

Edgar Filing: GENTEX CORP - Form 10-Q

GENTEX CORP  
Form 10-Q  
November 04, 2008

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, 2008, 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 0-10235

GENTEX CORPORATION  
(Exact name of registrant as specified in its charter)

MICHIGAN  
(State or other jurisdiction of  
incorporation or organization)

38-2030505  
(I.R.S. Employer  
Identification No.)

600 N. CENTENNIAL, ZEELAND, MICHIGAN  
(Address of principal executive offices)

49464  
(Zip Code)

(616) 772-1800  
(Registrant's telephone number, including area code)

---

(Former name, former address and former fiscal year,  
if changed since last report)

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 is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

## Edgar Filing: GENTEX CORP - Form 10-Q

Non-accelerated filer  Smaller reporting company   
 (Do not check if a smaller reporting company)

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PROCEEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes  No

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

Class	Shares Outstanding at October 22, 2008
Common Stock, \$0.06 Par Value	139,687,394

Exhibit Index located at page 17

Page 1 of 21

### PART I. FINANCIAL INFORMATION

#### ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS.

##### GENTEX CORPORATION AND SUBSIDIARIES

##### CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2008 (Unaudited)	December 31, 2007 (Audited)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$283,333,742	\$317,717,093
Short-term investments	54,913,589	80,271,688
Accounts receivable, net	70,944,456	64,181,511
Inventories	55,898,453	48,049,560
Prepaid expenses and other	19,374,640	18,274,096
	-----	-----
Total current assets	484,464,880	528,493,948

Edgar Filing: GENTEX CORP - Form 10-Q

PLANT AND EQUIPMENT - NET	216,243,386	205,609,671
OTHER ASSETS		
Long-term investments	106,621,165	155,384,009
Patents and other assets, net	9,048,241	8,535,052
	-----	-----
Total other assets	115,669,406	163,919,061
	-----	-----
Total assets	\$816,377,672	\$898,022,680
	=====	=====

LIABILITIES AND SHAREHOLDERS' INVESTMENT

CURRENT LIABILITIES		
Accounts payable	\$ 30,517,854	\$ 30,531,649
Accrued liabilities	31,426,326	37,831,056
	-----	-----
Total current liabilities	61,944,180	68,362,705
DEFERRED INCOME TAXES		
	15,690,716	22,847,779
SHAREHOLDERS' INVESTMENT		
Common stock	8,381,243	8,685,257
Additional paid-in capital	254,837,504	245,502,960
Retained earnings	474,561,978	530,290,281
Other shareholders' investment	962,051	22,333,698
	-----	-----
Total shareholders' investment	738,742,776	806,812,196
	-----	-----
Total liabilities and shareholders' investment	\$816,377,672	\$898,022,680
	=====	=====

See accompanying notes to condensed consolidated financial statements.

-2-

GENTEX CORPORATION AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	2008	2007
	-----	-----	-----	-----
NET SALES	\$153,056,570	\$162,524,803	\$501,518,401	\$483,210,000
COST OF GOODS SOLD	106,359,938	105,522,931	333,094,524	313,933,000
	-----	-----	-----	-----
Gross profit	46,696,632	57,001,872	168,423,877	169,277,000
OPERATING EXPENSES:				
Engineering, research and development	13,101,431	13,251,945	39,236,174	37,974,000

Edgar Filing: GENTEX CORP - Form 10-Q

Selling, general & administrative	10,324,190	9,112,808	30,139,806	26,212,000
Total operating expenses	23,425,621	22,364,753	69,375,980	64,186,000
Income from operations	23,271,011	34,637,119	99,047,897	105,091,000
OTHER INCOME (EXPENSE)				
Interest and dividend income	2,949,412	5,139,536	10,249,623	14,458,000
Other, net	(3,515,596)	4,076,418	(1,110,016)	12,739,000
Total other income (expense)	(566,184)	9,215,954	9,139,607	27,197,000
Income before provision for income taxes	22,704,827	43,853,073	108,187,504	132,288,000
PROVISION FOR INCOME TAXES	7,558,271	14,026,590	35,734,452	42,008,000
NET INCOME	\$ 15,146,556	\$ 29,826,483	\$ 72,453,052	\$ 90,280,000
EARNINGS PER SHARE:				
Basic	\$ 0.11	\$ 0.21	\$ 0.51	\$ 0.00
Diluted	\$ 0.11	\$ 0.21	\$ 0.51	\$ 0.00
Cash Dividends Declared per Share	\$ 0.110	\$ 0.105	\$ 0.320	\$ 0.00

See accompanying notes to condensed consolidated financial statements.

-3-

GENTEX CORPORATION AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007

	2008	2007
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 72,453,052	\$ 90,280,299
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation and amortization	27,192,983	24,213,482
(Gain) loss on disposal of assets	674,471	302,960
(Gain) loss on sale of investments	899,317	(10,681,432)
Deferred income taxes	2,771,058	(2,230,860)
Stock-based compensation expense related to employee stock options, employee stock purchases and restricted stock	7,653,209	6,785,909
Excess tax benefits from stock-based compensation	(62,647)	(269,057)
Change in operating assets and liabilities:		
Accounts receivable, net	(6,762,945)	(17,328,627)
Inventories	(7,848,893)	1,401,927
Prepaid expenses and other	503,283	(2,765,530)
Accounts payable	(13,795)	10,664,996

## Edgar Filing: GENTEX CORP - Form 10-Q

Accrued liabilities, excluding dividends declared	(6,452,290)	823,952
Net cash provided by (used for) operating activities	91,006,803	101,198,019
CASH FLOWS FROM INVESTING ACTIVITIES:		
Plant and equipment additions	(38,206,068)	(38,936,917)
Proceeds from sale of plant and equipment	11,002	529,737
(Increase) decrease in investments	40,273,213	14,123,731
(Increase) decrease in other assets	(774,474)	(772,484)
Net cash provided by (used for) investing activities	1,303,673	(25,055,933)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of common stock from stock plan transactions	11,693,703	36,279,027
Cash dividends paid	(45,097,502)	(40,748,764)
Repurchases of common stock	(93,352,675)	(7,328,015)
Excess tax benefits from stock-based compensation	62,647	269,057
Net cash provided by (used for) financing activities	(126,693,827)	(11,528,695)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(34,383,351)	64,613,391
CASH AND CASH EQUIVALENTS, beginning of period	317,717,093	245,499,783
CASH AND CASH EQUIVALENTS, end of period	\$ 283,333,742	\$ 310,113,174

See accompanying notes to condensed consolidated financial statements.

-4-

### GENTEX CORPORATION AND SUBSIDIARIES

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

- (1) The unaudited condensed consolidated financial statements included herein have been prepared by the Registrant, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to such rules and regulations, although the Registrant believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these unaudited condensed consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Registrant's 2007 annual report on Form 10-K.
- (2) In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting of only a normal and recurring nature, necessary to present fairly the financial position of the Registrant as of September 30, 2008, and the results of operations and cash flows for the interim periods presented.
- (3) Adoption of New Accounting Standards

## Edgar Filing: GENTEX CORP - Form 10-Q

In June 2008, the Financial Accounting Standards Board (FASB) issued FSP No. EITF 03-6-1, "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities," (FSP EITF 03-6-1). FSP EITF 03-6-1 states that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and shall be included in the computation of earnings per share pursuant to the two class method. FSP EITF 03-6-1 becomes effective on January 1, 2009. The Company has concluded that the adoption of FSP EITF 03-6-1 will not have a material impact on its consolidated financial position or results of operations.

In September 2006, the FASB issued Statement of Financial Accounting Standards (SFAS) No. 157, "Fair Value Measurements" ("SFAS No. 157"). This statement establishes a framework for measuring the fair value of assets and liabilities. This framework is intended to provide increased consistency in how fair value determinations are made under various existing accounting standards that permit, or in some cases require, estimates of fair market value. SFAS No. 157 also expands financial statement disclosure requirements about a company's use of fair value measurements, including the effect of such measure on earnings. SFAS No. 157 was effective for fiscal years beginning after November 15, 2007.

The Company adopted the provisions of SFAS No. 157 related to its financial assets and liabilities in the first quarter of 2008, which did not have a material impact on the Company's consolidated financial position, results of operations or cash flows. The Company's investment securities are classified as available for sale and are stated at fair value based on quoted market prices. Assets or liabilities that have recurring measurements are shown below as of September 30, 2008:

Description	Total as of September 30, 2008	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash & Cash Equivalents	\$283,333,742	\$283,333,742	\$ --	\$ --
Short-Term Investments	54,913,589	19,913,589	35,000,000	--
Long-Term Investments	106,621,165	106,621,165	--	--
Net	\$444,868,496	\$409,868,496	\$35,000,000	\$ --

-5-

### GENTEX CORPORATION AND SUBSIDIARIES

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED (UNAUDITED)

The Company's short-term investments primarily consist of Government

## Edgar Filing: GENTEX CORP - Form 10-Q

Securities (Level 1) and Certificate of Deposits (Level 2). Long-term investments primarily consist of marketable equity securities.

- (4) Inventories consisted of the following at the respective balance sheet dates:

	September 30, 2008	December 31, 2007
Raw materials	\$38,024,137	\$31,098,379
Work-in-process	5,408,450	4,555,058
Finished goods	12,465,866	12,396,123
	\$55,898,453	\$48,049,560
	\$55,898,453	\$48,049,560

- (5) The following table reconciles the numerators and denominators used in the calculation of basic and diluted earnings per share (EPS):

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
<b>Numerators:</b>				
Numerator for both basic and diluted EPS, net income	\$ 15,146,556	\$ 29,826,483	\$ 72,453,052	\$ 90,280,299
<b>Denominators:</b>				
Denominator for basic EPS, weighted-average shares outstanding	140,233,348	143,496,082	141,913,581	142,740,287
Potentially dilutive shares resulting from stock plans	210,304	1,346,546	301,412	958,975
	140,443,652	144,842,628	142,214,993	143,699,262
	140,443,652	144,842,628	142,214,993	143,699,262
Shares related to stock plans not included in diluted average common shares outstanding because their effect would be antidilutive	7,708,950	1,209,289	6,030,965	2,224,594

- (6) Stock-Based Compensation Plans

At September 30, 2008, the Company had two stock option plans, a restricted stock plan and an employee stock purchase plan. Readers should refer to Note 6 of our consolidated financial statements in our Annual Report on Form 10-K for the calendar year ended December 31, 2007, for additional information related to these stock-based compensation plans.

The Company recognized compensation expense for share-based payments of \$2,135,781 and \$6,200,322 for the third quarter and nine months ended September 30, 2008, respectively. Compensation cost capitalized as part of inventory as of September 30, 2008, was \$96,721.

# Edgar Filing: GENTEX CORP - Form 10-Q

-6-

## GENTEX CORPORATION AND SUBSIDIARIES

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED (UNAUDITED)

(6) Stock-Based Compensation Plans (continued)

Employee Stock Option Plan

The fair value of each option grant in the Employee Stock Option Plan was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions for the indicated periods:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Dividend yield	2.15%	2.00%	2.09%	1.99%
Expected volatility	31.57%	29.80%	30.89%	29.40%
Risk-free interest rate	2.98%	4.26%	2.94%	4.57%
Expected term of options (in years)	4.31	4.31	4.31	4.32
Weighted-average grant-date fair value	\$ 3.77	\$ 5.39	\$ 3.77	\$ 4.97

The Company determined that all employee groups exhibit similar exercise and post-vesting termination behavior to determine the expected term. Under the plans, the option exercise price equals the stock's market price on date of grant. The options vest after one to five years, and expire after five to seven years.

As of September 30, 2008, there was \$11,341,058 of unrecognized compensation cost related to share-based payments which is expected to be recognized over the vesting period with a weighted-average period of 4.1 years.

Non-employee Director Stock Option Plan

As of September 30, 2008, there was \$75,101 of unrecognized compensation cost under this plan related to share-based payments which is expected to be recognized over the balance of the 2008 calendar year. Under the plan, the option exercise price equals the stock's market price on date of grant. The options vest after six months, and expire after ten years.

Employee Stock Purchase Plan

In 2003, a new Employee Stock Purchase Plan covering 1,200,000 shares was approved by the shareholders, replacing a prior plan. Under the plan, the Company sells shares at 85% of the stock's market price at date of purchase. Under SFAS 123(R), the 15% discounted value is recognized as compensation expense.

Restricted Stock Plan

In May of 2008, an amendment to the Company's Second Restricted Stock Plan



## Edgar Filing: GENTEX CORP - Form 10-Q

was approved by the Shareholders. The plan amendment increased the maximum number of shares that may be subject to awards to 2,000,000 shares (in the aggregate) and to change the Plan's termination date from March 2, 2011, to February 21, 2018. The Company had granted 770,058 shares of restricted stock prior to the plan amendment (net of cancellations). The purpose of the Plan is to permit grants of shares, subject to restrictions, to key employees of the Company as a means of retaining and rewarding them for long-term performance and to increase their ownership in the Company. Shares awarded under the plan entitle the shareholder to all rights of common stock ownership except that the shares may not be sold, transferred, pledged, exchanged or otherwise disposed of during the restriction period. The restriction period is determined by the Compensation Committee, appointed by the Board of Directors, but may not exceed ten years. As of September 30, 2008, the Company had unearned stock-based compensation of \$4,815,266 associated with these restricted stock grants. The unearned stock-based compensation related to these grants is being amortized to compensation expense over the applicable restriction periods. Amortization expense from restricted stock grants in the third quarter and nine months ended September 30, 2008, were \$483,066 and \$1,452,887, respectively.

-7-

### GENTEX CORPORATION AND SUBSIDIARIES

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED (UNAUDITED)

- (7) Comprehensive income reflects the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. For the Company, comprehensive income represents net income adjusted for items such as unrealized gains and losses on investments and foreign currency translation adjustments. Comprehensive income was as follows:

	September 30, 2008 -----	September 30, 2007 -----
Quarter Ended	\$ 5,550,210	\$31,155,687
Nine Months Ended	\$51,081,405	\$95,026,188

- (8) The decrease in common stock during the nine months ended September 30, 2008, was primarily due to the repurchase of 5,923,465 shares pursuant to the Company's previously announced share repurchase plan for approximately \$93,353,000, partially offset by the issuance of 1,447,281 shares of the Company's common stock under its stock-based compensation plans. The Company has also recorded a \$0.105 per share cash dividend in the first and second quarters and a \$0.11 per share cash dividend in the third quarter. The third quarter dividend of approximately \$15,366,000, was declared on August 19, 2008, and was paid on October 17, 2008.
- (9) The Company currently manufactures electro-optic products, including automatic-dimming rearview mirrors for the automotive industry, and fire protection products for the commercial building industry. The Company also developed and manufactures variable dimmable windows for the aircraft industry and non-auto dimming rearview automotive mirrors with electronic features:

Edgar Filing: GENTEX CORP - Form 10-Q

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Revenue:				
Automotive Products	\$147,290,164	\$156,528,289	\$484,157,368	\$ 464,827,910
Other	5,766,406	5,996,514	17,361,033	18,382,687
Total	\$153,056,570	\$162,524,803	\$501,518,401	\$ 483,210,597
Income from Operations:				
Automotive Products	\$ 23,292,326	\$ 33,544,456	\$ 99,229,035	\$ 101,538,736
Other	(21,315)	1,092,663	(181,138)	3,552,659
Total	\$ 23,271,011	\$ 34,637,119	\$ 99,047,897	\$105,091,395

The "Other" segment includes Fire Protection Products and Dimmable Aircraft Windows. Dimmable Aircraft Windows sales were immaterial during the third quarter and nine months ended September 30, 2008, which resulted in reduced income from operations for the "Other" category.

-8-

GENTEX CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

RESULTS OF OPERATIONS:

THIRD QUARTER 2008 VERSUS THIRD QUARTER 2007

Net Sales. Net sales for the third quarter of 2008 decreased by approximately \$9,468,000, or 6%, when compared with the third quarter last year. Net sales of the Company's automotive mirrors decreased by approximately \$9,238,000, or 6%, in the third quarter of 2008, when compared with the third quarter last year, primarily due to lower light vehicle production levels in North America. Auto-dimming mirror unit shipments decreased 5% from approximately 3,706,000 in the third quarter 2007 to 3,528,000 in the current quarter. Unit shipments to customers in North America for the current quarter decreased by 27% compared with the third quarter of the prior year, primarily due to lower light vehicle production levels at the traditional Big Three automakers. Mirror unit shipments for the current quarter to automotive customers outside North America increased by 13% compared with the third quarter in 2007, primarily due to increased penetration at certain European and Asian automakers. Net sales of the Company's fire protection products decreased 7% for the current quarter versus the same quarter of last year, primarily due to a weak commercial construction market.

Cost of Goods Sold. As a percentage of net sales, cost of goods sold increased from 64.9% in the third quarter of 2007 to 69.5% in the third

## Edgar Filing: GENTEX CORP - Form 10-Q

quarter of 2008. This percentage increase primarily reflected the Company's inability to leverage fixed overhead costs due to weak light vehicle production levels at our customers, annual customer price reductions, and production inefficiencies due to last-minute customer order reductions, which were partially offset by purchasing cost reductions. Each negative and positive factor is estimated to have impacted cost of goods sold as a percentage of net sales by 1-2 percentage points.

Operating Expenses. Engineering, research and development (E, R & D) expenses for the current quarter decreased 1% and approximately \$151,000 when compared with the same quarter last year. Excluding litigation expenses of \$1,579,000 in the third quarter of 2007 (see discussion under "Trends & Developments"), E, R & D expenses increased 12% when comparing the current quarter to the same quarter last year, primarily reflecting additional staffing, engineering and testing for new product development, including mirrors with additional features, such as SmartBeam(R) and Rear Camera Display. Selling, general and administrative expenses increased 13% and approximately \$1,211,000, for the current quarter, when compared with the third quarter of 2007, primarily due to the continued expansion of the Company's overseas offices and foreign exchange rates. Foreign exchange rates accounted for approximately three percentage points of the increase.

Total Other Income (expense). Total other income (expense) for the current quarter decreased by approximately \$9,782,000, or 106%, when compared with the third quarter of 2007, primarily due to increased realized losses on the sale of equity investments (which accounted for approximately two-thirds of the decrease) and lower interest income due to lower interest rates.

Taxes. The provision for income taxes varied from the statutory rate during the current quarter, primarily due to the domestic manufacturing deduction.

Net Income. Net income for the third quarter of 2008 decreased by approximately \$14,680,000, or 49%, when compared with the same quarter last year, primarily due to the reduced operating margin and the decrease in total other income (expense).

NINE MONTHS ENDED SEPTEMBER 30, 2008, VERSUS NINE MONTHS ENDED SEPTEMBER 30, 2007

Net Sales. Net sales for the nine months ended September 30, 2008 increased by approximately \$18,308,000, or 4%, when compared with the same period last year. Net sales of the Company's automotive mirrors increased by approximately \$19,329,000, or 4% period over period, as auto-dimming mirror unit shipments increased by 2% from approximately 11,358,000 in the first nine months of 2007 to 11,593,000 units in the first nine months of 2008. This increase primarily reflected the increased penetration of interior and exterior auto-dimming mirrors on

-9-

2008 model year vehicles with overseas customers. Unit shipments to customers in North America decreased by 13% during the first nine months of 2008 versus the same period in 2007, primarily due to lower light vehicle production levels at the traditional Big Three automakers and the UAW strikes. The UAW strikes negatively impacted automotive revenues by approximately \$8.3 million during the first nine months of 2008 versus the same period in 2007. Mirror unit shipments to automotive customers outside North America increased by 14% year-over-year, primarily due to increased

## Edgar Filing: GENTEX CORP - Form 10-Q

penetration at certain European and Asian automakers. Net sales of the Company's fire protection products decreased 7% year-over-year, primarily due to a weak commercial construction market.

Cost of Goods Sold. As a percentage of net sales, cost of goods sold increased from 65% in the nine months ended September 30, 2007, to 66.4% in the nine months ended September 30, 2008, primarily reflecting the impact of annual automotive customer price reductions and the inability to leverage the Company's fixed overhead costs, partially offset by purchasing cost reductions and foreign exchange rates. Each factor is estimated to have impacted cost of goods sold as a percentage of net sales by approximately 1-2%.

Operating Expenses. For the nine months ended September 30, 2008, engineering, research and development expenses increased approximately \$1,262,000, but remained at 8% of net sales, when compared to the same period last year. Excluding litigation expenses of \$104,000 and the litigation judgment accrual reversal of approximately \$335,000 for the nine months ended September 30, 2008, and excluding litigation expenses of approximately \$4,430,000 for the same period last year (see discussion under "Trends and Developments"), E, R & D expenses increased by 18% when comparing the first nine months of 2008 with the same period last year, primarily due to additional staffing, engineering and testing for new product development, including mirrors with additional features. Selling, general and administrative expenses increased 15% and approximately \$3,928,000 for the nine months ended September 30, 2008, and increased from 5% to 6% of net sales period over period, primarily reflecting the continued expansion of the Company's overseas offices and foreign exchange rates. Foreign exchange rates accounted for approximately four percentage points of the increase in selling, general and administrative expenses.

Total Other Income. Total other income for the nine months ended September 30, 2008, decreased approximately \$18,058,000 when compared to the same period last year, primarily due to increased realized losses on the sale of equity investments (which accounted for approximately two-thirds of the decrease) and lower interest income due to lower interest rates.

Taxes. The provision for income taxes varied from the statutory rate during the nine months ended September 30, 2008, primarily due to the domestic manufacturing deduction.

Net Income. Net income decreased by approximately \$17,827,000, or 20% for the nine months ended September 30, 2008, when compared with the same period last year, primarily due to the decrease in total other income and the reduced operating margin.

### FINANCIAL CONDITION:

Cash flow from operating activities for the nine months ended September 30, 2008, decreased approximately \$10,191,000 to \$91,007,000, compared to \$101,198,000, for the same period last year, primarily due a decrease in net income. Capital expenditures for the nine months ended September 30, 2008, were \$38,206,000, compared to \$38,937,000 for the same period last year.

Cash and cash equivalents as of September 30, 2008, decreased approximately \$34,383,000 compared to December 31, 2007. The decrease was primarily due to share repurchases and dividends paid, partially offset by cash flow from operations and short-term investment maturities.

Inventories as of September 30, 2008, increased approximately \$7,849,000 compared to December 31, 2007. The increase was primarily due to longer

## Edgar Filing: GENTEX CORP - Form 10-Q

lead times on certain electronic components in conjunction with last-minute order release reductions at our customers (including their Tier 1 suppliers).

-10-

Long-term investments as of September 30, 2008, decreased approximately \$48,763,000 compared to December 31, 2007. The decrease was primarily due to a decrease in unrealized gains in equity investments given current market conditions. Management considers the Company's working capital and long-term investments totaling approximately \$529,142,000 as of September 30, 2008, together with internally generated cash flow and an unsecured \$5,000,000 line of credit from a bank, to be sufficient to cover anticipated cash needs for the next year and for the foreseeable future.

On October 8, 2002, the Company announced a share repurchase plan, under which it may purchase up to 8,000,000 shares (post-split) based on a number of factors, including market conditions, the market price of the Company's common stock, anti-dilutive effect on earnings, available cash and other factors that the Company deems appropriate. On July 20, 2005, the Company announced that it had raised the price at which the Company may repurchase shares under the existing plan. On May 16, 2006, the Company announced that the Company's Board of Directors had authorized the repurchase of an additional 8,000,000 shares under the plan. On August 14, 2006, the Company announced that the Company's Board of Directors had authorized the repurchase of an additional 8,000,000 shares under the plan. And, on February 26, 2008, the Company announced that the Company's Board of Directors had authorized the repurchase of an additional 4,000,000 shares under the plan.

The following is a summary of quarterly share repurchase activity under the plan to date:

Quarter Ended -----	Total Number of Shares Purchased (Post-Split) -----	Cost of Shares Purchased -----
March 31, 2003	830,000	\$ 10,246,810
September 30, 2005	1,496,059	25,214,573
March 31, 2006	2,803,548	47,145,310
June 30, 2006	7,201,081	104,604,414
September 30, 2006	3,968,171	55,614,102
December 31, 2006	1,232,884	19,487,427
March 31, 2007	447,710	7,328,015
March 31, 2008	2,200,752	34,619,490
June 30, 2008	1,203,560	19,043,775
September 30, 2008	2,519,153	39,689,410
	-----	-----
Total	23,902,918	\$362,993,326

4,097,082 shares remain authorized to be repurchased under the plan.

#### CRITICAL ACCOUNTING POLICIES:

The preparation of the Company's consolidated condensed financial statements contained in this report, which have been prepared in accordance

## Edgar Filing: GENTEX CORP - Form 10-Q

with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. On an ongoing basis, management evaluates these estimates. Estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that may not be readily apparent from other sources. Historically, actual results have not been materially different from the Company's estimates. However, actual results may differ from these estimates under different assumptions or conditions.

The Company has identified the critical accounting policies used in determining estimates and assumptions in the amounts reported in its Management's Discussion and Analysis of Financial Condition and Results of Operations in its Annual Report on Form 10-K for the fiscal year ended December 31, 2007. Management believes there have been no significant changes in those critical accounting policies.

-11-

### TRENDS AND DEVELOPMENTS:

The Company previously announced certain development programs with several automakers for its Rear Camera Display (RCD) Mirror that consists of a proprietary liquid crystal display (LCD) that shows a panoramic video of objects behind the vehicle in real time. In addition, the Company previously announced a number of OEM and dealer or port-installed programs for its RCD Mirror. The Company recently announced that its RCD Mirror will be available as factory-installed equipment on the 2009 Toyota Tacoma and FJ Cruiser. The Company also announced that its RCD Mirror is now available through Mito Corporation, a distributor of high-quality aftermarket electronic products and accessories.

On February 14, 2008, the President signed into law the "Kids Transportation Safety Act of 2007". The Bill ordered the Secretary of Transportation at the National Highway Traffic Safety Administration (NHTSA) to initiate rulemaking to revise the federal standard to expand the field of view so that drivers can detect objects directly behind vehicles. The Bill states that the requirements may be met by the use of additional mirrors, sensors, cameras or other technology to increase the driver's field of view. The Company's RCD Mirror is a cost competitive product that is relatively easy to implement and may be among the technologies that NHTSA will include as a means to meet the requirements of the legislation.

The Company previously announced it is shipping auto-dimming mirrors with SmartBeam, its proprietary intelligent high-beam headlamp assist feature, to General Motors, Chrysler, BMW and Audi for a number of vehicle programs. The Company recently announced that SmartBeam will be offered on the 2009 Chrysler Town & Country minivan and the all-new BMW X6 as a stand-alone option. The Company also announced that SmartBeam will be available throughout Europe on the 2009 Opel Insignia in combination with Opel/Vauxhall's Advanced Forward Lighting, Bi-Xenon headlamp system.

During 2005, the Company reached an agreement with PPG Aerospace to work together to provide the variable dimmable windows for the passenger compartment on the new Boeing 787 Dreamliner series of aircraft. Gentex will ship about 100 windows for the passenger compartment of each 787. The Company believes that the commercially viable market for variable dimmable windows is currently limited to the aerospace industry. The Company began

## Edgar Filing: GENTEX CORP - Form 10-Q

shipping parts for test planes in mid-2007. Boeing expects the first planes to go into service in late 2009. Due to the ongoing Boeing machinists strike, we now anticipate that we will begin to deliver our windows to the production line in 2009. The Company and PPG Aerospace recently announced that it will supply dimmable windows to Hawker Beechcraft Corporation for the passenger-cabin windows of the 2010 Beechcraft King Air 350i airplane.

The Company has a long-term agreement with General Motors (GM) in the ordinary course of the Company's business. Under the agreement, the Company was sourced virtually all the interior auto-dimming rearview mirror programs for GM and its worldwide affiliates through August 2009. During the quarter ended September 30, 2008, the Company negotiated an extension to the existing agreement, through August 1, 2012, in the ordinary course of the Company's business.

The Company currently expects that top line revenue growth for the fourth quarter of 2008 will be approximately 15% lower, compared with the same period in 2007. These estimates are based on current light vehicle production forecasts in the regions to which the Company ships product, as well as the estimated option rates for its mirrors on prospective vehicle models. Uncertainties include light vehicle production levels, extended automotive plant shutdowns, sales rates in North America, Europe and Asia, and the impact of potential automotive customer (including their Tier 1 suppliers) work stoppages, strikes, etc., which could disrupt our shipments to these customers, making forecasting difficult. Currently, it is an extremely difficult environment to forecast due to uncertainties associated with the global economy, financial markets and the uncertain light vehicle production environment. The Company also estimates that engineering, research and development expenses, excluding Muth litigation costs, are currently expected to increase approximately 10% in the fourth quarter of 2008 compared with the same period in 2007. Selling, general and administrative expenses are currently expected to increase approximately 10-15% in the fourth quarter of 2008 compared with the same period in 2007. The Company utilizes the light vehicle production forecasting services of CSM Worldwide, and CSM's current mid-October forecasts for light vehicle production for calendar year 2008 are approximately 12.9 million units for North America, 21.5 million for Europe and 14.8 million for Japan and Korea.

-12-

The Company is subject to increased market risk exposures of varying correlations and volatilities due to the turmoil in the financial markets, including foreign exchange rate risk, interest rate risk and equity price risk. During the quarter ended September 30, 2008, there were no material changes in the risk factors previously disclosed in the Company's report on Form 10-K for the fiscal year ended December 31, 2007.

The Company has some assets, liabilities and operations outside the United States, which currently are not significant. Because the Company sells its automotive mirrors throughout the world, the Company is significantly affected by weak economic conditions in worldwide markets that are reducing demand for its products.

The Company continues to experience significant pricing pressures from its automotive customers, which have affected, and which will continue to affect, its margins to the extent that the Company is unable to offset the price reductions with productivity or yield improvements, engineering and purchasing cost reductions, and increases in unit sales volume, all of which continue to be a challenge in the current automotive production

## Edgar Filing: GENTEX CORP - Form 10-Q

environment. In addition, financial pressures at certain automakers are resulting in increased cost reduction efforts by them, including requests for additional price reductions, decontenting certain features from vehicles, customer market testing of future business, dual sourcing initiatives and warranty cost-sharing programs, which could adversely impact the Company's sales growth, margins, profitability and, as a result, our share price. The Company also continues to experience some manufacturing yield issues and pressure for select raw material cost increases. In addition to the foregoing, the Company is planning for a new computer system which has the potential for implementation issues during 2009. The automotive industry is cyclical and highly impacted by levels of economic activity, which in the current environment is causing increased financial and production stresses evidenced by continuing pricing pressures, lower domestic production levels (especially in the pickup truck and SUV segment in North America due to high fuel prices), consumer preference shift to smaller vehicles where Gentex has a lower penetration rate and lower content per vehicle due to higher fuel prices, supplier and potential OEM bankruptcies, and commodity material cost increases. If the Company's automotive customers (including their Tier 1 suppliers) experience work stoppages, strikes, etc. due to their union contracts or other negotiations, it could disrupt the Company's shipments to these customers, which adversely affect the Company's sales, margins, profitability and, as a result, our share price.

Automakers have also been experiencing increased volatility and uncertainty in executing planned new programs which have, in some cases, resulted in cancellations or delays of new vehicle platforms, package reconfigurations and inaccurate volume forecasts. This increased volatility and uncertainty has made it more difficult for the Company to forecast future sales, effectively manage costs and utilize capital, engineering, research and development, and human resource investments.

In light of the financial stresses within the worldwide automotive industry, certain automakers and tier one mirror customers are considering the sale of certain business segments and/or may be considering bankruptcy. Should one or more of the Company's larger customers (including their tier 1 suppliers) sell their business or declare bankruptcy, it could adversely affect the collection of receivables, our sales, margins, profitability and, as a result, the Company's share price.

The Company does not have any significant off-balance sheet arrangements or commitments that have not been recorded in its consolidated financial statements.

The Company was involved in litigation with K. W. Muth and Muth Mirror Systems LLC relating to exterior mirrors with turn signal indicators. The turn signal feature in exterior mirrors that was the subject of the litigation represents approximately one percent of the Company's revenues, and the litigation did not involve core Gentex electrochromic technology. The trial in Wisconsin related to this case occurred in July 2007 and the Court issued its written ruling in December 2007. The Court found that Muth's U.S. patent No. 6,005,724 was invalid and unenforceable, and that Gentex's Razor Turn Signal Mirror did not infringe that patent. The Court also denied all but one of Muth's other motions with prejudice, including its motion for an injunction, and its claims for tortious interference with its business relationships. The sole point of liability for Gentex was that the Court found that Gentex breached one provision of the alliance agreement it has with Muth, and entered a judgment against Gentex, on January 24, 2008, granting Muth damages in the amount of \$2,885,000, which was accrued by the Company as of December 31, 2007. On February 15, 2008, the Company entered into a Settlement And Release And Covenants Not To Sue ("Agreement") with Muth whereby the parties agreed to settle the Court's



## Edgar Filing: GENTEX CORP - Form 10-Q

judgment against the Company for damages at a reduced amount of \$2,550,000. In addition, under the Agreement the parties each

-13-

agreed to: grant the other party a ten-year covenant not to sue for each Company's core business, to release each other from all claims that occurred in the past, and not appeal the Court's rulings. The Agreement was approved by the Bankruptcy Court on February 29, 2008. The adjustment to the original judgment for damages is reflected in our first quarter financial results as a reduction to engineering, research and development expenses.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The information called for by this item is provided under the caption "Trends and Developments" under Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations.

### ITEM 4. CONTROLS AND PROCEDURES.

The Company's management, with the participation of its principal executive officer and principal financial officer, has evaluated the effectiveness, as of September 30, 2008, of the Company's "disclosure controls and procedures," as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based upon that evaluation, the Company's management, including the principal executive officer and principal financial officer, concluded that the Company's disclosure controls and procedures, as of September 30, 2008, were adequate and effective such that the information required to be disclosed by the Company in the reports filed or submitted by it under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and information required to be disclosed by the Company in such reports is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

In the ordinary course of business, the Company may routinely modify, upgrade, and enhance its internal controls and procedures over financial reporting. However, there was no change in the Company's "internal control over financial reporting" [as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act] that occurred during the quarter ended September 30, 2008, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

### SAFE HARBOR STATEMENT:

Statements in this Quarterly Report on Form 10-Q contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act, as amended, that are based on management's belief, assumptions, current expectations, estimates and projections about the global automotive industry, the economy, the impact of stock option expense, the ability to leverage fixed manufacturing overhead costs, unit shipment and revenue growth rates, the ability to control E,R&D and S,G&A expenses, gross margins and the Company itself. Words like "anticipates," "believes," "confident," "estimates," "expects," "forecast," "likely," "plans," "projects," and "should," and variations of such words and similar expressions identify forward-looking

## Edgar Filing: GENTEX CORP - Form 10-Q

statements. These statements do not guarantee future performance and involve certain risks, uncertainties, and assumptions that are difficult to predict with regard to timing, expense, likelihood and degree of occurrence. These risks include, without limitation, employment and general economic conditions, the pace of automotive production worldwide, the maintenance of the Company's market share, the ability to achieve purchasing cost reductions, competitive pricing pressures, currency fluctuations, interest rates, equity prices, the financial strength of the Company's customers, supply chain disruptions, potential sale of OEM business segments or suppliers, the mix of products purchased by customers, the ability to continue to make product innovations, the success of certain newer products (e.g. SmartBeam, Z-Nav(R) and Rear Camera Display Mirror), and other risks identified in the Company's filings with the Securities and Exchange Commission. Therefore, actual results and outcomes may materially differ from what is expressed or forecasted. Furthermore, the Company undertakes no obligation to update, amend, or clarify forward-looking statements, whether as a result of new information, future events, or otherwise.

-14-

### PART II. OTHER INFORMATION

#### ITEM 1A. RISK FACTORS.

Information regarding risk factors appears in Management's Discussion and Analysis of Financial Condition and Results of Operations in Part I - Item 2 of this Form 10-Q and in Part I - Item 1A - Risk Factors of the Company's report on Form 10-K for the fiscal year ended December 31, 2007. There have been no material changes from the risk factors previously disclosed in the Company's report on Form 10-K for the year ended December 31, 2007.

#### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

##### (c) Issuer Purchases of Equity Securities

The following is a summary of share repurchase activity during the third quarter ended September 30, 2008:

Period	Total Number Of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased As Part of a Publicly Announced Plan	Maximum Number of Shares That May Yet Be Purchased Under the Plan
-----	-----	-----	-----	-----
July 2008	550,015	\$15.44	550,015	6,066,220
August 2008	1,481,346	\$15.71	1,481,346	4,584,874
September 2008	487,792	\$16.26	487,792	4,097,082
	-----		-----	
Total	2,519,153		2,519,153	

On October 8, 2002, the Company announced a share repurchase plan, under which it may purchase up to 8,000,000 shares (post-split) based on a number of factors, including market conditions, the market price of the Company's common stock, anti-dilutive effect on earnings, available cash and other factors that the Company deems appropriate. This share repurchase plan does not have an expiration date. On July

Edgar Filing: GENTEX CORP - Form 10-Q

20, 2005, the Company announced that it had raised the price at which the Company may repurchase shares under the existing plan. On May 16, 2006, the Company announced that the Company's Board of Directors had authorized the repurchase of an additional 8,000,000 shares under the plan. On August 14, 2006, the Company announced that the Company's Board of Directors had authorized the repurchase of an additional 8,000,000 shares under the plan. On February 26, 2008, the Company announced that the Company's Board of Directors had authorized the repurchase of an additional 4,000,000 shares under the plan. Cumulatively, the Company has repurchased 23,902,918 shares at a cost of \$362,993,326 under the plan to date (see below). 4,097,082 shares remain authorized to be repurchased under the plan.

Quarter Ended	Total Number of Shares Purchased (Post-Split)	Cost of Shares Purchased
-----	-----	-----
March 31, 2003	830,000	\$10,246,810
September 30, 2005	1,496,059	25,214,573
March 31, 2006	2,803,548	47,145,310
June 30, 2006	7,201,081	104,604,414
September 30, 2006	3,968,171	55,614,102
December 31, 2006	1,232,884	19,487,427
March 31, 2007	447,710	7,328,015
March 31, 2008	2,200,752	34,619,490
June 30, 2008	1,203,560	19,043,775
September 30, 2008	2,519,153	39,689,410
	-----	-----
Total	23,902,918	\$362,993,326

ITEM 6. EXHIBITS

See Exhibit Index on Page 17.

-15-

SIGNATURES

Pursuant to the requirements 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.

GENTEX CORPORATION

Date: November 4, 2008

/s/ Fred T. Bauer

-----  
Fred T. Bauer  
Chairman and Chief  
Executive Officer

Date: November 4, 2008

/s/ Steven A. Dykman

-----  
Steven A. Dykman

## Edgar Filing: GENTEX CORP - Form 10-Q

Vice President - Finance,  
Principal Financial and  
Accounting Officer

-16-

### EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION	PAGE
3(a)	Registrant's Restated Articles of Incorporation, adopted on August 20, 2004, were filed as Exhibit 3(a) to Registrant's Report on Form 10-Q dated November 2, 2004, and the same is hereby incorporated herein by reference.	
3(b)	Registrant's Bylaws as amended and restated February 27, 2003, were filed as Exhibit 3(b) (1) to Registrant's Report on Form 10-Q dated May 5, 2003, and the same are hereby incorporated herein by reference.	
4(a)	A specimen form of certificate for the Registrant's common stock, par value \$.06 per share, was filed as part of a Registration Statement on Form S-8 (Registration No. 2-74226C) as Exhibit 3(a), as amended by Amendment No. 3 to such Registration Statement, and the same is hereby incorporated herein by reference.	
4(b)	Amended and Restated Shareholder Protection Rights Agreement, dated as of March 29, 2001, including as Exhibit A the form of Certificate of Adoption of Resolution Establishing Series of Shares of Junior Participating Preferred Stock of the Company, and as Exhibit B the form of Rights Certificate and of Election to Exercise, was filed as Exhibit 4(b) to Registrant's Report on Form 10-Q dated April 27, 2001, and the same is hereby incorporated herein by reference.	
10(a) (1)	A Lease dated August 15, 1981, was filed as part of a Registration Statement on Form S-1 (Registration Number 2-74226C) as Exhibit 9(a) (1), and the same is hereby incorporated herein by reference.	
10(a) (2)	First Amendment to Lease dated June 28, 1985, was filed as Exhibit 10(m) to Registrant's Report on Form 10-K dated March 18, 1986, and the same is hereby incorporated herein by reference.	
*10(b) (1)	Gentex Corporation Qualified Stock Option Plan (as amended and restated, effective February 26, 2004) was included in Registrant's Proxy Statement dated April 6, 2004, filed with the Commission on April 6, 2004, which is hereby incorporated herein by reference.	
*10(b) (2)	First Amendment to Gentex Corporation Stock Option Plan (as amended and restated February 26, 2004) was filed as Exhibit 10(b) (2) to Registrant's Report on Form 10-Q dated August 2, 2005, and the same is hereby incorporated herein by reference.	
*10(b) (3)	Specimen form of Grant Agreement for the Gentex Corporation Qualified Stock Option Plan (as amended and restated, effective	

## Edgar Filing: GENTEX CORP - Form 10-Q

February 26, 2004) was filed as Exhibit 10(b) (3) to Registrant's Report on Form 10-Q dated November 1, 2005, and the same is hereby incorporated herein by reference.

- \*10(b) (4) Gentex Corporation Second Restricted Stock Plan was filed as Exhibit 10(b) (2) to Registrant's Report on Form 10-Q dated April 27, 2001, and the same is hereby incorporated herein by reference.
- \*10(b) (5) First Amendment to the Gentex Corporation Second Restricted Stock Plan was filed as Exhibit 10(b) (5) to Registrant's Report on Form 10-Q dated August 4, 2008, and the same is hereby incorporated herein by reference.
- \*10(b) (6) Specimen form of Grant Agreement for the Gentex Corporation Restricted Stock Plan, was filed as Exhibit 10(b) (4) to Registrant's Report on Form 10-Q dated November 2, 2004, and the same is hereby incorporated herein by reference.

-17-

EXHIBIT NO.	DESCRIPTION	PAGE
-----	-----	----
*10(b) (7)	Gentex Corporation 2002 Non-Employee Director Stock Option Plan (adopted March 6, 2002), was filed as Exhibit 10(b) (4) to Registrant's Report on Form 10-Q dated April 30, 2002, and the same is incorporated herein by reference.	
*10(b) (8)	Specimen form of Grant Agreement for the Gentex Corporation 2002 Non-Employee Director Stock Option Plan, was filed as Exhibit 10(b) (6) to Registrant's Report on Form 10-Q dated November 2, 2004, and the same is hereby incorporated herein by reference.	
10(c)	The form of Indemnity Agreement between Registrant and each of the Registrant's directors and certain officers was filed as Exhibit 10 (e) to Registrant's Report on Form 10-Q dated October 31, 2002, and the same is incorporated herein by reference.	
31.1	Certificate of the Chief Executive Officer of Gentex Corporation pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).	19
31.2	Certificate of the Chief Financial Officer of Gentex Corporation pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).	20
32	Certificate of the Chief Executive Officer and Chief Financial Officer of Gentex Corporation pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)	21

\* Indicates a compensatory plan or arrangement.

-18-