

QUALSTAR CORP
Form 10-Q
May 14, 2015

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

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

For the Quarterly Period March 31, 2015

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 000-30083

QUALSTAR CORPORATION

CALIFORNIA **95-3927330**
(State of incorporation) (I.R.S.
Employer
Identification
No.)

31248 Oak Crest Drive Suite #120, Westlake Village, CA 91361

(805) 583-7744

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 website, 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 definition of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

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 Exchange Act Rule 12b-2). Yes No

Total shares of common stock without par value outstanding at May 8, 2015 are 12,253,117.

QUALSTAR CORPORATION

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2015

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PART I — FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****QUALSTAR CORPORATION AND SUBSIDIARY****CONDENSED CONSOLIDATED BALANCE SHEETS****(In thousands)**

	March 31, 2015	June 30, 2014
	(Unaudited)	(Audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,453	\$ 5,462
Marketable securities	-	1,763
Accounts receivables, net of allowances of \$61 at March 31, 2015 and \$92 at June 30, 2014	1,802	1,412
Inventories	2,932	3,177
Prepaid expenses and other current assets	238	241
Total current assets	10,425	12,055
Property and equipment, net	597	663
Other assets	43	67
Total assets	\$ 11,065	\$ 12,785
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 977	\$ 952
Accrued payroll and related liabilities	448	322
Deferred service revenue, short term	854	954
Other accrued liabilities	389	1,174
Total current liabilities	2,668	3,402
Other long term liabilities	17	17
Deferred service revenue, long term	236	243
Total long term liabilities	253	260
Commitments and contingencies		

Shareholders' equity:		
Preferred stock, no par value; 5,000 shares authorized; no shares issued	-	-
Common stock, no par value; 50,000 shares authorized, 12,253 shares issued and outstanding as of March 31, 2015 and June 30, 2014	19,019	18,943
Accumulated other comprehensive income	-	1
Accumulated deficit	(10,875)	(9,821)
Total shareholders' equity	8,144	9,123
Total liabilities and shareholders' equity	\$ 11,065	\$ 12,785

See notes to condensed consolidated financial statements.

QUALSTAR CORPORATION AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited)

(In thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2015	2014	2015	2014
Net revenues	\$2,805	\$2,562	\$9,653	\$8,192
Cost of goods sold	1,888	2,761	6,410	6,422
Gross profit (loss)	\$917	\$(199)	\$3,243	\$1,770