

VOXX International Corp
Form 4
October 03, 2013

FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
Shelton Loriann

(Last) (First) (Middle)
180 MARCUS BLVD
(Street)

HAUPPAUGE, NY 11788

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
VOXX International Corp [VOXX]

3. Date of Earliest Transaction
(Month/Day/Year)
10/01/2013

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Senior Vice President and CAO

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 Ownership (Instr. 4)
				(A) or (D)	Price		
Class A Common Stock	10/01/2013		M	9,860	A \$ 7.75	21,097	D
Class A Common Stock	10/01/2013		S ⁽¹⁾	9,860	D \$ 13.55	11,237	D

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

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SEC 1474 (9-02)

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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. Amount or Number of Shares
Option (Right to Buy)	\$ 7.75	10/01/2013		X	9,860	02/29/2012 02/28/2014	Class A Common	9,860

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Shelton Loriann 180 MARCUS BLVD HAUPPAUGE, NY 11788			Senior Vice President and CAO	

Signatures

/s/ Loriann Shelton 10/03/2013

**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).
- (1) This transaction was executed pursuant to a 10b-5 trading plan entered into on August 15, 2011. This transaction was executed in multiple trades at prices ranging from \$13.49 to \$13.72. The price reported above reflects the weighted average sale price. The reported person hereby undertakes to provide upon request to the SEC staff, VOXX or a shareholder of VOXX full information regarding the number of shares and prices at which the transaction was effected.
- (2) Option to Purchase Class A Common Stock at an exercise price of \$7.75 per share with an exercise date of 2/29/12 and an expiration date of 2/28/14.

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. GN=BOTTOM>

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MARKETABLE SECURITIES

Amortized
Cost

Fair Value

Gross
Unrealized
Gains

Gross
Unrealized
Losses

September 28, 2014

Tax-exempt Municipal Bonds

Explanation of Responses:

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\$ 6,549

\$ 6,561

\$ 12

\$

Variable Rate Demand Notes

14,064

14,064

Total Marketable Securities

\$

Explanation of Responses:

20,613

\$

20,625

\$

12

\$

December 31, 2013

Tax-exempt Municipal Bonds

\$ 20,813

\$ 20,825

\$ 18

\$ 6

Variable Rate Demand Notes

15,579

Explanation of Responses:

6

15,579

Total Marketable Securities

\$

36,392

\$

36,404

\$

18

\$

6

8

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Proceeds from maturities and sales of available-for-sale securities totaled \$4,225,000 and \$723,000 for the three month periods ended September 28, 2014 and September 29, 2013, and totaled \$18,613,000 and \$17,373,000 for the nine months then ended, respectively. There were no gross gains or losses related to sales of marketable securities during the same periods. Net unrealized gains (losses) included in other comprehensive income were \$(5,000) and \$(12,000) before taxes for the three month periods ended September 28, 2014 and September 29, 2013, and were \$1,000 and \$(42,000) before taxes for the nine month periods then ended, respectively. No unrealized gains or losses were reclassified out of accumulated other comprehensive income during the same periods.

The contractual maturities of the marketable securities held at September 28, 2014 are as follows: \$4,354,000 within one year;\$3,177,000 beyond one year to five years;\$6,448,000 beyond five years to ten years, and \$6,646,000 beyond ten years. All of the instruments in the beyond five year ranges are variable rate demand notes which can be tendered for cash at par plus interest within seven days. Despite the stated contractual maturity date, to the extent a tender is not honored, the notes become immediately due and payable.

NOTE G COMMITMENTS AND CONTINGENCIES

The Company is involved in largely routine litigation incidental to its business. Management believes the ultimate outcome of the litigation will not have a material effect on the Company's consolidated financial position, liquidity, or results of operations.

NOTE H BUSINESS ACQUISITION

On January 24, 2014, AMTEC Corporation, a wholly-owned subsidiary of the Company, purchased substantially all of the assets of Chemring Energetic Devices, Inc.'s business located in Clear Lake, South Dakota, and all of the real property owned by Technical Ordnance Realty, LLC. The Clear Lake facility is a manufacturer of detonators, booster pellets, release cartridges, lead azide, and other military energetic devices and materials. Its major customers include U.S. and foreign government agencies, AMTEC Corporation, and other defense contractors. The acquisition of the Clear Lake facility will serve to complement the Defense segment's existing line of products. The total consideration transferred was \$10,534,000, consisting of \$10,000,000 of cash paid at closing, and an additional cash payment of \$534,000, which was made during the second quarter of 2014.

The acquisition was accounted for under the acquisition method of accounting with the Company treated as the acquiring entity. Accordingly, the consideration paid by the Company to complete the acquisition has been recorded to the assets acquired and liabilities assumed based upon their estimated fair values as of the date of acquisition. The carrying values for current assets and liabilities were deemed to approximate their fair values due to the short-term nature of these assets and liabilities. The following table shows the amounts recorded as of the acquisition date. The allocation differs from what was previously reported due to a final true up during the second quarter of 2014, the amount of which was not significant.

	(in thousands)
Receivables	\$ 1,498
Inventory	4,688
Other current assets	28
Property, plant and equipment	4,800
Total assets acquired	11,014
Less: Current liabilities assumed	480
Net assets acquired	\$ 10,534

The amount shown above for receivables represents the gross accounts receivable from the sales of goods, net of an allowance for doubtful accounts of \$20,000.

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The Company's results of operations for the third quarter of 2014 includes revenue of \$5,294,000 and earnings of \$171,000 from the acquired facility, and revenue of \$11,301,000 and earnings of \$876,000 from the acquired facility from the date of acquisition through September 28, 2014. The following pro forma condensed consolidated results of operations has been prepared as if the acquisition had occurred as of January 1, 2013.

	(unaudited)			
	(in thousands, except per share data)			
	Quarter Ended		Nine Months Ended	
	September 28, 2014	September 29, 2013	September 28, 2014	September 29, 2013
Net sales	\$ 95,463	\$ 104,397	\$ 270,964	\$ 298,098
Net earnings	5,123	8,626	13,704	23,976
Net earnings per share (basic and diluted)	\$ 0.74	\$ 1.25	\$ 1.98	\$ 3.47
Weighted average shares outstanding (basic and diluted)	6,932	6,907	6,927	6,905

The unaudited pro forma financial information presented above is not intended to represent or be indicative of what would have occurred if the transactions had taken place on the dates presented and is not indicative of what the Company's actual results of operations would have been had the acquisitions been completed at the beginning of the periods indicated above. Further, the pro forma combined results do not reflect one-time costs to fully merge and operate the combined organization more efficiently, or anticipated synergies expected to result from the combination and should not be relied upon as being indicative of the future results that the Company will experience.

NOTE I RECENTLY ISSUED ACCOUNTING PRONOUNCEMENT

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* which amended the existing accounting standards for revenue recognition. ASU 2014-09 establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. It is effective for annual reporting periods beginning after December 15, 2016. Early adoption is not permitted. The amendments may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of initial application. The Company is currently in the process of evaluating the impact of adoption of the ASU on its consolidated financial statements, but does not expect the impact to be material.

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

Forward-looking statements in this Management's Discussion and Analysis of Financial Condition and Results of Operations, elsewhere in this Form 10-Q, in the Company's 2013 Annual Report to Shareholders, in the Proxy Statement for the annual meeting held May 20, 2014, and in the Company's press releases and oral statements made with the approval of an authorized executive officer are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. There are certain important factors that could cause results to differ materially from those anticipated by some of the statements made herein. Investors are cautioned that all forward-looking statements involve risks and uncertainty. In addition to the factors discussed herein and in the notes to consolidated financial statements, among the other factors that could cause actual results to differ materially are the following: consumer spending and debt levels; interest rates; continuity of relationships with and purchases by major customers; product mix; the benefit and risk of business acquisitions; competitive pressure on sales and pricing; development and market acceptance of new products; increases in material, freight/shipping, or production cost which cannot be recouped in product pricing; delays or interruptions in shipping or production; shipment of defective product which could result in product liability claims or recalls; work or labor disruptions stemming from a unionized work force; changes in government requirements, military spending, and funding of government contracts, which could result, among other things, in the modification or termination of existing contracts; dependence on subcontractors or vendors to perform as required by contract; the efficient start-up and utilization of capital equipment investments; and political actions of federal and state governments which could have an impact on everything from the value of the U.S dollar vis-à-vis other currencies to the availability of affordable labor and energy. Additional information concerning these and other factors is contained in the Company's Securities and Exchange Commission filings.

Comparison of Third Quarter 2014 and 2013

Readers are directed to Note D to the Consolidated Financial Statements, Business Segments, for data on the financial results of the Company's three business segments for the quarters ended September 28, 2014 and September 29, 2013.

On a consolidated basis, sales decreased by \$5,149,000 (5%), gross profit decreased by \$3,485,000 (18%), selling and general expenses decreased by \$2,000 (0%), intangibles amortization increased by \$2,525,000 (1,512%) and other income decreased by \$112,000 (73%). Earnings before the provision for income taxes decreased by \$6,120,000 (44%), as did net earnings by \$3,892,000 (43%). Details concerning these changes can be found in the comments by segment below.

Housewares/Small Appliance net sales decreased by \$1,130,000 from \$29,394,000 to \$28,264,000, or 4%, chiefly attributable to a decrease in shipments. Defense net sales increased nominally by \$204,000 from \$52,453,000 to \$52,657,000. Absorbent Products net sales decreased by \$4,223,000 from \$18,765,000 to \$14,542,000, or 23%, which was largely attributable to a reduction of shipments due to the ongoing shift in the segment's customer base.

Housewares/Small Appliance gross profit decreased \$1,565,000 from \$6,731,000 to \$5,166,000, primarily reflecting the decrease in sales mentioned above and differences in the timing of inventory purchases. Defense gross profit was essentially flat. Absorbent Products gross profit dropped from a loss of \$3,000 to a loss of \$2,085,000, primarily reflecting the decrease in sales mentioned above, increased material costs, and costs associated with the installation and startup of new capital equipment.

Selling and general expenses for the Housewares/Small Appliance segment decreased \$302,000, primarily reflecting decreased product liability insurance accruals of \$462,000, partially offset by increased employee compensation and benefit accruals of \$152,000. Defense segment selling and general expenses increased by \$339,000, primarily reflecting ongoing operational costs associated with the acquisition of substantially all of the assets from Chemring Energetic Devices, Inc.'s business, as described in Note H to the Consolidated Financial Statements in Part I of this Form 10-Q (Tech Ord). Absorbent Products segment selling and general expenses were essentially flat.

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Intangibles amortization increased by \$2,525,000, primarily reflecting the amortization of the customer contract intangible asset corresponding to the quarter's shipment of a portion of the backlog acquired from DSE, Inc., one of the Company's competitors in the Defense segment, which is described in Note Q to the Company's Consolidated Financial Statements for the year ended December 31, 2013 on Form 10-K. For the quarter ended September 28, 2014, the Company recorded amortization expense of \$2,490,000 associated with the customer contract intangible asset.

The above items were responsible for the change in operating profit.

Earnings before provision for income taxes decreased \$6,120,000 from \$14,009,000 to \$7,889,000. The provision for income taxes decreased from \$4,994,000 to \$2,766,000, primarily reflecting a decrease in taxable earnings. Net earnings decreased \$3,892,000 from \$9,015,000 to \$5,123,000, or 43%.

Comparison of First Nine Months 2014 and 2013

Readers are directed to Note D to the Consolidated Financial Statements, Business Segments, for data on the financial results of the Company's three business segments for the first nine months ended September 28, 2014 and September 29, 2013.

On a consolidated basis, sales decreased by \$14,869,000 (5%), gross profit decreased by \$6,243,000 (12%), selling and general expenses increased by \$1,623,000 (10%), intangibles amortization increased by \$8,016,000 (1,603%) and other income decreased by \$155,000 (31%). Earnings before the provision for income taxes decreased by \$16,037,000 (43%), as did net earnings by \$10,186,000 (42%). Details concerning these changes can be found in the comments by segment below.

Housewares/Small Appliance net sales decreased by \$9,196,000 from \$78,772,000 to \$69,576,000, or 12%, primarily reflecting a decrease in shipments. Defense net sales increased by \$1,393,000 from \$149,920,000 to \$151,313,000, or 1%, reflecting increases in unit sales of non 40mm ammunition, offset by decreases in sales of 40mm ammunition and cartridge cases. Absorbent Products net sales decreased by \$7,066,000 from \$56,506,000 to \$49,440,000, or 13%, which was largely attributable to the ongoing shift in the segment's customer base.

Housewares/Small Appliance gross profit decreased \$2,399,000 from \$15,762,000 to \$13,363,000, or 15%, primarily reflecting the decrease in sales mentioned above and differences in the timing of inventory purchases, offset in part by an adjustment to the warranty accrual. Defense gross profit increased \$1,133,000 from \$36,456,000 to \$37,589,000, or 3%, primarily attributable to the increase in sales mentioned above, augmented by an improved product mix. Absorbent Products gross profit decreased \$4,977,000 from a \$2,052,000 profit to a \$2,925,000 loss, primarily reflecting the decrease in sales mentioned above, increased material costs, cost associated with the installation of new capital equipment, and the absence of the prior year's insurance settlement of \$553,000.

Selling and general expenses for the Housewares/Small Appliance segment decreased nominally by \$148,000. Defense segment selling and general expenses increased by \$1,546,000, primarily reflecting ongoing operational costs of \$780,000 associated with the acquisition of substantially all of the assets from Chemring Energetic Devices, Inc.'s business, as described in Note H to the Consolidated Financial Statements in Part I of this Form 10-Q (Tech Ord), increased employee compensation and benefit costs of \$650,000, and increased reserves for doubtful accounts of \$182,000. Absorbent Products segment selling and general expenses increased \$225,000, reflecting increased selling expense of \$130,000 related to the segment's customer diversification program. The balance of the increase primarily reflected the absence of the prior period's favorable adjustments to the segment's expenses classified as administrative that related to a royalty arrangement with an independent manufacturing facility. A description of the Company's relationship with the facility can be found in Note S to the Company's Consolidated Financial Statements for the year ended December 31, 2013 on Form 10-K.

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Intangibles amortization increased by \$8,016,000, primarily reflecting the amortization of the customer contract intangible asset corresponding to the first nine months shipment of a portion of the backlog acquired from DSE, Inc., one of the Company's competitors in the Defense segment, which is described in Note Q to the Company's Consolidated Financial Statements for the year ended December 31, 2013 on Form 10-K. For the nine months ended September 28, 2014, the Company recorded amortization expense of \$7,888,000 associated with the customer contract intangible asset.

The above items were responsible for the change in operating profit.

Earnings before provision for income taxes decreased \$16,037,000 from \$37,541,000 to \$21,504,000. The provision for income taxes decreased from \$13,371,000 to \$7,520,000, primarily reflecting a decrease in taxable earnings. Net earnings decreased \$10,186,000 from \$24,170,000 to \$13,984,000, or 42%.

Liquidity and Capital Resources

Net cash provided by operating activities was \$39,532,000 and \$15,776,000 for the nine months ended September 28, 2014 and September 29, 2013, respectively. The principal factors contributing to the increase can be found in the changes in the components of working capital within the Consolidated Statements of Cash Flows. Of particular note during the first nine months of 2014 were net earnings of \$13,984,000, which included total non-cash depreciation and amortization expenses of \$15,714,000, a decrease in accounts receivable levels stemming from cash collections on customer sales, and a decrease in deposits made with raw material suppliers included in other current assets. These were partially offset by a decrease in payable and accrual levels and an increase in inventory levels. Of particular note during the first nine months of 2013 were net earnings of \$24,170,000, which included total non-cash depreciation and amortization expenses of \$6,741,000; a decrease in accounts receivable levels stemming from cash collections on customer sales; and a net increase in payable and accrual levels; partially offset by increases in inventory levels and deposits made with raw material suppliers included in other current assets.

Net cash used in investing activities was \$2,604,000 during the first nine months of 2014 compared to \$6,825,000 used in investing activities during the first nine months of 2013. The change in investing activity cash flow is primarily attributable to the acquisition of substantially all of the assets from Chemring Energetic Devices, Inc.'s business located in Clear Lake, South Dakota and the real property owned by Technical Ordnance Realty, LLC during the first quarter of 2014 mentioned above; an increase in net proceeds from marketable securities activity; and a decrease in the acquisition of property, plant, and equipment.

Cash flows from financing activities for the first nine months of 2014 and 2013 primarily differed as a result of an accelerated payment made in late December 2012 of the annual 2013 dividend. The acceleration was occasioned by the uncertainty over the federal income tax rates that would be in effect in 2013. In contrast, the annual 2014 dividend payment was made during the first quarter of 2014.

Working capital decreased by \$17,034,000 during the first nine months of 2014 to \$192,809,000 at September 28, 2014 for the reasons stated above. The Company's current ratio was 5.0 to 1.0 at September 28, 2014 and 4.9 to 1.0 at December 31, 2013.

The Company expects to continue to evaluate acquisition opportunities that align with its business segments and will make further acquisitions, as well as continue to make capital investments in these segments per existing authorized projects and for additional projects, if the appropriate return on investment is projected.

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The Company has substantial liquidity in the form of cash and cash equivalents and marketable securities to meet all of its anticipated capital requirements, to make dividend payments, and to fund future growth through acquisitions and other means. The bulk of its marketable securities are invested in the tax exempt variable rate demand notes described above and in municipal bonds that are pre-refunded with escrowed U.S. Treasuries. The Company intends to continue its investment strategy of safety and short-term liquidity throughout its investment holdings.

Critical Accounting Policies

The preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that affect the amount of reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and revenues and expenses during the periods reported. Actual results may differ from those estimates. The Company reviewed the development and selection of the critical accounting policies and believes the following are the most critical accounting policies that could have an effect on the Company's reported results. These critical accounting policies and estimates have been reviewed with the Audit Committee of the Board of Directors.

Inventories

New Housewares/Small Appliance product introductions are an important part of the Company's sales to offset the morbidity rate of other Housewares/Small Appliance products and/or the effect of lowered acceptance of seasonal products due to weather conditions. New products entail unusual risks and have occasionally in the past resulted in losses related to obsolete or excess inventory as a result of low or diminishing demand for a product. There were no such obsolescence issues that had a material effect during the current period, and accordingly, the Company did not record a reserve for obsolete product. In the future should product demand issues arise, the Company may incur losses related to the obsolescence of the related inventory. Inventory risk for the Company's other segments is not deemed to be significant, as products are largely built pursuant to customers' specific orders.

Self-Insured Product Liability and Health Insurance

The Company is subject to product liability claims in the normal course of business and is self-insured for health care costs, although it does carry stop loss and other insurance to cover claims once a health care claim reaches a specified threshold. The Company's insurance coverage varies from policy year to policy year, and there are typically limits on all types of insurance coverage, which also vary from policy year to policy year. Accordingly, the Company records an accrual for known claims and incurred but not reported claims, including an estimate for related legal fees in the Company's consolidated financial statements. The Company utilizes historical trends and other analysis to assist in determining the appropriate accrual. There are no known claims that would have a material adverse impact on the Company beyond the reserve levels that have been accrued and recorded on the Company's books and records. An increase in the number or magnitude of claims could have a material impact on the Company's financial condition and results of operations.

Sales and Returns

Sales are recorded net of discounts and returns. The latter pertain primarily to warranty returns, returns of seasonal items, and returns of those newly introduced products sold with a return privilege. The calculation of warranty returns is based in large part on historical data, while seasonal and new product returns are primarily developed using customer provided information.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's interest income on cash equivalents and marketable securities is affected by changes in interest rates in the United States. Cash equivalents primarily consist of money market funds. Based on the accounting profession's interpretation of cash equivalents under FASB ASC Topic 230, the Company's seven-day variable rate demand notes are classified as marketable securities rather than as cash equivalents. The demand notes are highly liquid instruments with interest rates set every seven days that can be tendered to the trustee or remarketer upon seven days notice for payment of principal and accrued interest amounts. The seven-day tender feature of these variable rate demand notes is further supported by an irrevocable letter of credit from highly rated U.S. banks. To the extent a bond is not remarketed at par plus accrued interest, the difference is drawn from the bank's letter of credit. The Company has had no issues tendering these notes to the trustees or remarketers. Other than a failure of a major U.S. bank, there are no risks of which the Company is aware that relate to these notes in the current market. The balance of the Company's investments is held primarily in fixed and variable rate municipal bonds with a weighted average life of 1.1 years. Accordingly, changes in interest rates have not had a material effect on the Company, and the Company does not anticipate that future exposure to interest rate market risk will be material. The Company uses sensitivity analysis to determine its exposure to changes in interest rates.

The Company has no history of, and does not anticipate in the future, investing in derivative financial instruments. Most transactions with international customers are entered into in U.S. dollars, precluding the need for foreign currency cash flow hedges. As the majority of the Housewares/Small Appliance segment's suppliers are located in China, periodic changes in the U.S. dollar and Chinese Renminbi (RMB) exchange rates do have an impact on that segment's product costs. It is anticipated that any potential material impact from fluctuations in the exchange rate will be to the cost of products secured via purchase orders issued subsequent to the revaluation.

ITEM 4. CONTROLS AND PROCEDURES

The Company's management, including the Chief Executive Officer and Chief Financial Officer, have conducted an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-15 of the Securities Exchange Act of 1934 (the "1934 Act") as of September 28, 2014. The Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of that date.

There were no changes to internal controls over financial reporting during the quarter ended September 28, 2014 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

See Note G to the Consolidated Financial Statements set forth under Part I - Item 1 above.

Item 6. Exhibits

Exhibit 3(i)	Restated Articles of Incorporation - incorporated by reference from Exhibit 3 (i) of the Company's annual report on Form 10-K for the year ended December 31, 2005
Exhibit 3(ii)	By-Laws - incorporated by reference from Exhibit 3 (ii) of the Company's current report on Form 8-K dated July 6, 2007
Exhibit 9.1	Voting Trust Agreement - incorporated by reference from Exhibit 9 of the Company's quarterly report on Form 10-Q for the quarter ended July 6, 1997
Exhibit 9.2	Voting Trust Agreement Amendment - incorporated by reference from Exhibit 9.2 of the Company's annual report on Form 10-K for the year ended December 31, 2008
Exhibit 10.1	Incentive Compensation Plan - incorporated by reference from Exhibit 10.1 of the Company's quarterly report on Form 10-Q for the quarter ended July 4, 2010
Exhibit 10.2	Form of Restricted Stock Award Agreement - incorporated by reference from Exhibit 10.2 of the Company's quarterly report on Form 10-Q for the quarter ended July 4, 2010
Exhibit 31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 101	The following financial information from National Presto Industries, Inc.'s Quarterly Report on Form 10-Q for the period ended September 28, 2014, formatted in eXtensible Business Reporting Language (XBRL): (i) Condensed Consolidated Balance Sheets, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Statements of Cash Flows, and (iv) Notes to Consolidated Financial Statements.*

*The XBRL related information in Exhibit 101 to this Quarterly Report on Form 10-Q shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section and shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

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.

NATIONAL PRESTO INDUSTRIES, INC.

/s/ Maryjo Cohen
Maryjo Cohen, Chair of the Board,
President, Chief Executive Officer
(Principal Executive Officer), Director

/s/ Randy F. Lieble
Randy F. Lieble, Director, Vice President,
Chief Financial Officer (Principal
Financial Officer), Treasurer

Date: November 7, 2014

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National Presto Industries, Inc.
Exhibit Index

Exhibit Number	Exhibit Description
31.1	Chief Executive Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Chief Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Chief Executive Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
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*The XBRL related information in Exhibit 101 to this Quarterly Report on Form 10-Q shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section and shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.