current. This reclassification will have no effect on previously reported Consolidated Statement of Operations or Consolidated Statement of Cash Flows for the 2009 year. Regardless of the non-compliance with earnings-related covenants, the Company has made every scheduled payment of principal and interest.

NOTE 7 - LOSS PER SHARE

As of September 26, 2009, the assumed exercise or issuance of 253,013 shares and 186,797 shares for the three- and nine-month periods, respectively, relating to stock plans were not included in the computation of diluted loss per share. As of September 27, 2008, the assumed exercise or issuance of 200,669 shares and 171,755 shares for the three- and nine-month periods, respectively, relating to stock plans were not included in the diluted loss per share. Inclusion of these shares in the respective periods would have been antidilutive.

NOTE 8 - STOCK-BASED COMPENSATION

The following table summarizes the activity for the unvested restricted stock units and restricted stock for the nine months ended September 26, 2009:

Table of Contents

	Number of Shares		Weighted - Average Grant Date Fair Value
Unvested, December 27, 2008	202,069	\$	4.81
Granted			n/a
Vested	(67,750)		5.04
Unvested, September 26, 2009	134,319	\$	4.69

The total fair value of the shares vested during the nine months ended September 26, 2009 was \$341,249.

A summary of the status of the Company's outstanding stock options as of September 26, 2009, and changes during the nine months ended September 26, 2009, are as follows:

	Number of Shares		Weighted - Average Exercise Price
Outstanding, December 27, 2008	1,061,975	\$	5.65
Granted	196,000		1.56
Exercised			n/a
Forfeited	(11,893)		6.32
Outstanding, September 26, 2009	1,246,082	\$	5.00

As of September 26, 2009, outstanding options had an intrinsic value of \$16,350 and a weighted-average remaining contractual life of 3.71 years.

Table of Contents

SUPREME INDUSTRIES, INC. AND SUBSIDIARIES

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

Established in 1974 as a truck body manufacturer, Supreme Industries, Inc., through its wholly-owned subsidiary Supreme Corporation, is one of the nation's leading manufacturers of specialized commercial vehicles. Utilizing a nationwide direct sales and distribution network, as well as manufacturing and service facilities in 10 states across the continental United States, Supreme is able to meet the needs of customers across all of North America.

The Company engages principally in the production and sale of customized truck bodies, shuttle buses, and other specialty vehicles. Building on its expertise in providing both cargo and passenger transportation solutions, the Company's specialty offerings include products such as customized armored vehicles, homeland response vehicles, portable storage units, and luxury motor coaches. Through vertical integration and proprietary processes, the Company also is a producer of high quality fiberglass and fiberglass-reinforced components.

The Company and its product offerings are sensitive to various factors which include, but are not limited to, economic conditions, interest rate fluctuations, volatility in the supply chain of vehicle chassis and the availability of credit and financing to the Company, our vendors, dealers, or end users. The Company's business is also affected by the availability and costs of certain raw materials that serve as significant components of its product offerings. The Company's risk factors are disclosed in Item 1A "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 27, 2008 and herein in Item 1A.

The following discussion should be read in conjunction with the unaudited consolidated financial statements and related notes thereto elsewhere in this document.

Results of Operations

Overview

During the third quarter of 2009, Supreme continued to experience the impact of the severe economic recession, particularly in its core truck business and motorhome operations as has been the case since early 2008. In our efforts to emerge from the current economic environment as an even more formidable competitor in our industry, we continue to carry out our strategy which includes cost containment, production efficiencies, market expansion and product diversification. Although we have reduced our annualized operating costs by more than \$15 million over the past year, we still incurred a loss for the third quarter. Management remains focused on further reducing our costs of operations in light of the product mix and revenue levels we are currently experiencing. The current industry consensus is that overall demand for our products is not expected to improve until mid-2010, though we can not provide any assurance that this will occur.

Edgar Filing: SUPREME INDUSTRIES INC - Form 10-Q

Table of Contents

Additionally, during 2009, we have incurred production start-up costs in both our Pennsylvania and Oregon bus operations as we expanded capacity in those locations to meet the recent increase in bus demand. In our efforts to increase revenues, we have invested and focused more on marketing and selling into the specialty vehicle market and the larger fleet market. Further, we continually work to improve our operational processes, researching new materials to increase value to our customers with an emphasis on green materials and technologies, while also upgrading existing and developing new product offerings.

During 2009, we have incurred an operating loss primarily due to the approximate 40% decline in the commercial truck market over the past 12 months according to the latest Polk report, an industry commentary on the U.S. commercial vehicle market. With core dry freight trucks and related products having historically represented approximately 65% of our revenues on average over prior periods, our revenues have been dramatically affected by these conditions. The outlook for the commercial vehicle industry continues to be weak for the remainder of 2009. We believe that the current market condition may result in pent-up demand since the average age of vehicles in use is estimated to be over nine years compared to the historic average of six years. With recent improvements to our new Signature body and improved processes, we believe that our truck division is well positioned to capitalize on a modest recovery.

Additionally, the Company's intense focus on asset management continues as evidenced by our total debt-to-equity ratio, which improved significantly since the beginning of 2009, along with a total debt level decrease of \$11.4 million, or 34%.

Net Sales

Net sales for the three months ended September 26, 2009 decreased \$11.0 million to \$50.1 million compared to \$61.1 million for the three months ended September 27, 2008. Net sales for the nine months ended September 26, 2009 decreased \$63.3 million to \$149.0 million compared to \$212.3 million for the nine months ended September 27, 2008. The following table presents the components of net sales and the changes from period-to-period:

(\$000 s omitted)	Three Months Ended				Nine Months Ended				
	Sep 26, 2009	Sep 27, 2008	Change		Sep 26, 2009	Sep 27, 2008	Change		
Specialized vehicles:									
Trucks	\$ 26,668	\$ 34,305	\$ (7,636)	-22.3%	\$ 78,207	\$ 130,705	\$ (52,498)	-40.2%	
Buses	19,515	20,992	(1,477)	-7.0%	50,190	59,115	(8,925)	-15.1%	
Armored vehicles	2,735	932	1,803	193.5%	13,226	4,197	9,029	215.1%	
Motorhomes	781	2,827	(2,046)	-72.4%	3,567	10,413	(6,846)	-65.7%	
	49,699	59,055	(9,356)	-15.8%	145,190	204,430	(59,240)	-29.0%	
Composites	402	2,031	(1,629)	-80.2%	3,788	7,888	(4,100)	-52.0%	
	\$ 50,101	\$ 61,086	\$ (10,985)	-18.0%	\$ 148,978	\$ 212,318	\$ (63,340)	-29.8%	

We attribute the decrease in our truck product sales primarily to the U.S. economic recession which resulted in an industry-wide decline in the retail truck market of approximately 40% over the past 12 months. As a result of these market conditions, our retail customers ordered fewer units, resulting in a revenue decrease of 22% versus the comparable quarter in 2008. This factor, combined with decreased orders from major fleet customers earlier in 2009, resulted in a revenue decrease of 40% for the nine months when compared to the comparable 2008 period.

Table of Contents

Our StarTrans bus division continues to experience strong demand for its products resulting from the availability of funds from the Federal economic stimulus package and increased use of more economical public transportation. With our recently expanded capacity and our strong backlog for this division, we anticipate favorable contributions for the remainder of 2009 and into 2010.

The armored division sales increase was primarily the result of our increased cash-in-transit business and our armored Suburban product line. We believe that the armored division is well positioned to increase its revenue year-over-year for the remainder of 2009 due to the increased backlog and the positive feedback we are receiving from other governmental agencies regarding our products and quality.

The motorhome division continues to be impacted by the lack of financing available to retail customers and the excess supply of motorhomes in the market. To mitigate losses, we are consolidating this operation, streamlining the production processes, and reviewing the product line to more effectively compete in this product group.

The decrease in composite sales of fiberglass reinforced plywood and other fiberglass products is due to the overall decline in the commercial truck and recreational vehicle markets.

Our total sales backlog was \$61.9 million at September 26, 2009 compared to \$64.9 million at September 27, 2008.

Cost of sales and gross profit

Gross profit decreased by \$1.5 million, or 27.8%, to \$3.9 million for the three months ended September 26, 2009 compared to \$5.4 million for the three months ended September 27, 2008. For the nine months ended September 26, 2009, gross profit decreased by \$10.1 million, or 49.5%, to \$10.3 million compared to \$20.4 million for the nine months ended September 27, 2008. The following table presents the components of cost of sales as a percentage of net sales and the changes from period to period:

	Three Months Ended			Nine Months Ended		
	Sep 26, 2009	Sep 27, 2008	Percent Change	Sep 26, 2009	Sep 27, 2008	Percent Change
Material	59.7%	59.0%	0.7%	59.3%	57.9%	1.4%
Direct Labor	13.7	13.6	0.1	13.8	13.9	(0.1)
Overhead	16.4	15.7	0.7	17.7	15.8	1.9
Delivery	2.4	2.8	(0.4)	2.3	2.8	(0.5)
Cost of sales	92.2	91.1	1.1	93.1	90.4	2.7
Gross profit	7.8%	8.9%	(1.1)%	6.9%	9.6%	(2.7)%

Material Material cost as a percentage of net sales increased for the three and nine months ended September 26, 2009 when compared to the corresponding periods in 2008. The change in the material percentage is primarily related to changes in our product mix as a result of increased sales in our bus division, which has a higher material percentage, and accounted for 39.0% and 33.7% of our total net sales for the three and nine months in 2009 compared to 34.4% and 27.8% for the same periods in 2008, respectively. The material percentage for trucks remained

relatively constant from period to period.

Table of Contents

Raw material costs have recently stabilized and have even begun to decrease for certain commodities, particularly for aluminum and steel products. The Company closely monitors all major commodities and continually reviews the financial viability of its primary vendors. We also strive to reduce manufacturing costs through the use of improved technologies, processes, and supply chain management tactics and strategies.

Direct Labor Direct labor as a percentage of net sales was relatively consistent for the three and nine months ended September 26, 2009 when compared to the corresponding periods in 2008. During this economic downturn the Company has worked toward improving the overall direct labor percentage and continues its effort in this regard.

Overhead Overhead as a percentage of net sales increased for the three and nine months ended September 26, 2009 when compared to the corresponding periods in 2008. The majority of the increase in the overhead percentage was due to the fixed nature of certain expenses that do not fluctuate when sales volume changes. Additionally, group health insurance expense was higher than anticipated for both periods as a result of a few high dollar claims. In an effort to control future claim costs, the Company continues to implement changes to its employee health insurance plan design with a focus on preventive care. We continue to focus on reducing expenses and managing our overhead cost structure based on sales volume levels.

Delivery Delivery as a percentage of net sales decreased for the three and nine months ended September 26, 2009 when compared to the corresponding periods in 2008. The Company continues to research and utilize more cost-effective delivery methods to reduce the adverse impact of high fuel costs.

Selling, general and administrative expenses

Selling, general and administrative (G&A) expenses decreased by \$1.5 million, or 22.1%, to \$5.3 million for the three months ended September 26, 2009 compared to \$6.8 million for the three months ended September 27, 2008. For the nine months ended September 26, 2009, selling and G&A expenses decreased by \$4.3 million, or 20.7%, to \$16.5 million compared to \$20.8 million for the nine months ended September 27, 2008. The following table presents selling and G&A expenses as a percentage of net sales and the changes from period to period:

(\$000 s omitted)	Three Months Ended						Nine Months Ended					
	Sep 26, 2009		Sep 27, 2008		Change		Sep 26, 2009		Sep 27, 2008		Change	
Selling expenses	\$ 1,748	3.5%	\$ 2,817	4.6%	\$ (1,069)	(1.1)%	\$ 5,677	3.8%	\$ 8,006	3.8%	\$ (2,329)	%
G&A expenses	3,581	7.1	3,980	6.5	(399)	0.6	10,834	7.3	12,781	6.0	(1,947)	1.3
Total	\$ 5,329	10.6%	\$ 6,797	11.1%	\$ (1,468)	(0.5)%	\$ 16,511	11.1%	\$ 20,787	9.8%	\$ (4,276)	1.3%

Selling expenses Selling expenses declined for the three and nine months ended September 26, 2009 when compared to the corresponding periods in 2008. The decrease was a result of lower commission expense, selling wages, and employee-related expenses due to lower sales volumes and several proactive cost reduction efforts. These declines were partially offset by fewer cooperative marketing credits the Company received from chassis manufacturers. These credits, determined solely by programs established by the chassis manufacturers, are used to offset marketing and promotional expenses.

Table of Contents

G&A expenses G&A expenses decreased for the three and nine months ended September 26, 2009 when compared to the corresponding periods in 2008. The decrease was primarily attributable to employee headcount and related cost reductions, which are a large part of our cost savings initiatives which began in late 2008.

Other income

For the three months ended September 26, 2009, other income was \$0.1 million (0.2% of net sales) compared to \$0.2 million (0.3% of net sales) for the three months ended September 27, 2008. For the nine months ended September 26, 2009, other income was \$0.8 million (0.5% of net sales) compared to \$0.7 million (0.3% of net sales) for the nine months ended September 27, 2008. Other income consisted of rental income, gain on sale of assets, and other miscellaneous income received by the Company through its various business activities.

Interest expense

Interest expense was \$0.6 million (1.2% of net sales) for the three months ended September 26, 2009 compared to \$0.5 million (0.8% of net sales) for the three months ended September 27, 2008. For the nine months ended September 26, 2009, interest expense was \$1.8 million (1.2% of net sales) compared to \$1.6 million (0.8% of net sales) for the nine months ended September 27, 2008. The bank interest expense reflects lower prevailing LIBOR and prime interest rates coupled with reduced debt levels due to lower working capital requirements. This was offset by higher performance-based pricing provisions under the Company's credit facility as recent operating losses triggered an increase in rate. Additionally, chassis interest expense increased due to the slowdown in the light-duty truck market causing a build-up of consigned chassis inventory.

Income taxes

The Company's estimated effective income tax rate was favorably impacted by tax benefits associated with the Company's wholly-owned captive insurance subsidiary, federal alternative fuel tax credits, and research and development tax credits. The combination of these tax benefits along with the incurred pretax losses resulted in an overall tax benefit position for the Company in each of the 2009 and 2008 periods presented. The Company estimates a 44% effective tax rate for the year ending December 26, 2009. The effective tax rate for the year ended December 27, 2008 was 41.5%. The increase in the effective tax rate is due to the fixed nature of the noted tax benefits along with the estimated pretax loss for the full year ending December 26, 2009.

Net loss and loss per share

Our net loss increased by \$0.9 million to \$1.5 million (-3.0% of net sales) for the three months ended September 26, 2009, from a net loss of \$0.6 million (-1.0% of net sales) for the three months ended September 27, 2008. For the nine months ended September 26, 2009, our net loss was \$4.0 million (-2.7% of net sales) compared to a net loss of \$0.2 million (-0.1% of net sales) for the nine months ended September 27, 2008. The following table presents basic and diluted loss per share and the changes from period to period:

Table of Contents

	Three Months Ended			Nine Months Ended		
	Sep 26, 2009	Sep 27, 2008	Change	Sep 26, 2009	Sep 27, 2008	Change
Loss per share:						
Basic	\$ (0.11)	\$ (0.04)	\$ (0.07)	\$ (0.28)	\$ (0.01)	\$ (0.27)
Diluted	\$ (0.11)	\$ (0.04)	\$ (0.07)	\$ (0.28)	\$ (0.01)	\$ (0.27)

Liquidity and Capital Resources

The Company believes that it has adequate availability in its current bank credit facility to finance future foreseeable working capital requirements. The Company's cash management system and revolving line of credit are designed to maintain zero cash balances and, accordingly, checks outstanding in excess of bank balances are classified as additional borrowings under the revolving line of credit.

Interest on outstanding borrowings under the revolving line of credit is based on the bank's prime rate, or certain basis points above LIBOR, depending on the pricing option selected and the Company's leverage ratio. All borrowings under the Credit Agreement are secured by security interests covering certain inventories, trade receivables, and selected other assets of the Company. As of September 26, 2009, the Company had \$20.3 million utilized under its credit facility.

Supreme Corporation, the Company's wholly-owned subsidiary, amended its existing credit facility effective September 9, 2009. This amendment reduced the line of credit available to Supreme Corporation to \$25 million from \$33 million and modified the two financial covenants regarding minimum tangible net worth and adjusted EBITDA measurements. The remaining terms of the credit facility are substantially the same as the previous credit facility disclosed in the Annual Report on Form 10-K for the year ended December 27, 2008.

During the quarter ended September 26, 2009, Supreme Corporation was not in compliance with an earnings-related covenant regarding adjusted EBITDA in its existing credit facility with JPMorgan Chase Bank, N. A. On November 6, 2009 the Company obtained consent from its lender to waive the earnings-related covenant through September 26, 2009. Additionally the lender modified the financial covenant regarding minimum tangible net worth and extended the credit facility maturity date three months from July 31, 2010 to October 31, 2010.

Although the maturity date is greater than one year, generally accepted accounting principles (specifically, ASC 470-10) require that a long-term debt be reclassified as current if management is of the opinion that the Company may not be able to cure the default at measurement dates that are within the next twelve months. As a result of previous covenant violations and the current economic environment, management has changed the classification of the Company's debt from long-term to current. This reclassification will have no effect on previously reported Consolidated Statement of Operations or Consolidated Statement of Cash Flows for the 2009 year. Regardless of the non-compliance with earnings-related covenants, the Company has made every scheduled payment of principal and interest.

Table of Contents

Operating activities

Operating activities provided \$10.7 million of cash for the nine months ended September 26, 2009 compared to cash provided of \$4.3 million for the nine months ended September 27, 2008. Through the third quarter of 2009, cash provided by operating activities was favorably impacted by a \$5.6 million reduction in accounts receivable resulting from the lower revenues in our core truck operations. Additionally, inventories decreased \$9.3 million due improved inventory management and depressed business conditions. This was offset by a \$1.4 million decrease in other accrued liabilities and an increase in other current assets of \$2.2 million. The net loss, adjusted for depreciation and amortization, resulted in unfavorable cash flows of \$0.9 million and generated favorable cash flows of \$3.0 million during the first nine months of 2009 and 2008, respectively.

Investing activities

Cash used in investing activities was \$0.2 million for the nine months ended September 26, 2009 compared to \$3.1 million for the nine months ended September 27, 2008. Capital expenditures for the first nine months of 2009 were \$1.7 million and consisted primarily of purchases of machinery to improve efficiencies at our armored truck division. This was offset by the sale of investments in our wholly-owned captive subsidiary totaling \$1.0 million, and an additional \$0.5 million in proceeds from the sale of property during the nine months ended September 27, 2009. For the remainder of 2009, the Company expects to invest primarily in replacement equipment.

Financing activities

Financing activities used \$11.4 million of cash for the nine months ended September 26, 2009 to principally pay down debt compared to cash used of \$2.4 million for the nine months ended September 27, 2008. The lower level of bank borrowing for the first nine months of the year occurred primarily as a result of the decrease in accounts receivable and inventory levels due to lower sales and production levels. Because of the present industry conditions and ongoing economic recession, the Company's Board of Directors suspended the Company's dividend program effective as of February 16, 2009. Future dividends will necessarily be subject to business conditions, the Company's financial position, and requirements for working capital, property, plant, and equipment expenditures, and other corporate purposes.

Critical Accounting Policies and Estimates

Management's discussion and analysis of its financial position and results of operations are based upon the Company's consolidated financial statements which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. The Company's significant accounting policies are discussed in Note 1 of the Notes to Consolidated Financial Statements included in the Annual Report on Form 10-K for the year ended December 27, 2008. In management's opinion, the Company's critical accounting policies include revenue recognition, allowance for doubtful accounts, excess and obsolete inventories, inventory relief, accrued insurance, and accrued warranty.

Table of Contents

Revenue Recognition The Company generally recognizes revenue when products are shipped to the customer. Revenue on certain customer requested bill and hold transactions is recognized after the customer is notified that the products have been completed according to customer specifications, have passed all of the Company's quality control inspections, and are ready for delivery based on established delivery terms.

Allowance for Doubtful Accounts The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. If the financial conditions of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required which would adversely affect our future operating results.

Excess and Obsolete Inventories The Company must make estimates regarding the future use of raw materials and finished products and provide for obsolete or slow-moving inventories. If actual product life cycles, product demand, and/or market conditions are less favorable than those projected by management, additional inventory write-downs may be required, which would adversely affect future operating results.

Inventory Relief For monthly and quarterly financial reporting, cost of sales is recorded and inventories are relieved by the use of standard bills of material adjusted for scrap and other estimated factors affecting inventory relief. Because of our large and diverse product line and the customized nature of each order, it is difficult to place full reliance on the bills of material for accurate relief of inventories. Although the Company continues to refine the process of creating accurate bills of materials, manual adjustments (which are based on estimates) are necessary to assure correct relief of inventories for products sold. The calculations to estimate costs not captured in the bill of materials take into account the customized nature of products, historical inventory relief percentages, scrap variances, and other factors which could impact inventory relief.

The accuracy of the inventory relief is not fully known until physical inventories are conducted at each of the Company's locations. We conduct semi-annual physical inventories at a majority of our locations and schedule them in a manner that provides coverage in each of our calendar quarters. We have invested significant resources in our continuing effort to improve the physical inventory process and accuracy of our inventory accounting system.

Accrued Insurance - The Company has a self-insured retention against product liability claims with insurance coverage over and above the retention. The Company is also self-insured for a portion of its employee medical benefits and workers' compensation. Product liability claims are routinely reviewed by the Company's insurance carrier, and management routinely reviews other self-insurance risks for purposes of establishing ultimate loss estimates. In addition, management must determine estimated liability for claims incurred but not reported. Such estimates, and any subsequent changes in estimates, may result in adjustments to our operating results in the future.

Table of Contents

The Company utilizes a wholly-owned small captive insurance company to insure certain of its business risks. Certain risks, traditionally self-insured by the Company and its subsidiaries, are insured by the captive insurance subsidiary. The captive insurance subsidiary helps the Company manage its risk exposures and, under the Internal Revenue Code, the net underwriting income of such small captive is not taxable.

Accrued Warranty The Company provides limited warranties for periods of up to five years from the date of retail sale. Estimated warranty costs are accrued at the time of sale and are based upon historical experience.

Forward-Looking Statements

This report contains forward-looking statements, other than historical facts, which reflect the view of management with respect to future events. When used in this report, words such as believe, expect, anticipate, estimate, intend, and similar expressions, as they relate to the Company's plans or operations, identify forward-looking statements. Such forward-looking statements are based on assumptions made by, and information currently available to, management. Although management believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that the expectations reflected in such forward-looking statements are reasonable, and it can give no assurance that such expectations will prove to be correct. Important factors that could cause actual results to differ materially from such expectations include, without limitation, an economic slowdown in the specialized vehicle industry, limitations on the availability of chassis on which the Company's products are dependent, availability of raw materials, raw material cost increases, and severe interest rate increases. Furthermore, the Company can provide no assurance that such raw material cost increases can be passed on to its customers through implementation of price increases for the Company's products. The forward-looking statements contained herein reflect the current view of management with respect to future events and are subject to those factors and other risks, uncertainties, and assumptions relating to the operations, results of operations, cash flows, and financial position of the Company. The Company assumes no obligation to update the forward-looking statements or to update the reasons actual results could differ from those contemplated by such forward-looking statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

There has been no material change from the information provided in the Company's Annual Report on Form 10-K, Item 7A: Quantitative and Qualitative Disclosures About Market Risk, for the year ended December 27, 2008.

ITEM 4. CONTROLS AND PROCEDURES.

- a. Evaluation of Disclosure Controls and Procedures.

Table of Contents

In connection with the preparation of this Form 10-Q, an evaluation was performed under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective as of September 26, 2009.

b. Changes in Internal Control over Financial Reporting.

There has been no change in the Company's internal control over financial reporting during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

The Company continues to take action to assure compliance with the internal controls, disclosure controls, and other requirements of the Sarbanes-Oxley Act of 2002. Management, including the Company's Chief Executive Officer and Chief Financial Officer, cannot guarantee that the internal controls and disclosure controls will prevent all possible errors or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of a control system have been met. In addition, the design of a control system must reflect the fact that there are resource constraints, and the benefit of controls must be relative to their costs. Because of the inherent limitations in all control systems, no system of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company will be detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Further, controls can be circumvented by individual acts of some persons, by collusion of two or more persons, or by management override of the controls.

The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, a control may be inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of inherent limitations in any cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Table of Contents

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

The Company is subject to various investigations, claims, and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Each of these matters is subject to various uncertainties, and it is possible that some of these matters may be resolved unfavorably to the Company. The Company has established accruals for matters that are probable and reasonably estimable. Management believes that any liability that may ultimately result from the resolution of these matters in excess of accruals and amounts provided by insurance coverage will not have a material adverse effect on the consolidated financial position or results of operations of the Company.

ITEM 1A. RISK FACTORS.

For a discussion of those Risk Factors affecting the Company, you should carefully consider the Risk Factors discussed in Part I, under Item 1A: Risk Factors contained in our Annual Report on Form 10-K for the year ended December 27, 2008, which is herein incorporated by reference. We have updated three of the risk factors previously disclosed in such Annual Report to reflect the impact of the current recession on the Company and its industry, as follows:

The current recession is having a significant negative impact on our industry.

The recession and the uncertainty over its breadth, depth, and duration have had a negative impact on the specialized commercial vehicle industry. Accordingly, our financial results have been negatively impacted by the economic downturn notwithstanding cost-cutting measures taken by the Company in response to such downturn. Both our financial results and potential for growth could be further hindered if the recession continues for a significant period or becomes worse. The Company may be forced to take additional cost-cutting measures which may adversely affect the Company's ability to execute its business plan.

A lack of credit and financing availability to the Company, its vendors, dealers, or end users could adversely affect our business.

The recession may have a material adverse effect on the Company's liquidity and financial condition if, under its current bank credit agreement, the Company's ability to borrow money from its existing lender to finance its operations is reduced or eliminated. Similar adverse effects may also result if the Company realizes lessened credit availability from trade creditors. Additionally, many of our customers require the availability of financing to facilitate the purchase of our products. As a result, a continuing period of reduced credit availability in the marketplace could have further adverse effects on the Company's business.

Table of Contents

Volatility in the supply of vehicle chassis and other vehicle components resulting from the current recession could adversely affect our business.

With the exception of some StarTrans bus products, the Company generally does not purchase vehicle chassis for its inventory. The Company accepts shipments of vehicle chassis owned by dealers or end-users for the purpose of installing and/or manufacturing its specialized truck bodies and buses on such chassis. Recently emerging from bankruptcy, General Motors Corp. (GM) has historically been the Company's primary supplier of truck chassis, while Ford Motor Company (Ford) has been the primary supplier of bus chassis. In the event of a disruption in supply from one major supplier, the Company would attempt to use another major supplier, but there can be no assurance that this attempt would be successful. Nevertheless, in the event of chassis supply disruptions, there could be unforeseen consequences that may have a significant adverse effect on the Company's business operations.

The Company also faces risk relative to finance and storage charges for maintaining excess consigned chassis inventory from GM and Ford. Under these consigned inventory agreements, if a chassis is not delivered to a customer within a specified time frame, the Company is required to pay finance or storage charges on such chassis.

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.

No matters were submitted by the Company to a vote of the Company's security holders, through the solicitation of proxies, or otherwise, during the quarter ended September 26, 2009.

ITEM 5. OTHER INFORMATION.

Edgar Filing: SUPREME INDUSTRIES INC - Form 10-Q

During the quarter ended September 26, 2009, Supreme Corporation was not in compliance with an earnings-related covenant regarding adjusted EBITDA in its existing credit facility with JPMorgan Chase Bank, N.A. On November 6, 2009 the Company obtained consent from its lender to waive the earnings-related covenant through September 26, 2009. Additionally the lender modified the financial covenant regarding minimum tangible net worth and extended the credit facility maturity date three months from July 31, 2010 to October 31, 2010.

Table of Contents

ITEM 6. EXHIBITS.

Exhibits:

Exhibit 3.1	Certificate of Incorporation of the Company, filed as Exhibit 3(a) to the Company's Registration Statement on Form 8-A, filed with the Commission on September 18, 1989, and incorporated herein by reference.
Exhibit 3.2	Certificate of Amendment of Certificate of Incorporation of the Company filed with the Secretary of State of Delaware on June 10, 1993 filed as Exhibit 3.2 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1993, and incorporated herein by reference.
Exhibit 3.3	Certificate of Amendment of Certificate of Incorporation of the Company filed with the Secretary of State of Delaware on May 29, 1996 filed as Exhibit 3.3 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1996, and incorporated herein by reference.
Exhibit 3.4	Amended and Restated Bylaws of the Company dated May 7, 2008, filed as Exhibit 3.1 to the Company's Form 8-K filed with the Securities and Exchange Commission on May 7, 2008, and incorporated herein by reference.
Exhibit 10.1	Amendment to Credit Facility dated September 9, 2009, filed as Exhibit 10.1 to the Company's Form 8-K filed on September 15, 2009, and incorporated herein by reference.
Exhibit 10.2	Note Modification Agreement dated September 9, 2009, filed as Exhibit 10.2 to the Company's Form 8-K filed on September 15, 2009, and incorporated herein by reference.
Exhibit 10.3*	Amendment No. Four to the Company's Amended and Restated 2004 Stock Option Plan dated August 25, 2009.
Exhibit 10.4*	Amendment to Credit Agreement dated November 6, 2009.
Exhibit 10.5*	Note Modification Agreement dated November 6, 2009.
Exhibit 31.1*	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2*	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.1*	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.2*	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

*Filed herewith.

Table of Contents

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.

SUPREME INDUSTRIES, INC.

DATE: November 10, 2009

BY: /s/ Herbert M. Gardner
Herbert M. Gardner
Chairman of the Board and Chief Executive Officer

DATE: November 10, 2009

BY: /s/ Jeffery D. Mowery
Jeffery D. Mowery
Vice President of Finance and Chief Financial Officer

Table of Contents

INDEX TO EXHIBITS

Exhibit Number	Description of Document
Exhibit 3.1	Certificate of Incorporation of the Company, filed as Exhibit 3(a) to the Company's Registration Statement on Form 8-A, filed with the Commission on September 18, 1989, and incorporated herein by reference.
Exhibit 3.2	Certificate of Amendment of Certificate of Incorporation of the Company filed with the Secretary of State of Delaware on June 10, 1993 filed as Exhibit 3.2 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1993, and incorporated herein by reference.
Exhibit 3.3	Certificate of Amendment of Certificate of Incorporation of the Company filed with the Secretary of State of Delaware on May 29, 1996 filed as Exhibit 3.3 to the Company's annual report on Form 10-K for the fiscal year ended December 31, 1996, and incorporated herein by reference.
Exhibit 3.4	Amended and Restated Bylaws of the Company dated May 7, 2008, filed as Exhibit 3.1 to the Company's Form 8-K filed with the Securities and Exchange Commission on May 7, 2008, and incorporated herein by reference.
Exhibit 10.1	Amendment to Credit Facility dated September 9, 2009, filed as Exhibit 10.1 to the Company's Form 8-K filed on September 15, 2009, and incorporated herein by reference.
Exhibit 10.2	Note Modification Agreement dated September 9, 2009, filed as Exhibit 10.2 to the Company's Form 8-K filed on September 15, 2009, and incorporated herein by reference.
Exhibit 10.3*	Amendment No. Four to the Company's Amended and Restated 2004 Stock Option Plan dated August 25, 2009.
Exhibit 10.4*	Amendment to Credit Agreement dated November 6, 2009.
Exhibit 10.5*	Note Modification Agreement dated November 6, 2009.
Exhibit 31.1*	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2*	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.1*	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.2*	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

*Filed herewith.