

KOPIN CORP
Form 10-Q
November 03, 2011
[Table of Contents](#)

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

FORM 10-Q

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

For the Quarterly Period Ended September 24, 2011

OR

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

Commission file number 0-19882

KOPIN CORPORATION

(Exact name of registrant as specified in its charter)

Edgar Filing: KOPIN CORP - Form 10-Q

Delaware	04-2833935
State or other jurisdiction of	(I.R.S. Employer
incorporation or organization	Identification No.)
200 John Hancock Rd., Taunton, MA	02780-1042
(Address of principal executive offices)	(Zip Code)
Registrant's telephone number, including area code: (508) 824-6696	

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to 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 check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

Indicate the number of shares outstanding of each issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of October 28, 2011
Common Stock, par value \$.01	67,845,610

Table of Contents**Kopin Corporation****INDEX**

	Page No.
<u>Part I Financial Information</u>	
Item 1. <u>Condensed Consolidated Financial Statements (Unaudited):</u>	3
<u>Condensed Consolidated Balance Sheets at September 24, 2011 and December 25, 2010</u>	3
<u>Condensed Consolidated Statements of Operations for the three and nine months ended September 24, 2011 and September 25, 2010</u>	4
<u>Condensed Consolidated Statements of Comprehensive Income for the three and nine months ended September 24, 2011 and September 25, 2010</u>	5
<u>Condensed Consolidated Statements of Stockholders' Equity for the nine months ended September 24, 2011</u>	6
<u>Condensed Consolidated Statements of Cash Flows for the nine months ended September 24, 2011 and September 25, 2010</u>	7
<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	8
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	16
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	22
Item 4. <u>Controls and Procedures</u>	23
<u>Part II Other Information</u>	
Item 1. <u>Legal Proceedings</u>	23
Item 1A. <u>Risk Factors</u>	23
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	24
Item 3. <u>Defaults Upon Senior Securities</u>	24
Item 4. <u>Reserved</u>	24
Item 5. <u>Other Information</u>	24
Item 6. <u>Exhibits</u>	24
<u>Signatures</u>	26

Table of Contents**Part 1: FINANCIAL INFORMATION****Item 1: Condensed Consolidated Financial Statements (Unaudited)
KOPIN CORPORATION****CONDENSED CONSOLIDATED BALANCE SHEETS****(Unaudited)**

	September 24, 2011	December 25, 2010
ASSETS		
Current assets:		
Cash and equivalents	\$ 40,163,342	\$ 49,834,547
Marketable debt securities, at fair value	63,096,164	61,112,843
Accounts receivable, net of allowance of \$609,000 and \$737,000 in 2011 and 2010, respectively	15,183,533	14,539,664
Accounts receivable from unconsolidated affiliates	1,460,765	2,558,513
Unbilled receivables	71,298	391,171
Inventory	19,354,884	21,462,871
Prepaid taxes	368,423	664,320
Prepaid expenses and other current assets	1,851,584	2,060,833
Total current assets	141,549,993	152,624,762
Property, plant and equipment, net	34,061,023	32,613,961
Goodwill	4,570,368	
Intangible assets	4,114,364	
Other assets	4,456,197	6,857,675
Total assets	\$ 188,751,945	\$ 192,096,398
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 8,959,881	\$ 11,317,865
Accrued payroll and expenses	3,131,265	2,741,004
Accrued warranty	1,380,000	1,300,000
Billings in excess of revenue earned	2,462,981	3,210,895
Other accrued liabilities	2,023,522	1,956,642
Total current liabilities	17,957,649	20,526,406
Asset retirement obligations	1,283,926	944,617
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, par value \$.01 per share: authorized, 3,000 shares; none issued		
Common stock, par value \$.01 per share: authorized, 120,000,000 shares; issued 76,491,102 shares in 2011 and 74,604,446 shares in 2010; outstanding 64,134,066 shares in 2011 and 64,775,234 shares in 2010	726,367	725,708
Additional paid-in capital	315,488,121	313,311,889
Treasury stock (8,502,667 and 7,795,605 shares in 2011 and 2010, respectively, at cost)	(29,640,979)	(26,580,823)
Accumulated other comprehensive income	1,852,620	5,985,345