

Edgar Filing: EVERTS EDWARD H - Form 4

EVERTS EDWARD H
Form 4
February 19, 2003

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 4

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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(f) of the Investment Company Act of 1940

Check box if no longer subject to Section 16. Form 4 or Form 5 obligations
may continue. See Instruction 1(b).

1. Name and Address of Reporting Person*

Everts	Edward	H
-----	-----	-----
(Last)	(First)	(Middle)
1105 Richards Rd		

	(Street)	
Dubuque	IA	52001
-----	-----	-----
(City)	(State)	(Zip)

2. Issuer Name and Ticker or Trading Symbol

Heartland Financial USA, Inc. HTLF

3. IRS Identification Number of Reporting Person, if an Entity (Voluntary)

4. Statement for Month/Year

February 14, 2003

5. If Amendment, Date of Original (Month/Year)

6. Relationship of Reporting Person to Issuer
(Check all applicable)

<input type="checkbox"/> Director	<input type="checkbox"/> 10% Owner
<input checked="" type="checkbox"/> Officer (give title below)	<input type="checkbox"/> Other (specify below)

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7. Individual or Joint/Group Filing (Check applicable line)

- Form filed by one Reporting Person
 Form filed by more than one Reporting Person

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Table I -- Non-Derivative Securities Acquired, Disposed of,
or Beneficially Owned
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1. Title of Security (Instr. 3)	2. Transaction Date (mm/dd/yy)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		
		Code	V	Amount	(A) or (D)	Price
Common Stock						7
Common Stock						1
Common Stock	2/14/03	M		16,000	A	8.00 41
Common Stock						
Common Stock						
Common Stock						

* If the Form is filed by more than one Reporting Person, see Instruction 4(b)(v).

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

(Print or Type Response)

(Over)

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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. Conver- sion or Exer- cise Price of Deriv- ative Secur- ity	3. Trans- action Date (Month/ Day/ Year)	4. Trans- action Code (Instr. 8) ----- Code V	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) ----- (A) (D)	6. Date Exercisable and Expiration Date (Month/Day/Year) ----- Date Expira- tion Date	7. Title and Amount of Underlying Securities (Instr. 3 and 4) ----- Amount or Number of Shares
Non-Qualified Stock Option (Right to Buy)	8.00	2-14-03	M	16,000	(1) 5-18-2005	Common Stock 16,000
Non-Qualified Stock Option (Right to Buy)	8.62				(1) 2-05-2006	Common Stock 16,000
Non-Qualified Stock Option (Right to Buy)	12.00				(1) 1-02-2007	Common Stock 16,000
Non-Qualified Stock Option (Right to Buy)	14.75				(1) 1-02-2008	Common Stock 16,000
Non-Qualified Stock Option (Right to Buy)	18.00				(1) 1-02-2009	Common Stock 12,000
Non-Qualified Stock Option (Right to Buy)	18.00				(1) 1-17-2010	Common Stock 3,000
Non-Qualified Stock Option (Right to Buy)	13.00				(1) 6-01-2011	Common Stock 2,000
Non-Qualified Stock Option (Right to Buy)	13.20				(1) 1-15-2012	Common Stock 1,500
Non-Qualified Stock Option (Right to Buy)	17.76				(1) 01-21-2013	Common Stock 3,000

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Explanation of Responses:

(1) Represents options to buy granted under the Company's 1993 Stock Option Plan, a Rule 16(b)(3) plan, which options vest one-third per year beginning on the 3rd anniversary of date of grant.

(3) The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed to be an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.

(4) Represents shares held in a 401(k) account for reporting person's wife.

*Shares participate in a Dividend Reinvestment Plan.

/s/Edward H. Everts

2/14/03

**Signature of Reporting Person

Date

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations.

See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedure.

Page 2

"TEXT-INDENT: Opt; DISPLAY: block; MARGIN-LEFT: 0pt; MARGIN-RIGHT: 0pt" align="justify">ITEM 1:
FINANCIAL STATEMENTS

DXP ENTERPRISES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)(unaudited)

	March 31, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash	\$ 12,131	\$ 5,469
Trade accounts receivable, net of allowance for doubtful accounts of \$9,306 in 2014 and \$8,798 in 2013	250,319	192,003

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Inventories, net	110,703	105,271
Prepaid expenses and other current assets	5,178	2,693
Deferred income taxes	11,760	7,713
Total current assets	390,091	313,149
Property and equipment, net	70,657	58,253
Goodwill	374,089	188,110
Other intangible assets, net of accumulated amortization of \$48,836 in 2014 and \$44,410 in 2013	145,317	69,722
Other long-term assets	5,376	6,043
Total assets	\$ 985,530	\$ 635,277
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 39,142	\$ 26,213
Trade accounts payable	101,807	78,853
Accrued wages and benefits	24,952	20,473
Federal income taxes payable	4,917	853
Customer advances	4,682	3,720
Other current liabilities	23,336	18,605
Total current liabilities	198,836	148,717
Long-term debt, less current maturities	431,356	168,372
Non-current deferred income taxes	44,043	21,938
Commitments and Contingencies (Note 13)		
Shareholders' equity:		
Series A preferred stock, 1/10th vote per share; \$1.00 par value; liquidation preference of \$100 per share (\$112 at March 31, 2014); 1,000,000 shares authorized; 1,122 shares issued and outstanding	1	1
Series B convertible preferred stock, 1/10th vote per share; \$1.00 par value; \$100 stated value; liquidation preference of \$100 per share (\$1,500 at March 31, 2014); 1,000,000 shares authorized; 15,000 shares issued and outstanding	15	15
Common stock, \$0.01 par value, 100,000,000 shares authorized; 14,536,632 in 2014 and 14,468,485 in 2013 shares issued	146	144
Additional paid-in capital	114,685	109,892
Retained earnings	205,332	193,737
Accumulated other comprehensive income	(3,713)	(2,368)
Treasury stock, at cost (146,871 shares in 2014 and 2013)	(5,171)	(5,171)
Total shareholders' equity	311,295	296,250
Total liabilities and shareholders' equity	\$ 985,530	\$ 635,277

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

DXP ENTERPRISES, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 AND COMPREHENSIVE INCOME
 (in thousands, except per share amounts) (unaudited)

	Three Months Ended March 31,	
	2014	2013
Sales	\$ 348,504	\$ 290,097
Cost of sales	246,797	200,990
Gross profit	101,707	89,107
Selling, general and administrative expense	79,546	66,403
Operating income	22,161	22,704
Other expense (income), net	(150)	1
Interest expense	3,397	1,627
Income before income taxes	18,914	21,076
Provision for income taxes	7,296	7,844
Net income	11,618	13,232
Preferred stock dividend	23	23
Net income attributable to common shareholders	\$ 11,595	\$ 13,209
Net income	\$ 11,618	\$ 13,232
Loss on long-term investment, net of income taxes	(55)	(724)
Cumulative translation adjustment	(1,290)	(316)
Comprehensive income	\$ 10,273	\$ 12,192
Basic earnings per share	\$ 0.79	\$ 0.92
Weighted average common shares outstanding	14,724	14,395
Diluted earnings per share	\$ 0.75	\$ 0.87
Weighted average common shares and common equivalent shares outstanding	15,564	15,235

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

DXP ENTERPRISES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands) (unaudited)

	Three Months Ended	
	March 31,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 11,618	\$ 13,232
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,984	2,248
Amortization of intangible assets	4,570	2,642
Compensation expense for restricted stock	685	724
Tax benefit related to vesting of restricted stock	(637)	(373)
Deferred income taxes	(2,804)	(2,820)
Changes in operating assets and liabilities, net of assets and liabilities acquired in business acquisitions:		
Trade accounts receivable	(8,181)	(14,424)
Inventories	1,041	1,703
Prepaid expenses and other assets	925	1,948
Accounts payable and accrued expenses	10,449	12,052
Net cash provided by operating activities	20,650	16,932
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(1,684)	(2,360)
Sale of long-term investment	(1,688)	-
Acquisitions of businesses, net of cash acquired	(287,043)	-
Net cash used in investing activities	(290,415)	(2,360)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from debt	380,439	94,727
Principal payments on revolving line of credit and other long-term debt	(104,454)	(112,833)
Dividends paid	(23)	(23)
Tax benefit related to vesting of restricted stock	637	373
Net cash (used in) provided by financing activities	276,599	(17,756)
EFFECT OF FOREIGN CURRENCY ON CASH	(172)	(36)
NET CHANGE IN CASH AND CASH EQUIVALENTS	6,662	(3,220)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5,469	10,455
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 12,131	\$ 7,235

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

DXP ENTERPRISES INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - THE COMPANY

DXP Enterprises, Inc. together with its subsidiaries (collectively “DXP,” “Company,” “us,” “we,” or “our”) was incorporated in Texas on July 26, 1996, to be the successor to SEPCO Industries, Inc. DXP Enterprises, Inc. and its subsidiaries are primarily engaged in the business of distributing maintenance, repair and operating (MRO) products, equipment and service to industrial customers. The Company is organized into three business segments: Service Centers, Supply Chain Services (SCS) and Innovative Pumping Solutions (IPS). See Note 12 for discussion of the business segments.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING AND BUSINESS POLICIES

Basis of Presentation

The Company’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“USGAAP”). The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. The accompanying unaudited condensed consolidated financial statements have been prepared on substantially the same basis as our annual consolidated financial statements and should be read in conjunction with our annual report on Form 10-K for the year ended December 31, 2013. For a more complete discussion of our significant accounting policies and business practices, refer to the consolidated annual report on Form 10-K filed with the Securities and Exchange Commission on March 11, 2014.

All significant intercompany accounts and transactions have been eliminated upon consolidation.

NOTE 3 - RECENT ACCOUNTING PRONOUNCEMENTS

In July 2013, the FASB issued ASU 2013-11, Income Taxes (Topic 740), which requires entities to present unrecognized tax benefits as a liability and not combine it with deferred tax assets to the extent a net operating loss carry-forward, a similar tax loss, or a tax credit carry-forward is not available at the reporting date. ASU 2013-11 will become effective for fiscal years beginning after December 15, 2013. DXP adopted this guidance in the first quarter of 2014. There was no material effect on our financial statements.

NOTE 4 - FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Authoritative guidance for financial assets and liabilities measured on a recurring basis applies to all financial assets and financial liabilities that are being measured and reported on a fair value basis. Fair value, as defined in the authoritative guidance, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The authoritative guidance affects the fair value measurement of an investment with quoted market prices in an active market for identical instruments, which must be classified in one of the following categories:

Level 1 Inputs

Level 1 inputs come from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs

Level 2 inputs are other than quoted prices that are observable for an asset or liability. These inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in

markets that are not active; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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Level 3 Inputs

Level 3 inputs are unobservable inputs for the asset or liability which require the Company's own assumptions.

Financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of the fair value of assets and liabilities and their placement within the fair value hierarchy levels.

The following table presents the changes in Level 1 assets for the period indicated (in thousands):

	Three Months Ended March 31,	
	2014	2013
Fair value at beginning of period	\$ 1,837	\$ 2,413
Realized and unrealized gains (losses) included in other comprehensive income	(149)	(1,206)
Proceeds on sale of investment	(1,688)	-
Fair value at end of period	\$ -	\$ 1,207

The Company paid a total of \$1.7 million for an investment with quoted market prices in an active market. At December 31, 2013, the market value of this investment was \$1.8 million. During the three months ended March 31, 2014, the Company sold this investment for \$1.7 million. The Company recognized a \$0.1 million loss in 2014 on the sale of this investment, which is included in other income within our condensed consolidated statements of income.

NOTE 5 - INVENTORY

The carrying values of inventories are as follows (in thousands):

	March 31, 2014	December 31, 2013
Finished goods	\$ 104,203	\$ 102,608
Work in process		