

P&F INDUSTRIES INC
Form 10-Q/A
May 13, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A
(AMENDMENT NO. 1)

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

For the Quarterly Period Ended June 30, 2010

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 - 5332

P&F INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

22-1657413
(I.R.S. Employer Identification Number)

445 Broadhollow Road, Suite 100, Melville, New York
(Address of principal executive offices)

11747
(Zip Code)

Registrant's telephone number, including area code: (631) 694-9800

Indicate by checkmark 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, 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 to 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 the registrant was required to submit and post such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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

As of August 13, 2010 there were 3,614,562 shares of the registrant's Class A Common Stock outstanding.

EXPLANATORY NOTE

On March 28, 2011, the Board of Directors (the “Board”) of P&F Industries, Inc. (the “Company”) determined, upon advice of management and the recommendation of the Audit Committee of the Board, that the Company’s financial statements contained in the Company’s Quarterly Reports on Form 10-Q for the three and six-month periods ended June 30, 2010 (the “Previously Issued Financial Statements”) should not be relied upon and should be restated because it contains errors discussed below.

The Company believes that the Previously Issued Financial Statements should not be relied upon and should be restated because, pursuant to Accounting Standards Codification Topic 810: Consolidation, the financial position and results of operations of the Company’s subsidiary, Old Stairs Co LLC (formerly known as WM Coffman LLC) (“WMC”), should not have been consolidated with the consolidated condensed financial statements of the Company for such periods.

The Company is filing this Amendment No. 1 (this “Amendment No. 1” or “Form 10-Q/A”) to amend Items 1, 2, and 4 of Part I and Item 6 of Part II of the Company’s Quarterly Report on Form 10-Q to correct the consolidated condensed financial statements as indicated above.

A detailed description of the restatement referred to above (the “Restatement”) is presented under “Note 3 – Restatement” to the Company’s Consolidated Condensed Financial Statements, which presents a reconciliation between the Company’s Previously Issued Financial Statements as previously filed with the Securities and Exchange Commission (“SEC”) on August 13, 2010, and the impact that the deconsolidation of WMC had on the Company’s consolidated condensed financial statements. The Restatement affects the previously reported loss from discontinued operations, net loss, basic and diluted loss per share from discontinued operations, total basic and diluted loss per share, the consolidated condensed balance sheets, consolidated condensed statement of operations, consolidated condensed statement of shareholders equity and consolidated condensed statements of cash flows. As such, the consolidated condensed financial statements contained herein should be considered as restated from the original filing.

In addition, this Form 10-Q/A reflects the revision of management’s discussion and analysis of financial condition and results of operations in Item 2 of Part I; the revision of disclosures regarding controls and procedures in Item 4 of Part I; and new certifications filed as Exhibits 31.1, 31.2, 32.1 and 32.2 in Item 6 of Part II.

Form 10-Q/A has not been updated for events or information subsequent to the date of filing of the original Quarterly Report for the three-month period ended June 30, 2010 (“second quarter Form 10-Q”) Form 10-Q except in connection with the foregoing. Accordingly, except as otherwise set forth herein, this Form 10-Q/A speaks as of August 13, 2010, the date of the filing of the original second quarter Form 10-Q, and should be read in conjunction with the Company’s other filings made with the SEC.

P&F INDUSTRIES, INC.

FORM 10-Q/A

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2010

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PART I - FINANCIAL INFORMATION

Item 1.

Financial Statements

P&F INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED BALANCE SHEETS

	June 30, 2010 (unaudited) (Restated)	December 31, 2009 (See Note 1)
ASSETS		
CURRENT ASSETS		
Cash	\$ 820,000	\$ 546,000
Accounts receivable — net	7,596,000	7,545,000
Inventories - net	17,931,000	19,746,000
Notes and other receivables	92,000	110,000
Deferred income taxes — net	670,000	670,000
Income tax refund receivable	49,000	3,270,000
Prepaid expenses and other current assets	209,000	169,000
Assets of discontinued operations	23,000	10,797,000
TOTAL CURRENT ASSETS	27,390,000	42,853,000
PROPERTY AND EQUIPMENT		
Land	1,550,000	1,550,000
Buildings and improvements	7,480,000	7,476,000
Machinery and equipment	16,199,000	16,130,000
	25,229,000	25,156,000
Less accumulated depreciation and amortization	12,792,000	11,990,000
NET PROPERTY AND EQUIPMENT	12,437,000	13,166,000
GOODWILL	5,150,000	5,150,000
OTHER INTANGIBLE ASSETS — net	2,476,000	2,651,000
DEFERRED INCOME TAXES — net	1,437,000	1,437,000
ASSETS OF DISCONTINUED OPERATIONS	—	3,924,000
OTHER ASSETS — net	509,000	237,000
TOTAL ASSETS	\$ 49,399,000	\$ 69,418,000

See accompanying notes to consolidated condensed financial statements (unaudited).

P&F INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED BALANCE SHEETS

	June 30, 2010 (unaudited) (Restated)	December 31, 2009 (See Note 1)
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	\$ 11,300,000	\$ 16,300,000
Accounts payable	2,530,000	1,396,000
Other accrued liabilities	3,020,000	2,003,000
Liabilities of discontinued operations	32,000	9,719,000
Current maturities of long-term debt	4,883,000	5,015,000
TOTAL CURRENT LIABILITIES	21,765,000	34,433,000
Long-term debt, less current maturities	1,688,000	4,148,000
Liabilities of discontinued operations	313,000	5,222,000
TOTAL LIABILITIES	23,766,000	43,803,000
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Preferred stock - \$10 par; authorized - 2,000,000 shares; no shares issued	—	—
Common stock		
Class A - \$1 par; authorized - 7,000,000 shares; issued - 3,956,000 at June 30, 2010 and December 31, 2009	3,956,000	3,956,000
Class B - \$1 par; authorized - 2,000,000 shares; no shares issued	—	—
Additional paid-in capital	10,684,000	