

BLONDER TONGUE LABORATORIES INC  
Form 10-Q  
August 04, 2010

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 ENDED JUNE 30, 2010,

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 1-14120

BLONDER TONGUE LABORATORIES, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation or organization)

52-1611421

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

One Jake Brown Road, Old Bridge, New Jersey  
(Address of principal executive offices)

08857  
(Zip Code)

Registrant's telephone number, including area code: (732) 679-4000

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 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 "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

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Non-accelerated filer  
(Do not check if a smaller reporting company)

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   

Number of shares of common stock, par value \$.001, outstanding as of August 4, 2010: 6,192,221  
The Exhibit Index appears on page 17.

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## PART I – FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

BLONDER TONGUE LABORATORIES, INC. AND SUBSIDIARIES  
 CONSOLIDATED BALANCE SHEETS  
 (In thousands)

	(unaudited)	
	June 30,	December 31,
	2010	2009
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$70	\$14
Accounts receivable, net of allowance for doubtful accounts of \$178 and \$164, respectively	5,700	4,059
Inventories	8,024	8,149
Prepaid and other current assets	574	590
Deferred income taxes	383	383
<b>Total current assets</b>	<b>14,751</b>	<b>13,195</b>
Inventories, net non-current	6,854	5,637
Property, plant and equipment, net of accumulated depreciation and amortization	3,899	4,000
License agreements, net	494	207
Other assets, net	208	235
Deferred income taxes	1,898	1,898
	<b>\$28,104</b>	<b>\$25,172</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities:</b>		
Current portion of long-term debt	\$1,383	\$228
Accounts payable	1,520	1,065
Accrued compensation	681	199
Accrued benefit liability	297	297
Income taxes payable	49	49
Other accrued expenses	294	114
<b>Total current liabilities</b>	<b>4,224</b>	<b>1,952</b>
Long-term debt	2,986	3,065
Commitments and contingencies	-	-
<b>Stockholders' equity:</b>		
Preferred stock, \$.001 par value; authorized 5,000 shares; No shares outstanding	-	-
Common stock, \$.001 par value; authorized 25,000 shares, 8,465 shares Issued	8	8
Paid-in capital	25,381	25,339
Retained earnings	4,107	3,411
Accumulated other comprehensive loss	(1,264)	(1,264)
Treasury stock, at cost, 2,272 and 2,273 shares respectively	(7,338)	(7,339)
<b>Total stockholders' equity</b>	<b>20,894</b>	<b>20,155</b>

\$28,104

\$25,172

See accompanying notes to consolidated financial statements

## BLONDER TONGUE LABORATORIES, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Net sales	\$8,266	\$6,257	13,860	\$15,190
Cost of goods sold	4,715	4,052	7,794	9,331
Gross profit	3,551	2,205	6,066	5,859
Operating expenses:				
Selling	911	1,039	1,785	2,151
General and administrative	1,099	895	2,258	2,421
Research and development	590	627	1,233	1,212
	2,600	2,561	5,276	5,784
Earnings (loss) from operations	951	(356)	790	75
Other Expense: Interest expense (net)	(50)	(40)	(94)	(78)
Earnings (loss) from continuing operations before income taxes	901	(396)	696	(3)
Provision (benefit) for income taxes	-	-	-	-
Earnings (loss) from continuing operations	901	(396)	696	(3)
Discontinued operations:				
Earnings from discontinued operations (net of tax)	-	3	-	7
Gain on disposal of Assets of Subsidiary	-	-	-	62
Total discontinued operations	-	3	-	69
Net earnings (loss)	\$901	\$(393)	\$696	\$66
Basic and diluted earnings (loss) per share from continuing operations	\$0.15	\$(0.06)	\$0.11	\$-
Basic and diluted earnings per share from discontinued operations	-	-	-	-
Basic and diluted gain per share on disposal of assets of subsidiary	-	-	-	\$0.01
	-	-	-	\$0.01
Basic and diluted net earnings (loss) per share	\$0.15	\$(0.06)	\$0.11	\$0.01
Basic and diluted weighted average shares outstanding	6,191	6,191	6,191	6,191

See accompanying notes to consolidated financial statements



## BLONDER TONGUE LABORATORIES, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(unaudited)

	Six Month Ended June 30,	
	2010	2009
<b>Cash Flows From Operating Activities:</b>		
Net earnings	\$696	\$66
Adjustments to reconcile net earnings to cash used in operating activities:		
Stock compensation expense	42	97
Gain on disposal of assets of subsidiary	-	(62)
Depreciation	177	210
Amortization	174	87
Allowance for doubtful accounts	15	20
Provision for inventory reserves	312	349
Changes in operating assets and liabilities:		
Accounts receivable	(1,656)	