PIONEER POWER SOLUTIONS, INC.
Form S-1
August 01, 2013

As filed with the Securities and Exchange Commission on August 1, 2013.

SEC File No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

PIONEER POWER SOLUTIONS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**3612**	**27-1347616**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

400 Kelby Street, 9th Floor

Fort Lee, New Jersey 07024

(212) 867-0700

(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

Nathan J. Mazurek

Chief Executive Officer

Pioneer Power Solutions, Inc.

400 Kelby Street, 9th Floor

Fort Lee, New Jersey 07024

(212) 867-0700

(Name, address, including zip code, and telephone number,

including area code, of agent for service)

Copies of all communications, including communications sent to agent for service, should be sent to:

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. 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	o
Non-accelerated filer (Do not check if a smaller reporting company)	o	Smaller reporting company	x

CALCULATION OF REGISTRATION FEE

Title of each Class of securities To be registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price(1)	Amount of registration fee
Common Stock, par value $0.001 per share	1,150,000	$8.00	$9,200,000	$1,255.00

(1) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(a) of the Securities Act of 1933, as amended. Includes shares that the underwriters have the option to purchase to cover over-allotments, if any.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission acting pursuant to said section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED AUGUST 1, 2013

1,000,000 Shares

Pioneer Power Solutions, Inc.

Common Stock

$ per share

We are offering 1,000,000 shares of our common stock. Our common stock is quoted on the OTC Bulletin Board under the symbol “PPSI.” On July 31, 2013, the last reported sale price of our common stock was $6.50 per share.

We have applied to list our shares of common stock for quotation on the Nasdaq Capital Market under the symbol “PPSI.”

We anticipate that the offering price per share of our common stock will be between $ and $.

Investing in our common stock is highly speculative and involves a high degree of risk. See “Risk Factors” beginning on page 10 of this prospectus before making a decision to purchase our common stock.

	Per Share	Total
Public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to Pioneer Power Solutions, Inc.	$	$

We have granted the underwriters an option to purchase up to 150,000 additional shares of common stock from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus to cover over-allotments, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares against payment in New York, New York on , 2013.

The date of this prospectus is , 2013

Sole Book-Running Manager

Roth Capital Partners

Co-Manager

Monarch Capital Group

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You should rely only on the information contained in this prospectus. We have not authorized any other person to provide you with information different from or in addition to that contained in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

Industry and Market Data

In this prospectus, we rely on and refer to information and statistics regarding our industry. We obtained this statistical, market and other industry data and forecasts from publicly available information. While we believe that the statistical data, market data and other industry data and forecasts are reliable, we have not independently verified the data.

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PROSPECTUS SUMMARY

This summary highlights information contained in other parts of this prospectus. Because it is a summary, it does not contain all of the information that you should consider in making your investment decision. Before investing in our common stock, you should read the entire prospectus carefully, including our consolidated financial statements and the related notes included in this prospectus and the information set forth under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

When used herein, unless the context requires otherwise, references to the "Company," "Pioneer," "we," "our" and "us" ref Pioneer Power Solutions, Inc., and, where appropriate, its consolidated subsidiaries.

The Company

Overview

We manufacture specialty electrical transmission and distribution equipment and provide a broad range of custom-engineered and general purpose solutions for applications in the utility, industrial and commercial markets. Our product lines include a wide range of liquid-filled and dry-type power, distribution and specialty electrical transformers, which are magnetic products used in the control and conditioning of electrical current for critical processes. Through an acquisition in March 2013, we expanded our product range to include certain classes of low and medium voltage switchgear and control systems. Generally, this equipment is used to distribute, monitor and control the flow of electricity, while isolating and protecting critical equipment such as transformers, motors and other machinery. We believe demand for our products will continue to increase based on the aging and overburdened power grid in North America, increasing use of on-site distributed generation and renewables, and rapid expansion in critical power needs. We are headquartered in Fort Lee, New Jersey and operate from seven additional locations in the U.S., Canada and Mexico for manufacturing, centralized distribution, engineering, sales and administration.

Our largest customers are primarily located in North America and include many recognized national and regional utilities, industrial companies and engineering, procurement and construction (EPC) firms. In 2012, our two largest customers were Hydro-Quebec Utility Company and Siemens Industry, Inc., both of which have been customers of ours for more than 10 years. In addition, we sell our products to hundreds of electrical distributors served by our direct sales force, independent sales representatives and by our network of 14 independently-operated stocking locations throughout the U.S. We intend to grow our business through acquisitions and internal product development by increasing the scope of highly-engineered solutions we offer our customers for their electrical applications.

Recent Acquisition

On March 6, 2013, our wholly-owned subsidiary, Pioneer Critical Power Inc., acquired Power Systems Solutions, Inc., a Minneapolis-based provider of paralleling switchgear, transfer switches and engine generator control systems. Common applications for these products are to ensure reliable backup power at critical locations, such as data centers and hospitals, and to operate power generation sources at remote operations not connected to the power grid. We intend to make significant new investments in this area of our electrical business, increasing our penetration into the growing markets for emergency backup power and distributed generation products.

Financial Results and Guidance

In the year ended December 31, 2012, our revenue and earnings from continuing operations per share grew to $84.0 million and $0.54, respectively, as compared to revenue of $68.8 million and earnings from continuing operations per share of $0.42 in the year ended December 31, 2011. As of June 30, 2013, our order backlog was $24.4 million, up from $23.6 million as of December 31, 2012.

We expect that our revenue will increase to between $89 and $95 million in the year ending December 31, 2013, and that our non-GAAP net earnings per diluted share will be between $0.74 and $0.80, before giving effect to this offering. Including additional shares to be outstanding after this offering, and our anticipated use of the net proceeds, we expect that our non-GAAP net earnings per diluted share will be between $ and $ for the year ending December 31, 2013. For an explanation of non-GAAP net earnings per diluted share, a reconciliation of GAAP net earnings to non-GAAP net earnings and a description of how management uses non-GAAP measures, please see page 30 of this prospectus. With respect to factors that could impact our expected operating results, please see “Cautionary Note Regarding Forward-Looking Statements” beginning on page 23 of this prospectus.

Key Trends in Our Industry

We believe that we are well positioned to capitalize on projected expenditures for power transmission and distribution related infrastructure in the North American electric grid and on capital investment by commercial and industrial companies in on-site generation assets to power their own operations. We expect to benefit from the following industry trends:

- ***Aging and Overburdened North American Power Grid*** — The aging and overburdened North American power grid is expected to require significant capital expenditures to upgrade the existing infrastructure over the next several years to maintain adequate levels of reliability and efficiency. According to the North American Electric Reliability Corp. (NERC), Level 5 Transmission Load Relief (TLR) events, which are triggered when power outages are imminent or in progress, grew at a 27% compounded annual growth rate from 2002 to 2012. These events demonstrate the current power grid's inadequate capacity to accommodate all requests for reliable power. Significant capital investment will be required to relieve congestion, meet growing demand, achieve targets for efficiency, emissions and use of renewable sources, and to replace components of the U.S. power grid operating at, near or past their planned service lives.

- ***Increasing Long-Term Demand for Electricity and Reliable Power*** — The Department of Energy's Energy Information Administration, or EIA, forecasts that total electricity use in the U.S. will increase by approximately 28% from 2011 to 2040. This increase is driven by anticipated population growth, economic expansion, increasing dependence on computing power throughout the economy and the increased use of electrical devices in the home. In order to meet growing demand for electricity in North America, substantial investment in increased electrical grid capacity and efficiency will be required, as well as the addition of specialized equipment to help ensure the reliability and quality of electricity for critical applications. In response to these challenges, there is an increasing trend among commercial and industrial companies to invest in on-site power sources, both for standby purposes in the event of a catastrophic power outage, or to reduce the amount of electricity they draw from the utility grid during peak periods.

- ***Growth in Critical Power Applications and the Data Center Market*** — The number of mission-critical facilities, sites where a power disturbance or outage could cause failure of business operations, safety concerns or regulatory non-compliance, continues to grow exponentially worldwide. In the U.S., the single largest driver for demand in critical power applications is the data center market, followed by the health care industry. The amount of information managed by data centers is expected to grow by a factor of 50 over the next decade, according to General Electric, fueling increasing needs for data storage (for corporate data, content delivery, social networking, handheld devices, online retail and gaming) and the information technology evolution (cloud computing and outsourced hosting). The 2012 DatacenterDynamics Industry Census projects that global investment in data centers will increase 14.5% in 2013 to $120 billion. Much of this growth will be for spending in the electrical sector, including switchgear, uninterruptible power supplies and generators, systems that typically represent over 40% of data center development cost. Coinciding with demand for mission-critical facilities is the need for efficient, reliable primary power to support their essential applications, and for backup generator plants in case the utility feed becomes unavailable. Electricity is the highest operating cost of a data center, a factor supporting investment in on-site alternative energy systems to reduce base load and peak-demand utility costs. These systems require paralleling switchgear, such as we provide, operated by hardware embedded with sophisticated programming and logic to synchronize multiple power sources reliably and efficiently.

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- ***Greater Adoption of Renewable Power Sources*** — Many North American federal, state, provincial, and local governments have enacted or are considering legislation and regulations aimed at increasing energy efficiency and encouraging expansion of renewable energy generation. In particular, 29 states and the District of Columbia have adopted mandatory renewable portfolio standards, or RPS, which require utilities to supply a specified percentage of their electricity from renewable sources. In the long term, the EIA forecasts that renewable energy generation capacity additions will account for 32% of overall growth in electricity generation from 2011 to 2040. We believe these factors will drive investment growth in infrastructure to transport and integrate electricity from various sources within the transmission and distribution grid, as well as increased spending on products we manufacture for the on-site conversion and distribution of power from wind, solar and non-renewable energy plants.

Competitive Strengths

We believe that we are well positioned for significant growth in the niche markets within the electrical transmission and distribution equipment industry in which we compete. Our competitive strengths include:

- ***Focus on Attractive Niche Markets*** — We focus on niche markets in the utility, industrial and commercial sectors of the electrical transmission and distribution industry that we believe are underserved by our larger competitors and have either attractive growth or profitability characteristics. Our key target markets include utility distribution, oil and gas, mining, data centers and renewable energy. Our customers in these and other markets often require equipment with specific electrical and mechanical attributes that we design and manufacture for them on an engineered-to-order basis in low quantity production runs. Most orders are time-sensitive, as other critical work is frequently being scheduled against the delivery and installation of our equipment, or because our equipment is a key sub-component of an original equipment manufacturer’s product offering to its customers. Competition in the markets we serve is very fragmented and conditioned by a number and combination of factors including application complexity, the capability to provide the range and specifications of equipment required, the diverse categories of end users, technological standards and time frames for quotation and delivery demanded by customers.

- ***Recurring and Balanced Customer Base*** — We believe that our established, long-standing customer relationships provide us with a stable and recurring revenue base. We sold our products to approximately 1,900 individual customers in 2012 and our 20 largest customers represented 66% of our consolidated revenue. Approximately 89% of our revenue in 2012 originated from customers who had also ordered from us in 2011. We believe this customer continuity is a direct result of our uncompromising commitment to service, as evidenced by our high supplier scorecard ratings with several of our largest customers. In addition, we have developed a number of designs specifically for our customers and we have found that they are typically reluctant to switch suppliers once a favorable service track record has been established, even in cases where orders for our products are routinely released for competitive bidding. We believe that the historical growth of our product range, end-markets and revenues is due in large part to close relationships with our customers. Our strong customer relationships enable us to anticipate customers’ needs and collaborate with our customers to identify new, often highly-engineered applications.

- ***Integration and Enhancement of Acquisitions*** — Our management team has a long track record of acquiring companies, including three businesses since 2010 that have been integral to our growth in revenue and earnings over the past three years. These recent acquisitions have and will provide us with new products and services, additional sales channels and markets, manufacturing facilities, technical expertise, purchasing economies and administrative efficiencies. We believe that our management's ability to identify and integrate acquisitions will allow us to implement our growth plans and compete more effectively in the markets we serve.

- ***Experienced Management Team*** — Our management team has extensive experience in the electrical equipment and components industry. Our senior management team includes seasoned professionals with industry, finance, transaction and operational experience that averages over 20 years per person. The prior companies owned and operated by our chief executive officer, Nathan J. Mazurek, have been focused on transformer, switchgear, circuit breaker and film capacitor products. Mr. Mazurek and his team have developed an extensive network of relationships with domestic and international companies in the electrical equipment and components industry.

Growth Strategy

We believe that we have a diverse product portfolio, proven capabilities to provide customized equipment solutions and a strong presence in several key markets. We intend to grow our company organically and through strategic acquisitions, capitalizing on our existing competitive strengths to maximize stockholder value. The key elements of our growth strategy are:

- ***Expand Our Product and Service Offerings*** — We intend to expand our product and service offerings, to both existing and new customers, through internal development and by acquiring new businesses. We are focused on products and end-markets that we expect will benefit from the repair and replacement cycle of an aging electric grid, rising electricity demand, the transition to renewable energy sources and investment in on-site power generation assets for backup, prime power and peak-shaving applications. In anticipation of increased volumes, we initiated expansion projects at three of our manufacturing plants in the last five years. In 2013, we established our critical power business unit to focus on opportunities in the data center market. Also in 2013, we established a new corporate sales group to market the full breadth of our product portfolio, design, engineering and manufacturing capabilities, particularly to EPC firms and large commercial contractors. We expect to continually evaluate opportunities to expand organically or through acquisitions to broaden our relationships with existing and new customers.

- ***Focus on Operating Efficiencies*** — We intend to continue to efficiently manage and invest in our assets and operations. We have introduced new products from companies we acquired into our existing sales channels in order to maximize the productivity of our salespersons and distribution network. We have demonstrated our ability to integrate new production facilities into our existing operations, while maintaining or improving profitability, and intend to examine joint purchasing and production capabilities between our companies to further improve our operating results. We are focused on improving product mix, enhancing our supply chain management, optimizing the use of our available capacity and continuing to manage project costs efficiently throughout their lifecycle. For example, in 2013 we began deployment of a new ERP system and performance management information platform which we believe will support improved productivity in all business process areas and connect all of our operations, enabling us to do business internally and externally with substantially improved efficiency.

- ***Pursue Targeted Strategic Acquisitions*** — We intend to accelerate our growth through a disciplined acquisition strategy to broaden and augment our product and service offerings, technical expertise, customers, end-markets and sales channels. Our strategy is to capitalize on potential market opportunities and operating efficiencies created by each business combination, thereby enhancing the performance of companies we acquire, as well as our pre-existing business operations. Our acquisitions of Jefferson Electric, Inc., Bemag Transformer Inc. and Power Systems Solutions, Inc. are three examples of our ability to implement this strategy successfully. The electrical transmission and distribution equipment market is very fragmented with a large number of potential acquisition candidates that focus on highly-specialized applications, select end-markets or more regionally defined market areas. We favor candidates that have competencies and business characteristics similar to our own, and those that we expect will benefit from some of the major trends affecting our industry. We intend to continually evaluate acquisition targets.

Risks Associated with Our Business

Our ability to operate our business and achieve our goals and strategies is subject to numerous risks as discussed more fully in the section titled "Risk Factors," including, without limitation:

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- General economic conditions and their effect on demand for electrical equipment, particularly in the commercial construction market, but also in the power generation, industrial production, data center, oil and gas, marine and infrastructure industries.
- The effects of fluctuations in sales on our business, revenues, expenses, net income, earnings per share, margins, profitability, cash flow, liquidity, financial condition and results of operations.
- Many of our competitors are better established and have significantly greater resources, and may subsidize their competitive offerings with other products and services, which may make it difficult for us to attract and retain customers.
- We depend on Hydro-Quebec Utility Company and Siemens Industry, Inc. for a large portion of our business, and any change in the level of orders from Hydro-Quebec Utility Company or Siemens Industry, Inc., could have a significant impact on our results of operations.
- The potential loss or departure of key personnel, including Nathan J. Mazurek, our chairman, president and chief executive officer.
- Our ability to expand our business through strategic acquisitions.
- Our ability to integrate acquisitions and related businesses.
- Our ability to generate internal growth, maintain market acceptance of our existing products and gain acceptance for our new products.
- Unanticipated increases in raw material prices or disruptions in supply could increase production costs and adversely affect our profitability.
- Restrictive loan covenants or our ability to repay or refinance debt under our credit facilities could limit our future financing options and liquidity position and may limit our ability to grow our business.
- Our ability to realize revenue reported in our backlog.
- Operating margin risk due to competitive pricing and operating efficiencies, supply chain risk, material, labor or overhead cost increases, interest rate risk and commodity risk.
- Strikes or labor disputes with our employees may adversely affect our ability to conduct our business.
- A majority of our revenue and a significant portion of our expenditures are derived or spent in Canadian dollars. However, we report our financial condition and results of operations in U.S. dollars. As a result, fluctuations between the U.S. dollar and the Canadian dollar will impact the amount of our revenues and earnings.
- The impact of geopolitical activity on the economy, changes in government regulations such as income taxes, climate control initiatives, the timing or strength of an economic recovery in our markets and our ability to access capital markets.
- Our chairman controls a majority of our combined voting power, and may have, or may develop in the future, interests that may diverge from yours.
- Future sales of large blocks of our common stock may adversely impact our stock price.
- The liquidity and trading volume of our common stock.

Any of the above risks as well as others discussed herein could materially and negatively affect our business, financial condition and operating results. Investing in our common stock involves a high degree of risk. You should carefully consider the information set forth in “Risk Factors” and other information in this prospectus before making a decision to invest in our common stock.

Mr. Mazurek’s Voting Rights and Our Status as a Controlled Company

Mr. Mazurek, who after this offering will control approximately 67% of the voting power of our outstanding capital stock through his ownership interest in the general partner of Provident Pioneer Partners, L.P., will have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of our directors, as well as the overall management and direction of our company.

Because Mr. Mazurek controls a majority of our outstanding voting power, we are a “controlled company” under the corporate governance rules for NASDAQ-listed companies. Therefore, we are not required to have a majority of our board of directors be independent, nor are we required to have a compensation committee or an independent nominating function. In light of our status as a controlled company, our board of directors has determined not to have a majority of independent directors or an independent nominating or compensation function and to have the full board of directors be directly responsible for compensation matters and for nominating members of our board.

Corporate and Other Information

Our principal executive offices are located at 400 Kelby Street, 9th Floor, Fort Lee, New Jersey, 07024. Our telephone number is (212) 867-0700. Our website address is http://www.pioneerpowersolutions.com. Information on or accessed through our website is not incorporated into this prospectus and is not a part of this prospectus.

The Offering

Common stock offered by us:	1,000,000 shares
Common stock outstanding prior to the offering:	5,907,255 shares
Common stock outstanding after this offering:	6,907,255 shares
Offering price:	$ to $ per share (estimate)
Over-allotment option to be offered by us:	150,000 shares
	We estimate that our net proceeds from the sale of shares of our common stock will be approximately $ million, assuming that the public offering price will be $ per share, the midpoint of the range set forth on the cover page of this prospectus.
Use of proceeds:	We intend to use approximately $ million of the proceeds of this offering to fully repay our outstanding borrowings under our U.S. revolving credit line with Bank of Montreal, Chicago Branch (representing approximately % of our net proceeds). We intend to use the remaining net proceeds, and the resulting additional availability under our revolving credit line, to fund acquisitions, working capital and other general corporate purposes. See "Use of Proceeds" beginning on page 25 of this prospectus.
OTC Bulletin Board symbol:	PPSI
Proposed Nasdaq Capital Market symbol:	PPSI
Risk factors:	Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 10 of this prospectus.

The number of shares of common stock outstanding after this offering excludes:

- 640,000 shares of common stock issuable upon the exercise of warrants with a weighted average exercise price of $14.00 per share;
- 40,000 shares of common stock issuable upon the exercise of warrants to be issued to the underwriters as underwriter compensation in this offering at an exercise price equal to the public offering price of our common stock hereunder;
- 241,400 shares of common stock issuable upon the exercise of currently outstanding options with a weighted average exercise price of $9.96 per share; and
- 458,600 shares of common stock available for future issuance under our 2011 Long-Term Incentive Plan.

Unless otherwise stated, all information contained in this prospectus assumes no exercise of the over-allotment option granted to the underwriters.

Summary Consolidated Financial Information
(in thousands, except per share data)

The following summary consolidated financial data should be read in conjunction with the consolidated financial statements and the related notes thereto and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus. We derived the statement of operations data for the years ended December 31, 2011 and 2012, and balance sheet data as of December 31, 2011 and 2012 from the audited financial statements in this prospectus. Those financial statements were audited by Richter LLP, an independent registered public accounting firm. We derived the statement of operations data for the year ended December 31, 2010 and the balance sheet data as of December 31, 2010 from the financial statements audited by Richter LLP that are not included in the prospectus. We derived the statement of operations data for the three months ended March 31, 2013 and 2012 and the balance sheet data at March 31, 2013 from the unaudited financial statements in this prospectus. We believe that the unaudited, non-GAAP historical financial statement information contains all adjustments needed to present fairly the information included in those statements, and that the adjustments made consist only of normal recurring adjustments.

	Years Ended December 31,			Three Months Ended March 31,	
	2010	2011	2012	2012	2013
Statement of Operations Data:					
Revenues	$47,236	$68,790	$83,960	$20,317	$22,551
Cost of goods sold	35,637	52,813	65,020	15,727	17,470
Gross profit	11,599	15,977	18,940	4,590	5,081
Operating expenses					
Selling, general and administrative	7,635	11,070	13,181	3,242	3,521
Foreign exchange (gain) loss	(133)	197	(188)	(72)	61
Total operating expenses	7,502	11,267	12,993	3,170	3,582
Operating income	4,096	4,710	5,947	1,420	1,499
Interest expense	182	646	933	213	185
Other expense	353	820	92	29	93
Earnings from continuing operations before income taxes	3,561	3,244	4,922	1,178	1,221
Provision for income taxes	327	773	1,733	339	308
Earnings from continuing operations	3,234	2,471	3,189	839	913
Loss from discontinued operations, net of income taxes	(288)	(2,531)	(199)	(83)	-
Net earnings (loss)	$2,946	$(60)	$2,990	$756	$913
Earnings from continuing operations per diluted share	$0.55	$0.42	$0.54	$0.14	$0.15
Weighted average diluted common shares outstanding	5,931	5,949	5,913	5,907	5,919
Other Data:					
Non-GAAP net earnings	$2,945	$3,307	$4,121	$943	$1,088
Non-GAAP net earnings per diluted common share	0.50	0.56	0.70	0.16	0.18
Adjusted EBITDA (Non-GAAP measure)	5,251	6,050	7,753	1,854	1,925
Acquisition of subsidiaries and related assets	832	7,830	-	-	655

Balance Sheet Data:					
Cash and cash equivalents	$516	$1,398	$467	$ -	$ 196
Working capital	2,558	4,244	6,883	4,522	5,405
Total assets	32,103	48,838	52,178	49,638	55,603
Total debt	6,080	17,885	17,130	18,007	18,929
Total liabilities	17,011	34,070	34,263	33,866	36,779
Total shareholders’ equity	15,092	14,768	17,915	15,772	18,824