

ENTRX CORP  
Form 10-Q  
November 12, 2010

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2010

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 0-2000

Entrx Corporation  
(Exact name of registrant as specified in its charter)

Delaware

95-2368719

(State or other jurisdiction of  
incorporation or organization)

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

800 Nicollet Mall, Suite 2690, Minneapolis, MN  
(Address of Principal Executive Office)

55402  
(Zip Code)

Registrant's telephone number, including area code (612) 333-0614

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or

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a smaller reporting company.

Large accelerated filer	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	Smaller reporting Company	<input checked="" type="checkbox"/>

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

As of November 9, 2010, the registrant had 7,491,211 shares outstanding of its Common Stock, \$.10 par value.

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ENTRX CORPORATION AND SUBSIDIARIES

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References to “we”, “us”, “our”, “the registrant” and “the Company” in this quarterly report on Form 10-Q shall mean or refer to Entrx Corporation and its consolidated subsidiary, Metalclad Insulation Corporation, unless the context in which those words are used would indicate a different meaning.

## PART I

## FINANCIAL INFORMATION

## Item 1. Financial Statements

ENTRX CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

	September 30, 2010 (unaudited)	December 31, 2009 (audited)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,469,314	\$ 2,070,710
Restricted cash	317,000	-
Available-for-sale securities	7,000	7,000
Accounts receivable, less allowance for doubtful accounts of \$80,000 as of September 30, 2010 and December 31, 2009	4,532,057	3,888,261
Costs and estimated earnings in excess of billings on uncompleted contracts	895,500	1,174,085
Inventories	71,050	34,620
Prepaid expenses and other current assets	157,513	327,802
Insurance claims receivable	6,500,000	8,000,000
Other receivables	14,818	83,620
Total current assets	13,964,252	15,586,098
Property, plant and equipment, net	201,909	195,069
Insurance claims receivable	39,500,000	44,000,000
Other assets	227,703	62,431
	\$ 53,893,864	\$ 59,843,598
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$ 67,582	\$ 106,152
Accounts payable	704,393	496,004
Accrued expenses	1,106,821	1,221,047
Reserve for asbestos liability claims	6,500,000	8,000,000
Billings in excess of costs and estimated earnings on uncompleted contracts	81,827	111,312
Total current liabilities	8,460,623	9,934,515
Long-term debt, less current portion	22,529	31,620
Reserve for asbestos liability claims	39,500,000	44,000,000
Total liabilities	47,983,152	53,966,135
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, par value \$1; 5,000,000 shares authorized; none issued	-	-
Common stock, par value \$0.10; 80,000,000 shares authorized; 7,491,211 and 7,416,211 issued and outstanding at September 30, 2010 and December 31, 2009, respectively	794,601	787,101
Additional paid-in capital	69,045,026	69,023,276

Accumulated deficit	(63,928,915)	(63,932,914)
Total shareholders' equity	5,910,712	5,877,463
	\$ 53,893,864	\$ 59,843,598

See Notes to Consolidated Financial Statements

ENTRX CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (Loss)  
 (Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2010	2009	2010	2009
Contract revenues	\$ 4,033,268	\$ 3,830,412	\$ 13,279,918	\$ 14,320,248
Contract costs and expenses	3,455,469	3,107,740	11,134,738	11,955,251
Gross margin	577,799	722,672	2,145,180	