IMMERSION CORP
Form 10-Q
February 08, 2010

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UNITED STATES 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 30, 2009

OR

o **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 000-27969

IMMERSION CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**94-3180138**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

801 Fox Lane, San Jose, California 95131

(Address of principal executive offices)(Zip Code)

(408) 467-1900

(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 o No þ

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 o 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 the 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 þ	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller Reporting Company o

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

Number of shares of common stock outstanding at January 25, 2010: 27,999,593

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PART I
FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
IMMERSION CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)
(Unaudited)

	June 30, 2009	December 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	$ 25,047	$ 64,769
Short-term investments	48,962	20,974
Accounts receivable (net of allowances for doubtful accounts of: June 30, 2009 $241 and December 31, 2008 $436)	4,185	6,114
Inventories net	3,672	3,757
Deferred income taxes	311	311
Prepaid expenses and other current assets	4,012	4,344
Total current assets	86,189	100,269
Property and equipment, net	3,868	3,827
Intangibles and other assets, net	10,329	9,491
Total assets	$ 100,386	$ 113,587
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	$ 903	$ 2,842
Accrued compensation	2,052	2,920
Other current liabilities	3,731	3,493
Deferred revenue and customer advances	7,833	8,042
Total current liabilities	14,519	17,297
Long-term deferred revenue	18,131	15,989
Deferred income tax liabilities	311	311
Other long-term liabilities	217	212
Total liabilities	33,178	33,809
Contingencies (Note 16)		
Stockholders equity:		
Common stock and additional paid-in capital $0.001 par value; 100,000,000 shares authorized; shares issued: June 30, 2009 30,779,628 and December 31, 2008 30,674,045; shares outstanding: June 30, 2009 27,991,759 and December 31, 2008 27,887,482	170,808	167,870

Warrants	11	1,731
Accumulated other comprehensive income	114	109
Accumulated deficit	(85,328)	(71,543)
Treasury stock at cost: June 30, 2009 2,787,869 shares and December 31, 2008 2,786,563 shares	(18,397)	(18,389)
Total stockholders equity	67,208	79,778
Total liabilities and stockholders equity	$ 100,386	$ 113,587

See accompanying Notes to Condensed Consolidated Financial Statements.

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IMMERSION CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	**2008**	**2009**	**2008**
		(As Restated)(1)		(As Restated)(1)
Revenues:				
Royalty and license	$ 3,580	$ 3,171	$ 7,361	$ 6,632
Product sales	2,772	3,744	6,051	6,324
Development contracts and other	330	704	776	1,503
Total revenues	6,682	7,619	14,188	14,459
Costs and expenses:				
Cost of product sales (exclusive of amortization and impairment of intangibles shown separately below)	2,312	2,051	3,563	3,735
Sales and marketing	4,016	3,846	8,300	7,191
Research and development	3,412	2,940	7,341	6,430
General and administrative	4,841	5,111	9,226	9,525
Amortization and impairment of intangibles	224	202	439	472
Restructuring costs	705		1,351	
Total costs and expenses	15,510	14,150	30,220	27,353
Operating loss	(8,828)	(6,531)	(16,032)	(12,894)
Change in fair value of warrant liability	(136)		344	
Interest and other income	207	973	510	2,608
Loss from continuing operations before provision for income taxes	(8,757)	(5,558)	(15,178)	(10,286)
Benefit (provision) for income taxes	(300)	1,903	(391)	3,157
Loss from continuing operations	(9,057)	(3,655)	(15,569)	(7,129)
Discontinued operations (Note 10) :				
Gain on sales of discontinued operations net of provision for income taxes of $0	20		187	
Gain from discontinued operations, net of provision (benefit) for income taxes of $(48), $133, $102, and $324	166	210	401	536
Net loss	$ (8,871)	$ (3,445)	$ (14,981)	$ (6,593)

Basic and diluted net loss per share								
Continuing operations		(0.33)		(0.12)		(0.56)		(0.23)
Discontinued operations		0.01		0.01		0.02		0.01
Total	$	(0.32)	$	(0.11)	$	(0.54)	$	(0.22)
Shares used in calculating basic and diluted net loss per share		27,968		30,356		27,946		30,417

See accompanying Notes to Condensed Consolidated Financial Statements.

(1) See Note 2 Restatement of Condensed Consolidated Financial Statements of Notes to Condensed Consolidated Financial Statements.

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IMMERSION CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(unaudited)

	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008 As Restated (1)
Cash flows from operating activities:		
Net loss	$ (14,981)	$ (6,593)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	873	541
Amortization and impairment of intangibles	439	472
Stock-based compensation	2,651	2,759
Excess tax benefits from stock-based compensation		(176)
Realized gain on short-term investments		(80)
Change in fair value of warrant liability	(344)	
Write off of equipment	708	
Gain on sales of discontinued operations	(187)	
Changes in operating assets and liabilities:		
Accounts receivable	1,943	728
Inventories	(172)	(822)
Deferred income taxes		(623)
Prepaid expenses and other current assets	332	(1,333)
Other assets	7	19
Accounts payable	(1,789)	290
Accrued compensation and other current liabilities	(783)	1,165
Income taxes payable	4	(319)
Deferred revenue and customer advances	1,933	2,478
Other long-term liabilities	5	30
Net cash used in operating activities	(9,361)	(1,464)
Cash flows provided by (used in) investing activities:		
Purchases of short-term investments	(48,988)	(32,144)
Maturities of short-term investments	21,000	51,979
Additions to intangibles	(1,543)	(1,560)
Purchases of property and equipment	(1,288)	(1,065)
Proceeds from sales of discontinued operations	187	
Net cash provided by (used in) investing activities	(30,632)	17,210
Cash flows provided by (used in) financing activities:		
Issuance of common stock under employee stock purchase plan	134	168
Exercise of stock options and warrants	144	1,121

Excess tax benefits from stock-based compensation				176
Purchases of treasury stock				(6,155)
Tax withholding payment related to vested and released restricted stock units		(7)		
Net cash provided by (used in) financing activities		271		(4,690)
Effect (decrease) of exchange rates on cash and cash equivalents				(14)
Net increase (decrease) in cash and cash equivalents		(39,722)		11,042
Cash and cash equivalents:				
Beginning of the period		64,769		86,493
End of the period	$	25,047	$	97,535
Supplemental disclosure of cash flow information:				
Cash paid (received) for taxes	$	7	$	(731)
Supplemental disclosure of non-cash investing and financing activities:				
Shares issued upon vesting of restricted stock units	$	22	$	
Amounts accrued for property and equipment, and intangibles	$	434	$	701

See accompanying Notes to Condensed Consolidated Financial Statements.

(1) See Note 2 Restatement of Condensed Consolidated Financial Statements of Notes to Condensed Consolidated Financial Statements.

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IMMERSION CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2009
(Unaudited)

1. SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Immersion Corporation (the Company) was incorporated in 1993 in California and reincorporated in Delaware in 1999 and develops, manufactures, licenses, and supports a wide range of hardware and software technologies and products that enhance digital devices with touch interaction.

Principles of Consolidation and Basis of Presentation

The condensed consolidated financial statements include the accounts of Immersion Corporation and its majority-owned subsidiaries. All intercompany accounts, transactions, and balances have been eliminated in consolidation.

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information and with the instructions for Form 10-Q and Article 10 of Regulation S-X and, therefore, do not include all information and footnotes necessary for a complete presentation of the financial position, results of operations, and cash flows, in conformity with accounting principles generally accepted in the United States of America. These condensed consolidated financial statements should be read in conjunction with the Company s audited consolidated financial statements included in the Company s Amendment No. 1 to Annual Report on Form 10-K/A for the fiscal year ended December 31, 2008. In the opinion of management, all adjustments consisting of only normal and recurring items necessary for the fair presentation of the financial position and results of operations for the interim period have been included.

The results of operations for the interim periods ended June 30, 2009 are not necessarily indicative of the results to be expected for the full year.

Revenue Recognition

The Company recognizes revenues in accordance with applicable accounting standards, including Securities and Exchange Commission (SEC) Staff Accounting Bulletin (SAB) No. 104, Revenue Recognition (SAB No. 104); Emerging Issues Task Force (EITF) No. 00-21, Accounting for Revenue Arrangements with Multiple Deliverables (EITF No. 00-21); and American Institute of Certified Public Accountants (AICPA) Statement of Position (SOP) No. 97-2, Software Revenue Recognition (SOP No. 97-2), as amended. Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred or service has been rendered, the fee is fixed and determinable, and collectability is probable. The Company derives its revenues from three principal sources: royalty and license fees, product sales, and development contracts.

Royalty and license revenue The Company recognizes royalty and license revenue based on royalty reports or related information received from the licensee as well as time-based licenses of its intellectual property portfolio. Up-front payments under license agreements are deferred and recognized as revenue either based on the royalty reports received or amortized over the license period depending on the nature of the agreement. Advance payments under license agreements that also require the Company to provide future services to the licensee are deferred and recognized over the service period once services commence when vendor-specific objective evidence (VSOE) related to the value of the services does not exist.

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The Company generally recognizes revenue from its licensees under one or a combination of the following models:

License revenue model	Revenue recognition
Perpetual license of intellectual property portfolio based on per unit royalties, no services contracted.	Based on royalty reports received from licensees. No further obligations to licensee exist.
Time-based license of intellectual property portfolio with up-front payments and/or annual minimum royalty requirements, no services contracted. Licensees have certain rights to updates to the intellectual property portfolio during the contract period.	Based on straight-line amortization of annual minimum/up-front payment recognized over contract period or annual minimum period.
Perpetual license of intellectual property portfolio or technology license along with contract for development work.	Based on proportional performance method over the service period or completed performance method.
License of software or technology, no modification necessary, no services contracted.	Up-front revenue recognition based on SOP No. 97-2 criteria or SAB No. 104, as applicable.

Individual contracts may have characteristics that do not fall within a specific license model or may have characteristics of a combination of license models. Under those circumstances, the Company recognizes revenue in accordance with SAB No. 104, EITF No. 00-21, and SOP No.97-2, as amended, to guide the accounting treatment for each individual contract. See also the discussion regarding Multiple element arrangements below.

Product sales The Company generally recognizes revenues from product sales when the product is shipped, provided the other revenue recognition criteria are met, including that collection is determined to be probable and no significant obligation remains. The Company sells the majority of its products with warranties ranging from three to sixty months. The Company records the estimated warranty costs during the quarter the revenue is recognized. Historically, warranty-related costs and related accruals have not been significant. The Company offers a general right of return on the MicroScribe® product line for 14 days after purchase. The Company recognizes revenue at the time of shipment of a MicroScribe digitizer and provides an accrual for potential returns based on historical experience. The Company offers no other general right of return on its products.

Development contracts and other revenue Development contracts and other revenue is comprised of professional services (consulting services and/or development contracts), customer support, and extended warranty contracts. Development contract revenues are recognized under the proportional performance accounting method based on physical completion of the work to be performed or completed performance method. Losses on contracts are recognized when determined. Revisions in estimates are reflected in the period in which the conditions become known. Customer support and extended warranty contract revenue is recognized ratably over the contractual period.

Multiple element arrangements The Company enters into revenue arrangements in which the customer purchases a combination of patent, technology, and/or software licenses, products, professional services, support, and extended warranties (multiple element arrangements). The Company allocates revenue to each element based on the relative fair value of each of the elements. If vendor specific objective evidence of fair value does not exist, the revenue is generally recorded over the term of the contract or upon delivery of all elements for which vendor specific evidence of fair value does not exist.

Recent Accounting Pronouncements

In April 2008, the FASB issued FSP No. FAS 142-3, Determination of the Useful Life of Intangible Assets (FSP No. FAS 142-3). FSP No. FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under Statement of SFAS No. 142, Goodwill and Other Intangible Assets. FSP No. FAS 142-3 is effective for fiscal years beginning after December 15, 2008. The adoption of this guidance did not have a material impact on the Company s condensed consolidated results of operations, financial position or cash flows.

In April 2009, the FASB issued FSP No. FAS 115-2 and FAS No. 124-2, Recognition and Presentation of Other-Than-Temporary Impairments (FSP No. FAS 115-2 and FAS No. 124-2). This FSP amends the other-than temporary impairment guidance for debt securities to make the guidance more operational and to improve the presentation and disclosure of other-than-temporary impairments in the financial statements. The most significant change the FSP brings is a revision to the amount of other-than-temporary loss of a debt security recorded in earnings. FSP No. FAS 115-2 and FAS No. 124-2 is effective for interim and annual reporting periods ending after June 15, 2009. The adoption of this guidance did not have a material impact on the Company s condensed consolidated results of operations, financial position or cash flows.

In April 2009, the FASB issued FSP No. FAS 157-4, Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly (FSP No. FAS 157-4). This FSP provides additional guidance for estimating fair value in accordance with SFAS No. 157, Fair Value Measurements (SFAS No. 157), when the volume and level of activity for the asset or liability have significantly decreased. This FSP also includes guidance on identifying circumstances that indicate a transaction is not orderly. This FSP emphasizes that even if there has been a significant decrease in the volume and level of activity for the asset or liability and regardless of the valuation technique(s) used, the objective of a fair value measurement remains the same. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. FSP No. FAS 157-4 is effective for interim and annual reporting periods ending after June 15, 2009, and is applied prospectively. The adoption of this guidance did not have a material impact on the Company s condensed consolidated results of operations, financial position or cash flows.

In April 2009, the FASB issued FSP No. FAS 107-1 and Accounting Principles Board (APB) 28-1, Interim Disclosures about Fair Value of Financial Instruments (FSP No. FAS 107-1 and APB No. 28-1). This FSP amends SFAS No. 107, Disclosures about Fair Value of Financial Instruments, to require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. This FSP also amends APB Opinion No. 28, Interim Financial Reporting, to require those disclosures in summarized financial information at interim reporting periods. FSP FAS 107-1 and APB No. 28-1 is effective for interim and annual reporting periods ending after June 15, 2009. The adoption of this guidance did not have a material impact on the Company s condensed consolidated results of operations, financial position or cash flows.

In May 2009, the FASB issued SFAS No. 165, Subsequent Events (SFAS No. 165). SFAS No. 165 provides guidance on management s assessment of subsequent events and incorporates this guidance into accounting literature. It also requires entities to disclose the date through which they have evaluated subsequent events and whether the date corresponds with the release of their financial statements. This guidance is effective for all interim and annual periods ending after June 15, 2009. The adoption of this guidance did not have a material impact on the Company s consolidated results of operations or financial position. The Company has evaluated subsequent events through February 8, 2010, the date of issuance of the Company s condensed consolidated financial statements.

In September 2009, the FASB ratified EITF Issue No. 08-1, Revenue Arrangements with Multiple Deliverables (EITF No. 08-1). EITF No. 08-1 superseded EITF No.00-21 and addresses criteria for separating the consideration in multiple-element arrangements. EITF No. 08-1 will require companies to allocate the overall consideration to each deliverable by using a best estimate of the selling price of individual deliverables in the arrangement in the absence of vendor-specific objective evidence or other third-party evidence of the selling price. EITF No. 08-1 will be effective prospectively for revenue

arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010 and early adoption will be permitted. The Company is currently evaluating the potential impact, if any, of the adoption of EITF No. 08-1 on its consolidated results of operations and financial condition.

In September 2009, the FASB also ratified EITF No. 09-3, Certain Revenue Arrangements That Include Software Elements (EITF No. 09-3). EITF No. 09-3 modifies the scope of Statement of Position No. 97-2, Software Revenue Recognition , to exclude (a) non-software components of tangible products and (b) software components of tangible products that are sold, licensed, or leased with tangible products when the software components and non-software components of the tangible product function together to deliver the tangible product s essential functionally. EITF No. 09-3 has an effective date that is consistent with EITF No. 08-1. The Company is currently evaluating the potential impact, if any, of the adoption of EITF No. 09-3 on its consolidated results of operations and financial condition.

2. RESTATEMENT OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Subsequent to the issuance of the Company s unaudited condensed consolidated financial statements for the quarter ended June 30, 2008, the Company s management determined that errors existed in its previously issued financial statements. As a result, the accompanying condensed consolidated financial statements for the quarter and six months ended June 30, 2008 have been restated from amounts previously reported. The following summarizes the nature of the errors and the effects on the condensed consolidated financial statements.

Revenue Transactions

Side Agreement

The Company determined that certain commitments may have been made to a customer of its Medical line of business in the form of an undisclosed apparent side agreement dated in the fourth quarter of fiscal 2008. The customer and the Company had previously executed a distribution agreement in May 2008, and the customer entered into various sales transactions with the Company, both before and after the date of the apparent side agreement. The Company concluded that revenue should not have been recognized on certain transactions resulting in restatement adjustments to revenue in various reporting periods for the following reasons: (i) in certain circumstances, the product remained in a third-party warehouse and was not shipped to the customer until after the quarter in which revenue was recognized; (ii) a previously undisclosed apparent side agreement caused the terms of earlier transactions to be deemed not final until the distribution agreement between the customer and the Company was terminated; (iii) in certain circumstances, the Company had conflicting exclusivity arrangements in effect during the quarters when the Company was recognizing revenue for transactions with such customer; and (iv) concessions related to extended payment terms caused the amount to not be fixed and determinable. As a result, the Company determined that a total of $511,000 of revenue recorded in the quarter and six months ended June 30, 2008 had not been appropriately recognized and has been reversed and will be recorded in subsequent periods.

Additional Transactions Analyzed

The Company also discovered additional transactions in its Medical line of business where revenue was not properly recognized due to one or more of the following reasons:

- Premature recognition of revenue for products sold with FOB Destination or other similar shipping terms, or for incomplete shipment of products or storage of products following shipment;

- Non-standard terms and conditions that prevented recognition of revenue upon shipment, including rights of return, extended payment terms, product replacement commitments, potential free upgrades and other non-standard commitments, that prevented recognition of revenue upon shipment; and

- Lack of probable collectability at the time revenue was recognized.

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As a result, for the three months ended June 30, 2008 a net decrease in revenue in the amount of $114,000 was recorded. This included an increase of approximately $80,000 that was originally recorded in the prior quarter which has now been recorded in the second quarter of 2008 and a decrease of approximately $194,000 of revenue originally recorded in the second quarter of 2008 which has been reversed and recognized in subsequent periods. For the six months ended June 30, 2008, a decrease in revenues of $194,000 was recorded which will be recognized in subsequent periods

Other Impact of Revenue Adjustments

As a result of the adjustments to revenues discussed above, cost of product sales decreased by $231,000 and $252,000 for the quarter ended and six months ended June 30, 2008, respectively and commission expense decreased by $21,000 for the quarter ended and six months ended June 30, 2008. There was no other impact on these accounts for the quarter or six months ended June 30, 2008.

Other Errors in Condensed Consolidated Financial Statements

The Company also corrected the condensed consolidated financial statements for the following items:

Stock-Based Compensation Expense. The Company identified a software-based error in its calculated stock-based compensation expense. The previous version of software used to calculate stock-based compensation expense incorrectly continued to apply a weighted average forfeiture rate to the vested portion of stock option awards until the grant s final vest date, rather than reflecting actual forfeitures as awards vested. This error resulted in an understatement of stock-based compensation expense in certain periods prior to the grant s final vest date. The Company recorded additional stock-based compensation expense of $187,000 and $830,000 for the first quarter and six months ended June 30, 2008, respectively.

Interest Income. The Company identified an error in the accounting relating to the timing of the recognition of interest income with respect to its patent license with Sony Computer Entertainment. Accordingly, the Company recorded additional interest income of approximately $64,000 and $192,000 for the second quarter and six months ended June 30, 2008, respectively. This accounting error related to the timing of the recognition of interest income but does not change the overall interest income to be recognized.

Amortization and Impairment of Intangibles. The Company identified instances where it had not commenced amortization of patents in the periods the patents were granted. In addition, the Company identified certain patent applications that were abandoned but had not been previously identified as such and has corrected this error by increasing amortization and impairment of intangibles by $27,000 and $62,000 in the second quarter and six months ended June 30, 2008, respectively.

Impact of Corrections on Previously Issued Condensed Consolidated Financial Statements

The Company s accompanying condensed consolidated financial statements have been restated resulting from the restatement adjustments described above, as follows:

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Detailed Components of Revenue Transaction Adjustments

($ in thousands)

	Revenue	Cost of Product Sales	Commission Expense	Total Impact of Revenue Adjustments
Six months ended June 30, 2008				
Increase (Decrease)	$ (691) (1)	$ 252	$ 21	$ (418)
Three months ended June 30, 2008				
Increase (Decrease)	$ (602) (2)	$ 231	$ 21	$ (350)

(1) For the six months ended June 30, 2008 reflects a decrease of $511,000 as discussed in Side Agreement and a decrease of $194,000 in revenue as discussed in Additional Transactions Analyzed and an increase of $14,000 in revenue due to warranty adjustments.

(2) For the three months ended June 30, 2008 reflects a decrease of $511,000 as discussed in Side Agreement

and a net decrease of $114,000 in revenue as discussed in Additional Transactions Analyzed and an increase of $23,000 in revenue due to warranty adjustments.

Summary of Impact of Restatement Adjustments

	Loss from Continuing Operations Before Provision for Income Taxes						Loss from Continuing Operations
	Revenue Transactions Adjustments (1)	Amortization and Impairment of Intangibles	Interest Income	Stock-based Compensation	Total	Income Tax Effect	Total Adjustments Net of Tax
				($ in thousands)			
Six months ended June 30, 2008							
Increase (Decrease)	$ (418)	$ (62)	$ 192	$ (830)	$ (1,118)	$ 199	$ (919)