NOVEN PHARMACEUTICALS INC
Form 4
June 03, 2008

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
GRANADILLO PEDRO P

(Last) (First) (Middle)

C/O NOVEN PHARMACEUTICALS, INC., 11960 SW 144TH STREET

(Street)

MIAMI, FL 33186

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
NOVEN PHARMACEUTICALS INC [NOVN]

3. Date of Earliest Transaction (Month/Day/Year)
06/02/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock ($.0001 par value)	06/02/2008		P		2,870	A	$ 11.4	18,126	D	
Common Stock ($.0001 par value)	06/02/2008		P		500	A	$ 11.41	18,626	D	
Common Stock	06/02/2008		P		1,030	A	$ 11.42	19,656	D	

($.0001 par value)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GRANADILLO PEDRO P C/O NOVEN PHARMACEUTICALS, INC. 11960 SW 144TH STREET MIAMI, FL 33186	X			

Signatures

/s/ Pedro P. Granadillo	06/03/2008
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. continue to have, an impact on the manufacturing operations of the company. The process of estimating environmental liabilities is complex and dependent on evolving physical and scientific data at the site,

uncertainties as to remedies and technologies to be used and the outcome of discussions with regulatory agencies. The company records liabilities for environmental issues in the accounting period in which its responsibility and investigation and remediation plans become probable and the cost can be reasonably estimated. At environmental sites in which more than one potentially responsible party has been identified, the company records a liability for its allocable share of costs related to its involvement with the site, as well as an allocable share of costs related to insolvent parties or unidentified shares. At environmental sites in which ArvinMeritor is the only potentially responsible party, the company records a liability for the total probable and estimable costs of remediation before consideration of recovery from insurers or other third parties.

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The company has been designated as a potentially responsible party at seven Superfund sites, excluding sites as to which the company's records disclose no involvement or as to which the company's potential liability has been finally determined. Management estimates the total reasonably possible costs the company could incur for the remediation of Superfund sites at September 30, 2007 to be approximately $26 million, of which $8 million is recorded as a liability. The company recorded environmental remediation costs with respect to the superfund sites of $3 million in fiscal year 2006 while no expense recognition was necessary in fiscal year 2007.

In addition to the Superfund sites, various other lawsuits, claims and proceedings have been asserted against the company, alleging violations of federal, state and local environmental protection requirements, or seeking remediation of alleged environmental impairments, principally at previously disposed-of properties. For these matters, management has estimated the total reasonably possible costs the company could incur at September 30, 2007 to be approximately $58 million, of which $16 million is recorded as a liability. During fiscal year 2007, the company recorded environmental remediation costs of $3 million with respect to these matters, resulting from revised estimates to remediate these sites.

Included in the company's environmental liabilities are costs for on-going operation, maintenance and monitoring at environmental sites in which remediation has been put into place. This liability is discounted using a discount rate of 5-percent and is approximately $9 million at September 30, 2007. The undiscounted estimate of these costs is approximately $14 million.

Following are the components of the Superfund and non-Superfund environmental reserves (in millions):

	Superfund Sites	Non-Superfund Sites	Total
Balance at September 30, 2006	$ 10	$ 17	$ 27
Payments	(2)	(4)	(6)
Change in cost estimates [1]	—	3	3
Balance at September 30, 2007	$ 8	$ 16	$ 24

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(1) There was $1 million of environmental remediation costs recorded in loss from discontinued operations in the consolidated statement of operations for the fiscal year ended September 30, 2007.

Environmental reserves are included in Other Current Liabilities (see Note 14) and Other Liabilities (see Note 15).

The actual amount of costs or damages for which the company may be held responsible could materially exceed the foregoing estimates because of uncertainties, including the financial condition of other potentially responsible parties, the success of the remediation, discovery of new contamination and other factors that make it difficult to predict actual costs accurately. However, based on management's assessment, after consulting with outside advisors that specialize in environmental matters, and subject to the difficulties inherent in estimating these future costs, the company believes that its expenditures for environmental capital investment and remediation necessary to comply with present regulations governing environmental protection and other expenditures for the resolution of environmental claims will not have a material adverse effect on the company's business, financial condition or results of operations. In addition, in future periods, new laws and regulations, changes in the remediation plan, advances in technology and additional information about the ultimate clean-up remedy could significantly change the company's estimates. Management cannot assess the possible effect of compliance with future requirements.

Asset Retirement Obligations

The company has identified conditional asset retirement obligations for which a reasonable estimate of fair value could not be made because the potential settlement dates cannot be determined at this time. Due to the long term, productive nature of the company's manufacturing operations, absent plans or expectations of plans to initiate asset retirement activities, the company was not able to reasonably estimate the settlement date for the related obligations. Therefore, the company has not recognized conditional asset retirement obligations for which there are no plans or expectations of plans to retire the asset.

Asbestos

Maremont Corporation ("Maremont"), a subsidiary of ArvinMeritor, manufactured friction products containing asbestos from 1953 through 1977, when it sold its friction product business. Arvin acquired Maremont in 1986. Maremont and many other companies are defendants in suits brought by individuals claiming personal injuries as a result of exposure to asbestos-containing products. Maremont had approximately 27,912 and 51,895 pending asbestos-related claims at September 30, 2007 and 2006, respectively. The significant reduction in pending claims in fiscal year 2007 is primarily due to numerous dismissals of claims. As a result, this reduction in claims did not have a significant impact on recorded asbestos related reserves. Although Maremont has been named in these cases, in the cases where actual injury has been alleged, very few claimants have established that a Maremont product caused their injuries. Plaintiffs' lawyers often sue dozens or even hundreds of defendants in individual lawsuits on behalf of hundreds or thousands of claimants, seeking damages against all named defendants irrespective of the disease or injury and irrespective of any causal connection with a particular product. For these reasons, Maremont does not consider the number of claims filed or the damages alleged to be a meaningful factor in determining its asbestos-related liability.

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Maremont's asbestos-related reserves and corresponding asbestos-related recoveries are summarized as follows (in millions):

	September 30, 2007	September 30, 2006
Pending claims	$ 37	$ 41
Shortfall and other	6	9
Total asbestos-related reserves	$ 43	$ 50
Asbestos-related insurance recoveries	$ 28	$ 31

A portion of the asbestos-related recoveries and reserves are included in Other Current Assets and Liabilities, with the majority of the amounts recorded in Other Assets and Liabilities (see Notes 10, 12, 14 and 15).

Prior to February 2001, Maremont participated in the Center for Claims Resolution ("CCR") and shared with other CCR members in the payment of defense and indemnity costs for asbestos-related claims. The CCR handled the resolution and processing of asbestos claims on behalf of its members until February 2001, when it was reorganized and discontinued negotiating shared settlements. Upon dissolution of the CCR in February 2001, Maremont began handling asbestos-related claims through its own defense counsel and has taken a more aggressive defensive approach that involves examining the merits of each asbestos-related claim. Although the company expects legal defense costs to continue at higher levels than when it participated in the CCR, the company believes its litigation strategy has reduced the average indemnity cost per claim.

Pending and Future Claims: Maremont engages Bates White LLC (Bates White), a consulting firm with extensive experience estimating costs associated with asbestos litigation, to assist with determining the estimated cost of resolving pending and future asbestos-related claims that have been, and could reasonably be expected to be, filed against Maremont, as well as the cost of Maremont’s share of committed but unpaid settlements entered into by the CCR. Although it is not possible to estimate the full range of costs because of various uncertainties, Bates White advised Maremont that it would be possible to determine an estimate of a reasonable forecast of the cost of resolving pending and future asbestos-related claims, based on historical data and certain assumptions with respect to events that occur in the future.

Bates White provided an estimate of the reasonably possible range of Maremont’s obligation for asbestos personal injury claims over the next three to four years of $28 million to $38 million. After consultation with Bates White, Maremont determined that as of September 30, 2007 the most likely and probable liability for pending and future claims over the next four years is $37 million. The ultimate cost of resolving pending and future claims is estimated based on the history of claims and expenses for plaintiffs represented by law firms in jurisdictions with an established history with Maremont.

The following assumptions were made by Maremont after consultation with Bates White and are included in their study:

- Pending and future claims were estimated for a four year period ending in fiscal year 2010. Maremont believes that the litigation environment will change significantly in several years, and that the reliability of estimates of future probable expenditures in connection with asbestos-related personal injury claims declines for each year further in the future. As a result, estimating a probable liability beyond four years is difficult and uncertain;

- The ultimate cost of resolving pending and future claims filed in Madison County, Illinois, a jurisdiction where a substantial amount of Maremont’s claims are filed, will decline to reflect average outcomes throughout the United States;

- Defense and processing costs for pending and future claims filed outside of Madison County, Illinois will be at the level consistent with Maremont’s prior experience; and

- The ultimate indemnity cost of resolving nonmalignant claims with plaintiff’s law firms in jurisdictions without an established history with Maremont cannot be reasonably estimated. Recent changes in tort law and insufficient settlement history make estimating a liability for these nonmalignant claims difficult and uncertain.

Shortfall and other: Several former members of the CCR have filed for bankruptcy protection, and these members have failed, or may fail, to pay certain financial obligations with respect to settlements that were reached while they were CCR members. Maremont is subject to claims for payment of a portion of these defaulted member shares (shortfall). In an effort to resolve the affected settlements, Maremont has entered into negotiations with plaintiffs’ attorneys, and an estimate of Maremont’s obligation for the shortfall is included in the total asbestos-related reserves. In addition, Maremont and its insurers are engaged in legal proceedings to determine whether existing insurance coverage should reimburse any potential liability related to this issue. Payments by the company related to shortfall and other were not significant in fiscal years 2007 or 2006.

Recoveries: Maremont has insurance that reimburses a substantial portion of the costs incurred defending against asbestos-related claims. The coverage also reimburses Maremont for any indemnity paid on those claims. The coverage is provided by several insurance carriers based on insurance agreements in place. Incorporating historical information with respect to buy-outs and settlements of coverage, and excluding any policies in dispute, the insurance receivable related to asbestos-related liabilities is $28 million. The difference between the estimated liability and insurance receivable is related to proceeds received from settled insurance policies and liabilities for shortfall and other. Certain insurance policies have been settled in cash prior to the ultimate settlement of related asbestos liabilities. Amounts received from insurance settlements generally reduce recorded insurance receivables. Receivables for policies in dispute are not recorded. In fiscal year 2005, the company received $12 million associated with the settlement of certain insurance policies. Billings to insurance companies for indemnity and defense costs of resolved cases were $6 million in each of fiscal years 2007 and 2006.

The amounts recorded for the asbestos-related reserves and recoveries from insurance companies are based upon assumptions and estimates derived from currently known facts. All such estimates of liabilities and recoveries for asbestos-related claims are subject to considerable uncertainty because such liabilities and recoveries are influenced by variables that are difficult to predict. The future litigation environment for Maremont could change significantly from its past experience, due, for example, to changes in the mix of claims filed against Maremont in terms of plaintiffs law firm, jurisdiction and disease; legislative or regulatory developments; Maremonts approach to defending claims; or payments to plaintiffs from other defendants. Estimated recoveries are influenced by coverage issues among insurers, and the continuing solvency of various insurance companies. If the assumptions with respect to the nature of pending claims, the cost to resolve claims and the amount of available insurance prove to be incorrect, the actual amount of liability for Maremonts asbestos-related claims, and the effect on the company, could differ materially from current estimates and, therefore, could have a material impact on the companys financial position and results of operations.

Rockwell ArvinMeritor, along with many other companies, has also been named as a defendant in lawsuits alleging personal injury as a result of exposure to asbestos used in certain components of Rockwell products many years ago. Liability for these claims was transferred to the company at the time of the spin-off of the automotive business to Meritor from Rockwell in 1997. Currently there are thousands of claimants in lawsuits that name the company, together with many other companies, as defendants. However, the company does not consider the number of claims filed or the damages alleged to be a meaningful factor in determining asbestos-related liabilities. A significant portion of the claims do not identify any of Rockwells products or specify which of the claimants, if any, were exposed to asbestos attributable to Rockwells products, and past experience has shown that the vast majority of the claimants will never identify any of Rockwells products. For those claimants who do show that they worked with Rockwells products, management nevertheless believes it has meritorious defenses, in substantial part due to the integrity of the products involved, the encapsulated nature of any asbestos-containing components, and the lack of any impairing medical condition on the part of many claimants. The company defends these cases vigorously. Historically, ArvinMeritor has been dismissed from the vast majority of these claims with no payment to claimants.

In the fourth quarter of fiscal year 2006, the company engaged Bates White to assist with determining whether it would be possible to estimate the cost of resolving pending and future Rockwell legacy asbestos-related claims that have been, and could reasonably be expected to be, filed against the company. Although it is not possible to estimate the full range of costs because of various uncertainties, Bates White advised the company that it would be able to determine an estimate of probable defense and indemnity costs which could be incurred to resolve pending and future Rockwell legacy asbestos-related claims. Accordingly, the company recorded a $12 million liability for defense and indemnity costs associated with these claims. This estimate was based on historical data and certain assumptions with respect to events that occur in the future. The uncertainties of asbestos claim litigation and resolution of the litigation with the insurance companies make it difficult to predict accurately the ultimate resolution of asbestos claims. That uncertainty is increased by the possibility of adverse rulings or new legislation affecting asbestos claim litigation or the settlement process. Subject to these uncertainties and based on the companys experience defending these asbestos claims, the company does not believe these lawsuits will have a material adverse effect on its financial condition or results of operations. Rockwell was not a member of the CCR and handled its asbestos-related claims using its own litigation counsel. As a result, the company does not have any additional potential liabilities for committed CCR settlements or shortfall (as described above) in connection with the Rockwell-legacy cases.

Rockwell maintained insurance coverage that management believes covers indemnity and defense costs, over and above self-insurance retentions, for most of these claims. The company has initiated claims against these carriers to enforce the insurance policies. Although the status of one carrier as a financially viable entity is in question, the company expects to recover the majority of defense and indemnity costs it has incurred to date, over and above self-insured retentions, and a substantial portion of the costs for defending asbestos claims going forward. Accordingly, the company has recorded an insurance receivable related to Rockwell legacy asbestos-related liabilities of $12 million at September 30, 2007.

Contingencies Related to Work Stoppage

The companys collective bargaining agreement with the Canadian Auto Workers (CAW) at its CVS brakes facility in Tilbury, Ontario, Canada, expired on June 3, 2006. On June 4, 2006, the company announced that, after lengthy negotiations, a new tentative agreement with the CAW had not yet been reached and, as a result, the company had suspended operations at the facility. On June 12, 2006, the company reached a tentative agreement with the CAW, which was subsequently ratified on June 14, 2006, and resumed operations. As a result of this work stoppage, the company experienced temporary manufacturing inefficiencies and incurred certain costs in order to return to normal production. The company was temporarily unable to completely fulfill certain customer orders, resulting in temporary production interruptions at some customer manufacturing facilities. The impact of this labor disruption on operating income in fiscal year 2006 was $45 million and $29 million was recorded as a contingent liability in the consolidated balance sheet as of September 30, 2006. Included in this amount are premium labor costs, expedited freight and logistical costs and other costs associated with production disruptions at certain customers facilities. During the second quarter of fiscal year 2007, the company reached final settlement for a portion of the contingent liability. Accordingly the liability was reduced and a benefit to income for $9 million was recorded in the consolidated statement of operations.

Guarantees

In December 2005, the company guaranteed a third partys obligation to reimburse another party (the other party) for payment of health and prescription drug benefits to a group of retired employees. The retirees were former employees of a wholly-owned subsidiary of the company prior to it being acquired by the company. To date, the third party has met its obligations to reimburse the other party. The APBO associated with these retiree medical benefits is considered the maximum potential exposure under this guarantee, and is estimated to be approximately $25 million. No amount has been recorded for this guarantee based on the probability of the company having to perform under the guarantee. Due to the nature of this guarantee it is difficult to estimate its approximate term.

Indemnifications

The company has provided indemnifications in conjunction with certain transactions, primarily divestitures. These indemnities address a variety of matters, which may include environmental, tax, asbestos and employment-related matters, and the periods of indemnification vary in duration. The companys maximum obligations under such indemnifications cannot be reasonably estimated. The company is not aware of any claims or other information that would give rise to material payments under such indemnifications.

Other

Various other lawsuits, claims and proceedings have been or may be instituted or asserted against the company, relating to the conduct of the companys business, including those pertaining to product liability, intellectual property, safety and health, and employment matters. Although the outcome of litigation cannot be predicted with certainty, and some lawsuits, claims or proceedings may be disposed of unfavorably to the company, management believes the disposition of matters that are pending will not have a material adverse effect on the companys business, financial condition or results of operations.

24. BUSINESS SEGMENT INFORMATION

The company defines its operating segments as components of its business where separate financial information is available and is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The companys chief operating decision maker (CODM) is the Chief Executive Officer.

The company reports operating results under two segments: Commercial Vehicle Systems (CVS) and Light Vehicle Systems (LVS). CVS supplies drivetrain systems and components, including axles and drivelines, braking systems, suspension systems and ride control products, for medium- and heavy-duty trucks, trailers and specialty vehicles to OEMs and the commercial vehicle aftermarket. LVS is a major supplier of body systems (roof and door systems), chassis systems (ride control, suspension systems and modules) and wheel products for passenger cars, motorcycles and all-terrain vehicles, light trucks and sport utility vehicles to original equipment manufacturers (OEMs).

Effective with the 2007 fiscal year, the company began measuring segment operating performance based on income (loss) from continuing operations before interest, taxes, depreciation and amortization and loss on sale of receivables (segment EBITDA). The company uses segment EBITDA as the primary basis for the CODM to evaluate the performance of each of the company's reportable segments.

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The accounting policies of the segments are the same as those applied in the consolidated financial statements of the company, except for the use of segment EBITDA. The company may allocate certain common costs, primarily related to corporate functions, between the segments differently than the company would for stand alone financial information prepared in accordance with GAAP. These allocated costs include expenses for shared services such as information technology, finance, communications, legal and human resources. The company does not allocate interest expense and certain legacy and other corporate costs not directly associated with the segments' operating income.

Segment information is summarized as follows (in millions):

Sales:	2007	2006	2005
Commercial Vehicle Systems	$ 4,205	$ 4,179	$ 3,972
Light Vehicle Systems	2,244	2,236	2,399
Total	$ 6,449	$ 6,415	$ 6,371

Segment EBITDA:	2007	2006	2005
Commercial Vehicle Systems	$ 221	$ 293	$ 297
Light Vehicle Systems	36	58	10
Segment EBITDA	257	351	307
Unallocated legacy and corporate costs	(11)	(8)	(7)
ET allocations(1)	(36)	(29)	(31)
Loss on sale of receivables	(9)	(1)	(1)
Depreciation and amortization	(129)	(124)	(134)
Interest expense, net and other	(110)	(131)	(124)
Income tax benefit	8	54	10
Income (loss) from continuing operations	$ (30)	$ 112	$ 20

(1) As a result of the sale of ET, certain corporate and legacy costs previously allocated to ET's segment results are reported in continuing operations. These costs have not been allocated to the company's two business segments and are included in "ET allocations" in the above segment information.

Depreciation and Amortization:	2007	2006	2005
Commercial Vehicle Systems	$ 72	$ 70	$ 74
Light Vehicle Systems	57	54	60
Total depreciation and amortization	$ 129	$ 124	$ 134

Capital Expenditures:	2007	2006	2005
Commercial Vehicle Systems	$ 53	$ 61	$ 54
Light Vehicle Systems	73	39	50
Total capital expenditures	$ 126	$ 100	$ 104

Segment Assets:	2007	2006	2005
Commercial Vehicle Systems	$ 2,316	$ 2,227	$ 2,054
Light Vehicle Systems	1,073	1,020	1,122
Total segment assets	3,389	3,247	3,176
Corporate(1)	1,400	1,055	1,001
Discontinued operations	—	1,206	1,695
Total assets	$ 4,789	$ 5,508	$ 5,872

(1) Corporate assets consist primarily of cash, deferred income taxes and prepaid pension costs. For fiscal years 2007, 2006 and 2005, segment assets include $226 million, $319 million and $307 million, respectively, of receivables sold to ARC under the accounts receivable securitization and factoring agreements (see Note 7).

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Sales by geographic area are based on the location of the selling unit. Information on the company's geographic areas is summarized as follows (in millions):

Sales by Geographic Area:

	2007	2006	2005
U.S.	$ 2,439	$ 2,889	$ 2,687
Canada	310	384	490
Mexico	464	360	328
Total North America	3,213	3,633	3,505
Germany	215	169	171
U.K.	108	110	263
France	733	719	666
Other Europe	1,102	975	1,002
Total Europe	2,158	1,973	2,102
Asia/Pacific	523	391	353
South America	555	418	411
Total sales	$ 6,449	$ 6,415	$ 6,371

Assets by Geographic Area (excludes assets of discontinued operations):

	2007	2006
U.S.	$ 2,344	$ 2,041
Canada	273	268
Mexico	177	138
Total North America	2,794	2,447
Germany	107	125
U.K.	206	322
France	356	344
Other Europe	559	474
Total Europe	1,228	1,265
Asia/Pacific	325	227
South America	442	363
Total	$ 4,789	$ 4,302

Sales to AB Volvo represented 16 percent, 13 percent and 12 percent of the company's sales in each of fiscal years 2007, 2006 and 2005, respectively. For fiscal years 2006 and 2005, sales to DaimlerChrysler AG (which owned Mercedes-Benz AG, Freightliner and Chrysler) represented 19 percent and 21 percent of the company's sales, respectively. No other customer comprised 10 percent or more of the company's sales in any of the three fiscal years ended September 30, 2007.

25. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

The following is a condensed summary of the company’s unaudited quarterly results of continuing operations for fiscal years 2007 and 2006. Amounts related to prior quarters have been restated to reflect the company’s consolidated Gabriel de Venezuela joint venture and Gabriel North America and Europe ride control aftermarket business in continuing operations and the company’s ET business in discontinued operations (see Note 3). Per share amounts are based on the weighted average shares outstanding for that quarter. Earnings per share for the year may not equal the sum of the four fiscal quarters’ earnings per share due to changes in basic and diluted shares outstanding.

	2007 Fiscal Quarters (Unaudited)			
	First	**Second**	**Third**	**Fourth**
	(In millions, except share related data)			
Sales	$ 1,568	$ 1,627	$ 1,662	$ 1,592
Cost of sales	(1,464)	(1,484)	(1,526)	(1,483)
Benefit (provision) for income taxes	(1)	—	(1)	10
Income (loss) from continuing operations	10	(13)	(4)	(23)
Net income (loss)	7	(94)	(70)	(62)
Basic earnings (loss) per share from continuing operations	$ 0.14	$ (0.19)	(0.06)	$ (0.32)
Diluted earnings (loss) per share from continuing operations	$ 0.14	$ (0.19)	$ (0.06)	$ (0.32)

Fourth quarter loss from continuing operations included pre-tax restructuring costs of $10 million. Fourth quarter net loss included an after-tax loss of $12 million on the sale of LVA Europe and an additional $7 million after-tax loss on the sale of ET, to reflect certain working capital and other adjustments. During the third quarter, the company recognized $24 million of pre-tax restructuring costs in continuing operations. Third quarter net loss includes a $49 million after-tax loss on the sale of ET and a $8 million after-tax impairment charge in the company’s LVA European filters and exhaust businesses. Second quarter loss from continuing operations included pre-tax restructuring costs of $37 million, related to the initial adoption of the Performance Plus initiative, and a $10 million partial reversal of a Ride Control impairment recognized in fiscal year 2005. Second quarter net loss includes an after-tax non-cash impairment charge of $90 million for the ET business. First quarter income from continuing operations included a $2 million pre-tax gain on the sale of certain assets of CVS’ off-highway brake business.

	2006 Fiscal Quarters (Unaudited)				
	First	**Second**	**Third**	**Fourth**	**2**
	(In millions, except share-related data)				
Sales	$ 1,464	$ 1,629	$ 1,735	$ 1,587	$
Cost of sales	(1,347)	(1,477)	(1,618)	(1,468)	
Benefit (provision) for income taxes	(6)	20	2	38	
Income from continuing operations	26	32	4	50	
Net income (loss)	34	45	20	(274)	
Basic earnings per share from continuing operations	$ 0.38	$ 0.46	$ 0.06	$ 0.72	$
Diluted earnings per share from continuing operations	$ 0.37	$ 0.46	$ 0.06	$ 0.71	$

Fourth quarter income from continuing operations included pre-tax restructuring costs of $7 million. Fourth quarter net loss included an after-tax $310 million goodwill impairment charge related to ET and a loss of $6 million on the sale of certain LVA businesses. The work stoppage at the company’s brake facility in Tilbury, Ontario, Canada unfavorably impacted third quarter income from continuing operations by $45 million pre-tax. Second quarter income from continuing operations included pre-tax restructuring costs of $7 million. Second quarter net income includes a net after-tax gain of $22 million on the sale of certain LVA businesses and an after-tax non-cash impairment charge of $12 million related to certain LVA businesses. First quarter income from continuing operations included a $23 million pre-tax gain on the sale of certain assets of CVS’ off-highway brake business.

26. SUPPLEMENTAL FINANCIAL INFORMATION

	2007	2006	2005
		(In millions)	
Balance sheet data:			
Allowance for doubtful accounts	$ 24	$ 17	$ 30
Statement of operations data:			
Maintenance and repairs expense	84	83	72
Research, development and engineering expense	124	114	114
Depreciation expense	125	118	127
Provision for doubtful accounts	16	6	15
Rental expense	29	32	27
Statement of cash flows data:			
Interest payments	111	133	116
Income tax payments, net	48	50	66
Non-cash investing activities - capital expenditures	22	16	22

27. SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

Certain of the company's wholly-owned subsidiaries, as defined in the credit agreement (the Guarantors) irrevocably and unconditionally, and jointly and severally guarantee amounts outstanding under the senior credit facility. Similar subsidiary guarantees were provided for the benefit of the holders of the publicly-held notes outstanding under the company's indentures (see Note 16).

Separate financial statements for the guarantor and non-guarantor subsidiaries are not presented because management has determined those would not be significant to the holders of the publicly-held notes outstanding under the company's indentures. In lieu of providing separate audited financial statements for the Guarantor subsidiaries, the company has included the accompanying condensed consolidating financial statements. These condensed consolidating financial statements are presented on the equity method. Under this method, the investments in subsidiaries are recorded at cost and adjusted for the parent's share of the subsidiary's cumulative results of operations, capital contributions and distributions and other equity changes. The Guarantor subsidiaries are combined in the condensed consolidating financial statements.

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CONSOLIDATING STATEMENT OF OPERATIONS
(In millions)

	Fiscal Year Ended September 30, 2007				
	Parent	Guarantors	Non-Guarantors	Elims	Co
Sales					
External	$ —	$ 2,673	$ 3,776	$ —	$
Subsidiaries	—	140	314	(454)	
Total sales	—	2,813	4,090	(454)	
Cost of sales	(18)	(2,572)	(3,821)	454	
GROSS MARGIN	(18)	241	269	—	
Selling, general and administrative	(115)	(118)	(146)	—	
Restructuring costs	(6)	(9)	(56)	—	
Other income (expense)	(1)	8	4	—	
OPERATING INCOME (LOSS)	(140)	122	71	—	
Equity in earnings of affiliates	—	24	10	—	
Other income (expense), net	14	23	(37)	—	

Interest expense, net and other	(103)	34	(41)	—
INCOME (LOSS) BEFORE INCOME TAXES	(229)	203	3	—
Benefit (provision) for income taxes	94	(69)	(17)	—
Minority interest	—	(4)	(11)	—
Equity income from continuing operations of subsidiaries	105	(15)	—	(90)
INCOME (LOSS) FROM CONTINUING OPERATIONS	(30)	115	(25)	(90)
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, net of tax	(189)	(126)	(130)	256
NET INCOME (LOSS)	$ (219)	(11)	(155)	166

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CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
(In millions)

	Fiscal Year Ended September 30, 2006				
	Parent	Guarantors	Non-Guarantors	Elims	Consolidated
Sales					
External	$ —	$ 2,925	$ 3,490	$ —	$ 6,415
Subsidiaries	—	205	449	(654)	—
Total sales	—	3,130	3,939	(654)	6,415
Cost of sales	(17)	(2,953)	(3,594)	654	(5,910)
GROSS MARGIN	(17)	177	345	—	505
Selling, general and administrative	(77)	(144)	(115)	—	(336)
Restructuring costs	—	(9)	(9)	—	(18)
Other income (expense)	(8)	17	11	—	20
OPERATING INCOME (LOSS)	(102)	41	232	—	171
Equity in earnings of affiliates	—	22	10	—	32
Other income (expense), net	36	(20)	(16)	—	—
Interest expense, net and other	(117)	25	(39)	—	(131)
INCOME (LOSS) BEFORE INCOME TAXES	(183)	68	187	—	72
Benefit (provision) for income taxes	65	23	(34)	—	54
Minority interest	—	—	(14)	—	(14)
INCOME (LOSS) FROM CONTINUING OPERATIONS	(118)	91	139	—	112
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, net of tax	(9)	(45)	(233)	—	(287)
Equity in net income of subsidiaries	(48)	(131)	—	179	—
NET INCOME (LOSS)	$ (175)	$ (85)	$ (94)	$ 179	$ (175)

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CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
(In millions)

	Fiscal Year Ended September 30, 2005				
	Parent	Guarantors	Non-Guarantors	Elims	Consolida
Sales					

External	$ —	$ 2,786	$ 3,585	$ —	$ 6,3
Subsidiaries	—	100	361	(461)	
Total sales	—	2,886	3,946	(461)	6,3
Cost of sales	(28)	(2,660)	(3,592)	461	(5,8
GROSS MARGIN	(28)	226	354	—	5
Selling, general and administrative	(75)	(148)	(113)	—	(3
Restructuring costs	(1)	(10)	(45)	—	(
Other income (expense)	—	(7)	(39)	—	(
OPERATING INCOME (LOSS)	(104)	61	157	—	1
Equity in earnings of affiliates	—	19	7	—	
Other income (expense), net	3	505	(508)	—	
Interest expense, net and other	(110)	32	(46)	—	(1
INCOME (LOSS) BEFORE INCOME TAXES	(211)	617	(390)	—	
Benefit (provision) for income taxes	82	(25)	(47)	—	
Minority interest	—	—	(6)	—	
INCOME (LOSS) FROM CONTINUING OPERATIONS	(129)	592	(443)	—	
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, net of tax	3	49	(60)	—	
Equity in net income of subsidiaries	138	(469)	—	331	
NET INCOME (LOSS)	$ 12	$ 172	$ (503)	$ 331	$

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CONDENSED CONSOLIDATING BALANCE SHEET
(In millions)

	September 30, 2007				
	Parent	Guarantors	Non-Guarantors	Elims	Consolidated
CURRENT ASSETS					
Cash and cash equivalents	$ 182	$ 5	$ 222	$ —	$ 409
Receivables, net	1	151	1,071	—	1,223
Inventories	—	188	353	—	541
Other current assets	49	84	83	—	216
TOTAL CURRENT ASSETS	232	428	1,729	—	2,389
NET PROPERTY	17	205	516	—	738
GOODWILL	—	341	179	—	520
OTHER ASSETS	629	211	302	—	1,142
INVESTMENTS IN SUBSIDIARIES	1,436	583	—	(2,019)	—
TOTAL ASSETS	$ 2,314	$ 1,768	$ 2,726	$ (2,019)	$ 4,789
CURRENT LIABILITIES					
Short-term debt	$ 5	$ —	$ 13	$ —	$ 18
Accounts payable	33	311	998	—	1,342
Other current liabilities	194	119	406	—	719
TOTAL CURRENT LIABILITIES	232	430	1,417	—	2,079
LONG-TERM DEBT	1,123	—	7	—	1,130
RETIREMENT BENEFITS	578	—	185	—	763
INTERCOMPANY PAYABLE (RECEIVABLE)	(230)	(45)	275	—	—

OTHER LIABILITIES	68	119	22		209
MINORITY INTERESTS		6	59		65
SHAREOWNERS EQUITY	543	1,258	761	(2,019)	543
TOTAL LIABILITIES AND SHAREOWNERS EQUITY	$ 2,314	$ 1,768	$ 2,726	$ (2,019)	$ 4,789

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CONDENSED CONSOLIDATING BALANCE SHEET
(In millions)

	September 30, 2006				
	Parent	Guarantors	Non-Guarantors	Elims	Consolidated
CURRENT ASSETS					
Cash and cash equivalents	$ 97	$ 3	$ 250	$	$ 350
Receivables, net	14	97	987		1,098
Inventories		250	238		488
Other current assets	49	99	100		248
Assets of discontinued operations	37	215	954		1,206
TOTAL CURRENT ASSETS	197	664	2,529		3,390
NET PROPERTY	34	246	439		719
GOODWILL		341	162		503
OTHER ASSETS	381	142	373		896
INVESTMENTS IN SUBSIDIARIES	3,435	1,047		(4,482)	
TOTAL ASSETS	$ 4,047	$ 2,440	$ 3,503	$ (4,482)	$ 5,508
CURRENT LIABILITIES					
Short-term debt	$ 7	$	$ 49	$	$ 56
Accounts payable	27	371	708		1,106
Other current liabilities	207	190	309		706
Liabilities of discontinued operations		204	508		712
TOTAL CURRENT LIABILITIES	241	765	1,574		2,580
LONG-TERM DEBT	1,165		9		1,174
RETIREMENT BENEFITS	337		150		487
INTERCOMPANY PAYABLE (RECEIVABLE)	1,311	(1,535)	224		
OTHER LIABILITIES	49	137	73		259
MINORITY INTERESTS			64		64
SHAREOWNERS EQUITY	944	3,073	1,409	(4,482)	944
TOTAL LIABILITIES AND SHAREOWNERS EQUITY	$ 4,047	$ 2,440	$ 3,503	$ (4,482)	$ 5,508

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CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
(In millions)

	Fiscal Year Ended September 30, 2007				
	Parent	Guarantors	Non-Guarantors	Elims	Consolidated
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ (28)	$ (123)	$ 187	$	$ 36
INVESTING ACTIVITIES					

Capital expenditures	(1)	(25)	(94)	—	(120)
Acquisitions of businesses and investments, net of cash acquired	—	—	(2)	—	(2)
Proceeds from marketable securities	—	—	5	—	5
Proceeds from disposition of property and businesses	3	—	11	—	14
Net cash flows provided by discontinued operations	—	150	49	—	199
CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	2	125	(31)		96
FINANCING ACTIVITIES					
Change in account receivable securitization program	—	—	(40)	—	(40)
Proceeds from issuance of convertible notes	200	—	—	—	200
Repayment of notes and term loan	(249)	—	—	—	(249)
Borrowings on lines of credit and other	1	—	2	—	3
Debt issuance and extinguishment costs	(10)	—	—	—	(10)
Proceeds from exercise of stock options	28	—	—	—	28
Intercompany advances	171	—	(171)	—	—
Cash dividends	(29)	—	—	—	(29)
Other financing activities	(1)	—	—	—	(1)
CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	111	—	(209)		(98)
EFFECT OF FOREIGN CURRENCY EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	—	—	25	—	25
CHANGE IN CASH AND CASH EQUIVALENTS	85	2	(28)	—	59
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	97	3	250	—	350
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 182	5	222	—	409

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CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
(In millions)

	Fiscal Year Ended September 30, 2006				
	Parent	Guarantors	Non-Guarantors	Elims	Consolidated
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 370	$ (148)	$ 218	$ —	$ 440
INVESTING ACTIVITIES					
Capital expenditures	(1)	(28)	(78)	—	(107)
Acquisitions of businesses and investments, net of cash acquired	—	—	1	—	1
Investment in debt defeasance trust and marketable securities	(12)	—	(5)	—	(17)
Proceeds from disposition of property and businesses	2	—	52	—	54
Net cash flows provided (used) by discontinued operations	—	193	(14)	—	179
CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(11)	165	(44)	—	110

FINANCING ACTIVITIES					
Change in account receivable securitization program	—	—	(72)	—	(72)
Proceeds from issuance of convertible notes and term loan	470	—	—	—	470
Repayment of notes	(672)	—	—	—	(672)
Payments on lines of credit and other	(33)	(10)	(14)	—	(57)
Debt issuance and extinguishment costs	(28)	—	—	—	(28)
Proceeds from exercise of stock options	1	—	—	—	1
Intercompany advances	(35)	—	35	—	—
Cash dividends	(28)	—	—	—	(28)
Net financing cash flows used by discontinued operations	—	(4)	(1)	—	(5)
CASH USED FOR FINANCING ACTIVITIES	(325)	(14)	(52)	—	(391)
EFFECT OF FOREIGN CURRENCY EXCHANGE RATES ON CASH	—	—	4	—	4
CHANGE IN CASH AND CASH EQUIVALENTS	34	3	126	—	163
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	63	—	124	—	187
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 97	$ 3	$ 250	$ —	$ 350

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
(In millions)

	Fiscal Year Ended September 30, 2005				
	Parent	Guarantors	Non-Guarantors	Elims	Consolidated
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 171	$ 34	$ (237)	$ —	$ (32)
INVESTING ACTIVITIES					
Capital expenditures	(5)	(34)	(56)	—	(95)
Acquisitions of businesses and investments, net of cash acquired	—	(5)	(23)	—	(28)
Proceeds from disposition of property and businesses	—	1	11	—	12
Net cash flows provided by discontinued operations	—	16	120	—	136
CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(5)	(22)	52	—	25
FINANCING ACTIVITIES					
Change in account receivable securitization program	—	—	112	—	112
Repayment of notes	(21)	—	—	—	(21)
Borrowings (payments) on lines of credit and other	—	(12)	10	—	(2)
Debt issuance and extinguishment costs	(10)	—	—	—	(10)
Proceeds from exercise of stock options	6	—	—	—	6
Intercompany advances	(53)	—	53	—	—
Cash dividends	(28)	—	—	—	(28)

Net financing cash flows used by discontinued operations			(3)		(3)
CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	(106)	(12)	172	—	54
EFFECT OF FOREIGN CURRENCY EXCHANGE RATES ON CASH	—	—	8	—	8
CHANGE IN CASH AND CASH EQUIVALENTS	60	—	(5)	—	55
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3	—	129	—	132
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 63	$ —	$ 124	$ —	$ 187

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.***

None.

Item 9A. ***Controls and Procedures.***

Disclosure Controls and Procedures

As required by Rule 13a-15 under the Securities Exchange Act of 1934, management, with the participation of the chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2007. Based upon that evaluation, the chief executive officer and the chief financial officer have concluded that, as of September 30, 2007, our disclosure controls and procedures were effective to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and accumulated and communicated to ArvinMeritor's management, including its chief executive officer and chief financial officer, as appropriate to allow for timely decisions regarding required disclosure.

Management Report on Internal Control over Financial Reporting

ArvinMeritor's management is responsible for establishing and maintaining adequate internal control over financial reporting for the company, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. ArvinMeritor's internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with accounting principles generally accepted in the United States of America.

All internal control systems, no matter how well designed, have inherent limitations and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ArvinMeritor's management, with the participation of the chief executive officer and chief financial officer, evaluated the effectiveness of its internal control over financial reporting as of September 30, 2007. This evaluation was based on the criteria set forth in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on management's evaluation and the criteria set forth by COSO, ArvinMeritor's management concluded that the internal control over financial reporting maintained by the company, as of September 30, 2007, was effective.

Deloitte & Touche LLP, ArvinMeritors independent registered public accounting firm, has issued an attestation report on ArvinMeritors internal control over financial reporting, which follows.

November 16, 2007

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareowners of
ArvinMeritor, Inc.
Troy, Michigan

We have audited the internal control over financial reporting of ArvinMeritor, Inc. (the Company) as of September 30, 2007, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2007, based on the criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule listed in the Index at Item 15(a)(2) as of and for the year ended September 30, 2007 of the Company and our report dated November 16, 2007 expressed an unqualified opinion on those consolidated financial statements and financial statement schedule and included an explanatory paragraph regarding the recognition of the funded status of the Companys defined benefit pension and other postretirement plans.

/s/ DELOITTE & TOUCHE LLP
DELOITTE & TOUCHE LLP
Detroit, Michigan
November 16, 2007

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Changes in Internal Control Over Financial Reporting

Management, with the participation of the chief executive officer and chief financial officer, has evaluated any change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended September 30, 2007, and found no change that has materially affected or is reasonably likely to materially affect our internal control over financial reporting.

Item 9B. *Other Information.*

None.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance.*

See the information under the captions *Election of DirectorsInformation as to Nominees for Director and Continuing Directors* and *Section 16(a) Beneficial Ownership Reporting Compliance* in the 2008 Proxy Statement. See also the information with respect to executive officers of ArvinMeritor under Item 4A of Part I. No director or nominee for director was selected pursuant to any arrangement or understanding between that individual and any person other than ArvinMeritor pursuant to which such person is or was to be selected as a director or nominee. There are no family relationships, as defined in Item 401 of Regulation S-K, between any of the directors or nominees for director and any other director, executive officer or person nominated to become a director or executive officer.

ArvinMeritor has a separately designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The current members of the Audit Committee are Steven G. Rothmeier (chairman), David W. Devonshire, Ivor J. Evans and Victoria B. Jackson. The Board of Directors has determined that ArvinMeritor has at least two individuals who qualify as an audit committee financial expert (as defined in Item 407(d)(5) of Regulation S-K), David W. Devonshire and Steven G. Rothmeier, serving on the Audit Committee. Mr. Devonshire and Mr. Rothmeier are each independent, as defined in the listing standards of the NYSE.

All ArvinMeritor employees, including our chief executive officer, chief financial officer, principal accounting officer and other executive officers, are required to comply with our corporate policies regarding Standards of Business Conduct and Conflicts of Interest. ArvinMeritors ethics manual, including the text of the policies on Standards of Business Conduct and Conflicts of Interest, is posted on our website (www.arvinmeritor.com), in the section headed Investors Corporate Governance, and paper copies will be provided upon request to the Office of the Secretary, ArvinMeritor, Inc., 2135 West Maple Road, Troy, MI 48084. We will post on our website any amendment to, or waiver from, a provision of our policies that applies to our chief executive officer, chief financial officer or principal accounting officer, and that relates to any of the following elements of these policies: honest and ethical conduct; disclosure in reports or documents filed by the company with the SEC and in other public communications; compliance with applicable laws, rules and regulations; prompt internal reporting of code violations; and accountability for adherence to the policies.

ArvinMeritors chief executive officer and chief financial officer have filed certifications, as required by the Sarbanes-Oxley Act of 2002 and Rule 13a-14(a) and (b) under the Exchange Act, as exhibits to each Quarterly Report on Form 10-Q filed with the SEC during fiscal year 2007 and to this Annual Report on Form 10-K. The companys chief executive officer also filed with the NYSE in January 2007 a certification that he was not aware of any violation by the company of the NYSE listing standards.

Item 11. ***Executive Compensation.***

See the information under the captions *Director Compensation* and *Executive Compensation* in the 2008 Proxy Statement.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.***

Security Ownership of Certain Beneficial Owners and Management

See the information under the captions *Voting Securities* and *Ownership by Management of Equity Securities* in the 2008 Proxy Statement.

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Securities Authorized for Issuance under Equity Compensation Plans

The number of stock options outstanding under our equity compensation plans, the weighted average exercise price of outstanding options, and the number of securities remaining available for issuance, as of September 30, 2007, were as follows:

Plan Category	(column a) Number of securities to be issued upon exercise of outstanding options, warrants and rights1	(column b) Weighted average exercise price of outstanding options, warrants and rights	(column c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column a)
Equity compensation plans approved by security holders	2,108,424	$21.52	4,127,270
Equity compensation plans not approved by security holders2	328,987	$21.05	-
Total	2,437,4113	$21.463	4,127,2704

1 In addition to stock options, shares of Common Stock, restricted shares of Common Stock, restricted share units and performance shares have been awarded under the Company's equity compensation plans and were outstanding at September 30, 2007.

2 All of our equity compensation plans under which grants are outstanding, except the Employee Stock Benefit Plan, were approved by the shareholders of ArvinMeritor or by the shareholders of Meritor or Arvin prior to their merger into ArvinMeritor. The Employee Stock Benefit Plan was adopted by the Arvin board of directors in 1998 and was terminated in January 2007. It was intended to provide compensation arrangements that would attract, retain and reward key non-officer employees and to provide these employees with a proprietary interest in the company. This Plan provided for the issuance of incentive awards to non-officer employees in the form of stock options, tandem or non-tandem stock appreciation rights, restricted shares of Common Stock, performance shares or performance units. For further information, see the Plan document, which is filed as Exhibit 10-j to this Annual Report on Form 10-K.

3 The table includes options granted under Arvin's 1988 Stock Benefit Plan, 1998 Stock Benefit Plan and Employee Stock Benefit Plan, which we assumed in 2000 in connection with the merger of Arvin and Meritor. A total of 3,118,255 options, with a weighted average exercise price of $28.10, were assumed at the time of the merger.

4 The following number of shares remained available for issuance under our equity compensation plans at September 30, 2007. Grants under these plans may be in the form of any of the listed types of awards.

Plan	Number of shares	Type of award
2007 Long-Term Incentive Plan*	3,970,000	Stock options, stock appreciation rights, stock awards and other stock-based awards
Incentive Compensation Plan	75,740	Common stock, restricted shares
2004 Directors Stock Plan	81,530	Stock options, common stock, restricted shares, restricted share units, stock appreciation rights

* The 2007 Long-Term Incentive Plan was approved by the company's shareowners on January 26, 2007. At that time, the 1997 Long-Term Incentives Plan, 1998 Stock Benefit Plan and Employee Stock Benefit Plan were terminated, and no further awards will be made under these plans.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence.***

See the information under the captions *Board of Directors and Committees* and *Certain Relationships and Related Transactions* in the 2008 Proxy Statement.

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Item 14. ***Principal Accountant Fees and Services.***

See the information under the caption *Independent Accountants' Fees* in the 2008 Proxy Statement.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules.***

(a) Financial Statements, Financial Statement Schedules and Exhibits.

(1) Financial Statements (all financial statements listed below are those of the company and its consolidated subsidiaries):

Consolidated Statement of Operations, years ended September 30, 2007, 2006 and 2005.

Consolidated Balance Sheet, September 30, 2007 and 2006.

Consolidated Statement of Cash Flows, years ended September 30, 2007, 2006 and 2005.

Consolidated Statement of Shareowners' Equity, years ended September 30, 2007, 2006 and 2005.

Notes to Consolidated Financial Statements.

Report of Independent Registered Public Accounting Firm.

(2) Financial Statement Schedule for the years ended September 30, 2007, 2006 and 2005.

	Page
Schedule II - Valuation and Qualifying Accounts	S-1

Schedules not filed with this Annual Report on Form 10-K are omitted because of the absence of conditions under which they are required or because the information called for is shown in the financial statements or related notes.

(3) Exhibits

3-a	Restated Articles of Incorporation of ArvinMeritor, filed as Exhibit 4.01 to ArvinMeritors Registration Statement on Form S-4, as amended (Registration Statement No. 333-36448) ("Form S-4"), is incorporated by reference.
3-b	By-laws of ArvinMeritor, filed as Exhibit 3 to ArvinMeritor's Quarterly Report on Form 10-Q for the quarterly period ended June 29, 2003 (File No. 1-15983), is incorporated by reference.
4-a	Rights Agreement, dated as of July 3, 2000, between ArvinMeritor and The Bank of New York (successor to EquiServeTrust Company, N.A.), as rights agent, filed as Exhibit 4.03 to the Form S-4, is incorporated by reference.
4-b	Indenture, dated as of April 1, 1998, between ArvinMeritor and BNY Midwest Trust Company (successor to The Chase Manhattan Bank), as trustee, filed as Exhibit 4 to Meritor's Registration Statement on Form S-3 (Registration No. 333-49777), is incorporated by reference.
4-b-1	First Supplemental Indenture, dated as of July 7, 2000, to the Indenture, dated as of April 1, 1998, between ArvinMeritor and BNY Midwest Trust Company (successor to The Chase Manhattan Bank), as trustee, filed as Exhibit 4-b-1 to ArvinMeritor's Annual Report on Form 10-K for the fiscal year ended September 30, 2000 (File No. 1-15983) (2000 Form 10-K), is incorporated by reference.
4-b-2	Third Supplemental Indenture, dated as of June 23, 2006, to the Indenture, dated as of April 1, 1998, between ArvinMeritor and BNY Midwest Trust Company (successor to The Chase Manhattan Bank), as trustee (including Subsidiary Guaranty dated as of June 23, 2006), filed as Exhibit 4.2 to ArvinMeritors Current Report on Form 8-K, dated June 23, 2006 and filed on June 27, 2006 (File No. 1-15983)(June 23, 2006 Form 8-K), is incorporated by reference.
4-c	Indenture dated as of July 3, 1990, as supplemented by a First Supplemental Indenture dated as of March 31, 1994, between ArvinMeritor and BNY Midwest Trust Company (successor to Harris Trust and Savings Bank), as trustee, filed as Exhibit 4-4 to Arvin's Registration Statement on Form S-3 (Registration No. 33-53087), is incorporated by reference.

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4-c-1	Second Supplemental Indenture, dated as of July 7, 2000, to the Indenture dated as of July 3, 1990, between ArvinMeritor and BNY Midwest Trust Company (successor to Harris Trust and Savings Bank), as trustee, filed as Exhibit 4-c-1 to the 2000 Form 10-K, is incorporated by reference.
4-c-2	Fourth Supplemental Indenture, dated as of June 23, 2006, to the Indenture, dated as of July 3, 1990, between ArvinMeritor and BNY Midwest Trust Company (successor to Harris Trust and Savings Bank), as trustee (including Subsidiary Guaranty dated as of June 23, 2006), filed as Exhibit 4.3 to the June 23, 2006 Form 8-K, is incorporated by reference.
4-d	Indenture, dated as of March 7, 2006, between ArvinMeritor and BNY Midwest Trust Company, as trustee, filed as Exhibit 4.1 to ArvinMeritors Current Report on Form 8-K, dated March 7, 2006 and filed on March 9, 2006 (File No. 1-15983), is incorporated by reference.
4-d-1	First Supplemental Indenture, dated as of June 23, 2006, to the Indenture, dated as of March 7, 2006, between ArvinMeritor and BNY Midwest Trust Company, as trustee (including Subsidiary Guaranty dated as of June 23, 2006), filed as Exhibit 4.1 to the June 23, 2006 Form 8-K, is incorporated by reference.

4-e Indenture, dated as of February 8, 2007, between ArvinMeritor and The Bank of New York Trust Company, N.A., as trustee (including form of Subsidiary Guaranty dated as of February 8, 2007), filed as Exhibit 4-a to ArvinMeritor’s Quarterly Report on Form 10-Q for the quarterly period ended April 1, 2007 (File No. 1-15983), is incorporated by reference.

10-a Credit Agreement, dated as of June 23, 2006, by and among ArvinMeritor, ArvinMeritor Finance Ireland, the institutions from time to time parties thereto as lenders, JP Morgan Chase Bank, National Association, as Administrative Agent, Citicorp North America, Inc. and UBS Securities LLC, as Syndication Agents, ABN AMRO Bank N.V., BNP Paribas and Lehman Commercial Paper Inc., as Documentation Agents, and J.P. Morgan Securities Inc. and Citigroup Global Markets, as Joint Lead Arrangers and Joint Book Runners, filed as Exhibit 10.1 to the June 23, 2006 Form 8-K, is incorporated by reference.

10-a-1 Subsidiary Guaranty, dated as of June 23, 2006, by and among the subsidiary guarantors and JPMorgan Chase Bank, National Association, as Administrative Agent, for the benefit of itself, the lenders and other holders of guaranteed obligations, filed as Exhibit 10.2 to the June 23, 2006 Form 8-K, is incorporated by reference.

10-a-2 Pledge and Security Agreement, dated as of June 23, 2006, by and among ArvinMeritor, the subsidiaries named therein and JPMorgan Chase Bank, National Association, as Administrative Agent, filed as Exhibit 10.3 to the June 23, 2006 Form 8-K, is incorporated by reference.

10-a-3 Amendment No. 1 to Credit Agreement, dated as of February 23, 2007, among ArvinMeritor, the financial institutions party thereto and JPMorgan Chase Bank, National Association, as Administrative Agent, filed as Exhibit 10 to the Current Report on Form 8-K dated and filed on February 23, 2007 (File No. 1-15983), is incorporated by reference.

10-a-4 Amendment No. 2 to Credit Agreement, dated as of October 2, 2007, among ArvinMeritor, the financial institutions party thereto and JPMorgan Chase Bank, National Association, as Administrative Agent, filed as Exhibit 10 to the Current Report on Form 8-K dated October 2, 2007 and filed on October 3, 2007 (File No. 1-15983), is incorporated by reference.

10-a-5 Amendment No. 3 to Credit Agreement, dated as of October 26, 2007, among ArvinMeritor, the financial institutions party thereto and JPMorgan Chase Bank, National Association, as Administrative Agent, filed as Exhibit 10 to the Current Report on Form 8-K dated October 26, 2007 and filed on October 30, 2007 (File No. 1-15983), is incorporated by reference.

*10-b-1 1997 Long-Term Incentives Plan, as amended and restated, filed as Exhibit 10 to ArvinMeritor’s Current Report on Form 8-K dated and filed on April 20, 2005 (File No. 1-15983), is incorporated by reference.

*10-b-2 Form of Restricted Stock Agreement under the 1997 Long-Term Incentives Plan, filed as Exhibit 10-a-2 to Meritor’s Annual Report on Form 10-K for the fiscal year ended September 30, 1997 (File No. 1-13093), is incorporated by reference.

*10-b-3 Form of Option Agreement under the 1997 Long-Term Incentives Plan, filed as Exhibit 10(a) to Meritor's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1998 (File No. 1-13093), is incorporated by reference.

*10-b-4 Form of Performance Share Agreement under the 1997 Long-Term Incentives Plan, filed as Exhibit 10-b to ArvinMeritor’s Current Report on Form 8-K, dated December 7, 2004 and filed on December 9, 2004 (File No. 1-15983), is incorporated by reference.

*10-b-5 Description of Performance Goals Established in connection with 2006-2008 Cash Performance Plan under the 1997 Long- Term Incentives Plan, filed as Exhibit 10-b-6 to ArvinMeritor’s Form 10-K for the fiscal year ended October 2, 2005 (File No. 1-15983), is incorporated by reference.

*10-b-6 Description of Performance Goals Established in connection with 2007-2009 Cash Performance Plan under the 1997 Long- Term Incentives Plan, filed as Exhibit 10-b-7 to ArvinMeritor's Annual Report on Form 10-K for the fiscal year ended October 1, 2006 (File No. 1-15983), is incorporated by reference.

*10-c 2007 Long-Term Incentive Plan, as amended, filed as Exhibit 10-a to ArvinMeritor's Quarterly Report on Form 10-Q for the quarterly period ended April 1, 2007 (File No. 1-15983), is incorporated by reference.

*10-c-1 Form of Restricted Stock Agreement under the 2007 Long-Term Incentive Plan.

*10-d Description of Compensation of Non-Employee Directors.

*10-e 2004 Directors Stock Plan, filed as Exhibit 10-a to ArvinMeritor's Quarterly Report on Form 10-Q for the quarterly period ended March 28, 2004 (File No. 1-15983), is incorporated by reference.

*10-e-1 Form of Restricted Share Unit Agreement under the 2004 Directors Stock Plan, filed as Exhibit 10-c-3 to ArvinMeritor's Annual Report on Form 10-K for the fiscal year ended October 3, 2004 (File No. 1-15983), is incorporated by reference.

*10-e-2 Form of Restricted Stock Agreement under the 2004 Directors Stock Plan, filed as Exhibit 10-c-4 to ArvinMeritor's Annual Report on Form 10-K for the fiscal year ended October 2, 2005 (Filed No. 1-15983), is incorporated by reference.

*10-f Incentive Compensation Plan, as amended and restated, filed as Exhibit 10-b to ArvinMeritor's Current Report on Form 8-K, dated February 16, 2005 and filed on February 17, 2005 (File No. 1-15983), is incorporated by reference.

*10-f-1 Form of Deferred Share Agreement, filed as Exhibit 10-a to ArvinMeritor's Quarterly Report on Form 10-Q for the quarterly period ended January 2, 2005 (File No. 1-15983), is incorporated by reference.

*10-g Copy of resolution of the Board of Directors of ArvinMeritor, adopted on July 6, 2000, providing for its Deferred Compensation Policy for Non-Employee Directors, filed as Exhibit 10-f to the 2000 Form 10-K, is incorporated by reference.

*10-h Deferred Compensation Plan, filed as Exhibit 10-e-1 to Meritor's Annual Report on Form 10-K for the fiscal year ended September 30, 1998 (File No. 1-13093), is incorporated by reference.

*10-i 1998 Stock Benefit Plan, as amended, filed as Exhibit (d)(2) to ArvinMeritor's Schedule TO, Amendment No. 3 (File No. 5-61023), is incorporated by reference.

*10-j Employee Stock Benefit Plan, as amended, filed as Exhibit (d)(3) to ArvinMeritor's Schedule TO, Amendment No. 3 (File No. 5-61023), is incorporated by reference.

*10-k 1988 Stock Benefit Plan, as amended, filed as Exhibit 10 to Arvin's Quarterly Report on Form 10-Q for the quarterly period ended July 3, 1988, and as Exhibit 10(E) to Arvin's Quarterly Report on Form 10-Q for the quarterly period ended July 4, 1993 (File No. 1-302), is incorporated by reference.

10-l Loan Agreement, dated as of September 19, 2005, among ArvinMeritor, Inc., ArvinMeritor Receivables Corporation, the lenders from time to time party thereto and SunTrust Capital Markets, Inc., filed as Exhibit 10a to ArvinMeritor's Current Report on Form 8-K, dated September 16, 2005 and filed on September 19, 2005 (File No. 1-15983), is incorporated by reference.

10-l-1 Amendment No. 1, dated as of May 8, 2006, to Loan Agreement, dated as of September 19, 2005, among ArvinMeritor, ArvinMeritor Receivables Corporation, the lenders from time to time party thereto and SunTrust Capital Markets, Inc., filed as Exhibit 10a to ArvinMeritor's Current Report on Form 8-K, dated May 8, 2006 and filed on May 10, 2006 (File No. 1-15983), is incorporated by reference.

10-l-2 Amendment No. 2, dated as of September 18, 2006, to Loan Agreement, dated as of September 19, 2005, among ArvinMeritor, ArvinMeritor Receivables Corporation, the lenders from time to time party thereto and SunTrust Capital Markets, Inc., filed as Exhibit 10 to ArvinMeritor’s Current Report on Form 8-K, dated September 18, 2006 and filed on September 20, 2006 (File No. 1-15983), is incorporated by reference.

10-l-3 Amendment No. 3, dated as of November 6, 2006, to Loan Agreement, dated as of September 19, 2005, among ArvinMeritor, ArvinMeritor Receivables Corporation, the lenders from time to time party thereto and SunTrust Capital Markets, Inc., filed as Exhibit 10-k-3 to ArvinMeritor’s Annual Report on Form 10-K for the fiscal year ended October 1, 2006 (File No. 1-15983), is incorporated by reference.

10-l-4 Amendment No. 4, dated as of September 17, 2007, to Loan Agreement, dated as of September 19, 2005, among ArvinMeritor, ArvinMeritor Receivables Corporation, the lenders from time to time party thereto and SunTrust Robinson Humphrey, Inc., filed as Exhibit 10 to ArvinMeritor’s Current Report on Form 8-K, dated and filed on September 17, 2007 (File No. 1-15983), is incorporated by reference.

10-m Second Amended and Restated Purchase and Sale Agreement, dated as of September 19, 2005, among ArvinMeritor OE, LLC and various affiliates, as Originators, and ArvinMeritor Receivables Corporation, filed as Exhibit 10b to ArvinMeritor’s Current Report on Form 8-K, dated September 16, 2005 and filed on September 19, 2005 (File No. 1-15983), is incorporated by reference.

10-m-1 First Amendment, dated as of May 8, 2006, to Second Amended and Restated Purchase and Sale Agreement, dated as of September 19, 2005, among ArvinMeritor Receivables Corporation and the Originators named therein, filed as Exhibit 10b to ArvinMeritor’s Current Report on Form 8-K, dated May 8, 2006 and filed on May 10, 2006, is incorporated by reference.

10-m-2 Third Amendment, dated as of November 6, 2006, to Second Amended and Restated Purchase and Sale Agreement, dated as of September 19, 2005, among ArvinMeritor Receivables Corporation and the Originators named therein, filed as Exhibit 10-l-2 to ArvinMeritor’s Annual Report on Form 10-K for the fiscal year ended October 1, 2006 (File No. 1-15983), is incorporated by reference.

*10-n Employment agreement between the company and Charles G. McClure, Jr., filed as Exhibit 10-s to ArvinMeritor’s Annual Report on Form 10-K for the fiscal year ended October 3, 2004 (File No. 1-15983), is incorporated by reference.

*10-o Employment agreement between the company and James D. Donlon, III, filed as Exhibit 10 to ArvinMeritor’s Current Report on Form 8-K, dated April 12, 2005 and filed on April 13, 2005 (File No. 1-15983), is incorporated by reference.

*10-p Employment agreement, dated August 23, 2006, between ArvinMeritor and Philip R. Martens, filed as Exhibit 10.3 to ArvinMeritor’s Current Report on Form 8-K, dated August 24, 2006 and filed on August 28, 2006 (File No. 1-15983), is incorporated by reference.

*10-q Employment agreement, dated August 23, 2006, between ArvinMeritor and Carsten J. Reinhardt, filed as Exhibit 10.4 to ArvinMeritor’s Current Report on Form 8-K, dated August 24, 2006 and filed on August 28, 2006 (File No. 1-15983), is incorporated by reference.

*10-r Form of employment letter between ArvinMeritor and its executives, filed as Exhibit 10-a to ArvinMeritor’s Current Report on Form 8-K, dated October 27, 2004 and filed on December 21, 2004 (File No. 1-15983), is incorporated by reference.

12 Computation of ratio of earnings to fixed charges.

21 List of subsidiaries of ArvinMeritor.

23-a Consent of Vernon G. Baker, II, Esq., Senior Vice President and General Counsel of ArvinMeritor.

23-b Consent of Deloitte & Touche LLP, independent registered public accounting firm.

23-c Consent of Bates White LLC.

24 Power of Attorney authorizing certain persons to sign this Annual Report on Form 10-K on behalf of certain directors and officers of ArvinMeritor.

31-a Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) under the Exchange Act.

31-b Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) under the Exchange Act.

32-a Certification of the Chief Executive Officer pursuant to Rule 13a-14(b) under the Exchange Act and 18 U.S.C. Section 1350.

32-b Certification of the Chief Financial Officer pursuant to Rule 13a-14(b) under the Exchange Act and 18 U.S.C. Section 1350.

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* Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ARVINMERITOR, INC.

By: /s/ Vernon G. Baker, II
Vernon G. Baker, II
Senior Vice President
and General Counsel

Date: November 19, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on the 19th day of November, 2007 by the following persons on behalf of the registrant and in the capacities indicated.

Charles G. McClure, Jr. *	Chairman of the Board, Chief Executive Officer and President (principal executive officer) and Director
Joseph B. Anderson, Jr., Rhonda L. Brooks, David W. Devonshire, Ivor J. Evans, Victoria B. Jackson, James E. Marley, William R. Newlin, Steven G. Rothmeier and Andrew J. Schindler*	Directors

James D. Donlon, III*	Executive Vice President and Chief Financial Officer (principal financial officer)
Jeffrey A. Craig*	Senior Vice President and Controller (principal accounting officer)

* By: /s/ Bonnie Wilkinson
Bonnie Wilkinson
Attorney-in-fact **

** By authority of powers of attorney filed herewith.

SCHEDULE II

ARVINMERITOR, INC.
VALUATION AND QUALIFYING ACCOUNTS
For the Year Ended September 30, 2007, 2006, 2005

Description (In millions)	Balance at Beginning of Year	Charged to costs and expenses	Other Deductions	Balance at End of year
Year ended September 30, 2007:				
Allowance for doubtful accounts	$ 17	$ 16	$ (9) (a)	$ 24
Deferred tax asset valuation allowance	143	60	1	204
Year ended September 30, 2006:				
Allowance for doubtful accounts	$ 30	$ 6	$ (19) (a)	$ 17
Deferred tax asset valuation allowance	146	(3)	—	143
Year ended September 30, 2005:				
Allowance for doubtful accounts	$ 26	$ 15	$ (11) (a)	$ 30
Deferred tax asset valuation allowance	93	54	(1)	146

(a) Uncollectible accounts written off