

RCM TECHNOLOGIES INC
Form 10-Q
May 11, 2010

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 April 3, 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: 1-10245

RCM TECHNOLOGIES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Nevada 95--1480559
(State or other Jurisdiction of (I.R.S. Employer Identification No.)
Incorporation)

2500 McClellan Avenue, Suite 350, Pennsauken, New Jersey 08109-4613
(Address of Principal Executive Offices) (Zip Code)

(856) 356-4500
(Registrant's Telephone Number, Including Area Code)

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 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 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):

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Large Accelerated Filer	Accelerated Filer	Non-Accelerated Filer	Smaller Reporting Company
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(Do not check if a smaller reporting company)

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 the Registrant's class of common stock, as of the latest practicable date.

Common Stock, \$0.05 par value, 12,999,178 shares outstanding as of May 11, 2010.

RCM TECHNOLOGIES, INC. AND SUBSIDIARIES

PART I - FINANCIAL INFORMATION

	Page
Item 1. Consolidated Financial Statements	
Consolidated Balance Sheets as of April 3, 2010 (Unaudited) and January 2, 2010	3
Unaudited Consolidated Statements of Income for the Thirteen Week Periods Ended April 3, 2010 and March 28, 2009	4
Unaudited Consolidated Statement of Changes in Stockholders' Equity for the Thirteen Week Period Ended April 3, 2010 and Unaudited Consolidated Statements of Comprehensive Income for the Thirteen Week Periods Ended April 3, 2010 and March 28, 2009	5
Unaudited Consolidated Statements of Cash Flows for the Thirteen Week Periods Ended April 3, 2010 and March 28, 2009	6
Notes to Unaudited Consolidated Financial Statements	7
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	22
Item 3. Quantitative and Qualitative Disclosures About Market Risk	34
Item 4. Controls and Procedures	34

PART II - OTHER INFORMATION

Item 1. Legal Proceedings	35
Item 1A. Risk Factors	35
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	35
Item 3. Defaults Upon Senior Securities	35
Item 4. [Removed and Reserved]	35
Item 5. Other Information	35
Item 6. Exhibits	36

Signatures

37

2

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

RCM TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

April 3, 2010 and January 2, 2010

(In thousands, except share and per share amounts)

	April 3, 2010 (Unaudited)	January 2, 2010
Current assets:		
Cash and cash equivalents	\$12,252	\$10,942
Accounts receivable, net	50,159	45,958
Prepaid expenses and other current assets	3,615	2,638
Deferred income tax assets	705	705
Assets of discontinued operations	174	672
Total current assets	66,905	60,915
Property and equipment, net	4,170	4,548
Other assets:		
Deposits	172	194
Goodwill	8,260	8,260
Intangible assets, net	429	464
Deferred income tax assets	3,828	3,828
Total other assets	12,689	12,746
Total assets	\$83,764	\$78,209
Current liabilities:		
Accounts payable and accrued expenses	\$8,574	\$7,246
Accrued payroll and related costs	8,619	6,410
Income taxes payable	30	-
Liabilities of discontinued operations	373	357
Total current liabilities	17,596	14,013
Contingent consideration	893	893
Stockholders' equity:		
Preferred stock, \$1.00 par value; 5,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock, \$0.05 par value; 40,000,000 shares authorized; 12,999,178 and 12,960,778 shares issued and outstanding at April 3, 2010 and January 2, 2010, respectively	650	648
Additional paid-in capital	107,398	107,262

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Accumulated other comprehensive income	1,329	1,267
Accumulated deficit	(44,102)	(45,874)
Total stockholders' equity	65,275	63,303
Total liabilities and stockholders' equity	\$83,764	\$78,209

3

The accompanying notes are an integral part of these financial statements.

RCM TECHNOLOGIES, INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF INCOME
 Thirteen Week Periods Ended April 3, 2010 and March 28, 2009
 (Unaudited)
 (In thousands, except per share amounts)

	Thirteen Week Periods Ended	
	April 3, 2010	March 28, 2009
Revenues	\$49,056	\$46,657
Cost of services	36,364	36,089
Gross profit	12,692	10,568
Operating costs and expenses		
Selling, general and administrative	10,305	10,516
Depreciation and amortization	350	360
	10,655	10,876
Operating income (loss) from continuing operations	2,037	(308)
Other (expense) income		
Interest expense, net and other	(38)	(20)
Loss on foreign currency transactions	(7)	(10)
Legal settlement	-	9,750
	(45)	9,720
Income from continuing operations before income taxes	1,992	9,412
Income tax (benefit) expense from continuing operations	(412)	3,775
Net income from continuing operations	2,404	5,637
Loss from discontinued operations, net of tax benefit	(632)	(84)
Net income	\$1,772	\$5,553
Basic and diluted net earnings per share data:		
Net income from continuing operations	\$0.18	\$0.44