Breig Geralyn
Form 3
July 26, 2018

FORM 3

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

OMB APPROVAL	
OMB Number:	3235-0104
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

INITIAL STATEMENT OF 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 *
Â Breig Geralyn

(Last) (First) (Middle)

1000 E HANES MILL ROAD

(Street)

WINSTON-SALEM,Â NCÂ 27105

(City) (State) (Zip)

2. Date of Event Requiring Statement (Month/Day/Year)
07/24/2018

3. Issuer Name **and** Ticker or Trading Symbol
Hanesbrands Inc. [HBI]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1.Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)

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

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Breig Geralyn 1000 E HANES MILL ROAD WINSTON-SALEM,Â NCÂ 27105	Â X	Â	Â	Â

Signatures

/s/ Joia M. Johnson, attorney in fact	07/26/2018
**Signature of Reporting Person	Date

Explanation of Responses:

No securities are beneficially owned

* If the form is filed by more than one reporting person, *see* Instruction 5(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).

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. NT>

Modular connecting products

$

6,899,000

$

6,477,000

DSL products

4,508,000

3,612,000

Structured cabling products	12,076,000	8,243,000
Other products	2,782,000	2,593,000
	$ 26,265,000	$ 20,925,000

Sales to the major telephone companies increased 32% in 2013 due to the fulfillment of new product contracts and increased sales tied to enhanced network deployments. Sales to these customers accounted for 76% of Suttle s sales in the first six months of 2013 compared to 73% of sales in 2012. Sales to distributors increased 12% in 2013 due to stronger demand for structured cabling products to support the increase in multi-dwelling unit construction. This customer segment accounted for 12% and 13% of sales in the first six months of 2013 and 2012, respectively. International sales increased 6% and accounted for 11% of Suttle s 2013 sales, due to the ordering cycle of a major customer.

Modular connecting products sales increased 7% and sales of structured cabling products increased 47% due to an increase in new multi-dwelling unit construction in the U.S. housing market and an increase in sales tied to enhanced network deployments. Sales of DSL products increased 25% due to the order cycle of major customers.

Suttle s gross margin increased 33% in the first six months of 2013 to $7,178,000 compared to $5,398,000 in the same period of 2012. Gross margin as a percentage of sales increased slightly to 27% in 2013 from 26% in 2012. Selling, general and administrative expenses increased 9% to $4,967,000 in the first six months of 2013 compared to $4,574,000 in the same period in 2012 due to continued investment into new product development and market expansion initiatives. Suttle s operating income was $2,211,000 in the first six months of 2013 compared to $825,000 in 2012.

Table of Contents

Transition Networks

Transition Networks sales decreased 21% to $21,275,000 in the first six months of 2013 compared to $26,968,000 in 2012 due primarily to the continued slowdown in government spending and a decline of legacy products. Transition Networks organizes its sales force by vertical markets and segments its customers geographically. First six months sales by region are presented in the following table:

	Transition Networks Sales by Region	
	2013	2012
North America	$ 14,032,000	$ 19,942,000
Europe, Middle East, Africa (EMEA)	2,753,000	3,056,000
Rest of World	4,490,000	3,970,000
	$ 21,275,000	$ 26,968,000

The following table summarizes Transition Networks 2013 and 2012 first six months sales by its major product groups:

	Transition Networks Sales by Product Group	
	2013	2012
Media converters	$ 15,504,000	$ 17,968,000
Ethernet switches	2,435,000	2,447,000
Ethernet adapters	1,525,000	1,543,000
Other products	1,811,000	5,010,000
	$ 21,275,000	$ 26,968,000

Sales in North America decreased 30% or $5,910,000 due to lower than anticipated demand from the federal government and traditional media converter markets. International sales increased $217,000, or 3%, due to higher demand for telecommunication products, specifically within the Rest of World region.

Gross margin on Transition Networks sales during the first six months decreased 22% to $11,396,000 in 2013 from $14,611,000 in 2012. Gross margin as a percentage of sales remained stable at 54% in both 2013 and 2012. Selling, general and administrative expenses decreased 6% to $10,558,000 in 2013 compared to $11,192,000 in 2012 due to cost control measures and restructuring activities. Operating income decreased to $838,000 in 2013 compared to $3,419,000 in 2012.

JDL Technologies, Inc.

JDL Technologies, Inc. sales increased 520% to $11,850,000 in the first six months of 2013 compared to $1,913,000 in 2012.

JDL s revenues by customer group were as follows:

	JDL Revenue by Customer Group	
	2013	2012
Broward County FL schools	$ 3,901,000	$ 1,182,000
Miami Dade County FL schools	7,138,000	
All other	811,000	731,000
	$ 11,850,000	$ 1,913,000

Revenues earned in Broward County, Florida increased $2,719,000 or 230% in the first six months of 2013 as compared to the 2012 first six months due to the E-Rate 15 initiative, which was significantly larger than the prior year s initiative. Revenues earned in Miami Dade County are related to the district s Bringing Wireless to the Classroom initiative for which the district was granted federal funding under the E-Rate program to expand wireless connectivity for students and staff. This project will continue throughout 2013. All other revenues increased $80,000 due to JDL s concentrated effort in the commercial markets.

Table of Contents

JDL gross margin increased 359% to $2,731,000 in the first six months of 2013 compared to $595,000 in the same period in 2012. Gross margin as a percentage of sales decreased to 23% in 2013 from 31% in 2012 reflecting the fact that a significant portion of its 2013 revenue was hardware-based, rather than its more traditional value-added service. Selling, general and administrative expenses increased 3% in 2013 to $1,146,000 compared to $1,114,000 in 2012. JDL reported operating income of $1,585,000 in the first six months of 2013 compared to an operating loss of $519,000 in the same period of 2012.

Other

The Company s income before income taxes increased to $2,959,000 in 2013 compared to $1,539,000 in 2012. The Company s effective income tax rate was 36% in 2013 and 33% in 2012. This effective rate differs from the standard rate of 35% due to state income taxes, foreign losses not deductible for U.S. income tax purposes, provisions for interest charges, and the effect of operations conducted in lower foreign tax rate jurisdictions.

Liquidity and Capital Resources

As of June 30, 2013, the Company had approximately $23,770,000 in cash, cash equivalents and investments. Of this amount, $3,365,000 was invested in short-term money market funds that are not considered to be bank deposits and are not insured or guaranteed by the FDIC or other government agency. These money market funds seek to preserve the value of the investment at $1.00 per share; however, it is possible to lose money investing in these funds. The remainder in cash and cash equivalents is operating cash which is fully insured through the FDIC. The Company also had $12,239,000 in investments consisting of certificates of deposit and corporate notes and bonds that are traded on the open market and are classified as available-for-sale at June 30, 2013.

The Company had working capital of $69,597,000, consisting of current assets of approximately $83,405,000 and current liabilities of $13,808,000 at June 30, 2013 compared to working capital of $70,677,000, consisting of current assets of $85,918,000 and current liabilities of $15,241,000 at December 31, 2012. Although the Company s cash, cash equivalents and investments were $23.7 million at June 30, 2013 compared to $35.8 million at December 31, 2013, the Company s accounts receivable and inventory are approximately $13.0 million higher at June 30, 2013 than at year-end, due primarily to increased sales and anticipated sales in the Company s Suttle and JDL Technologies business units.

Cash flow used in operating activities was approximately $9,279,000 in the first six months of 2013 compared to $4,831,000 in the same period of 2012. Significant working capital changes from December 31, 2012 to June 30, 2013 included an increase in inventories of $5,606,000 due to high production levels related to increased orders and new product initiatives within one of our business segments and volume purchases for the M-DCPS project to be completed in 2013, and an increase in receivables of $6,543,000 due to higher sales in the first six months of 2013 as compared to the first six months of 2012.

Net cash provided by investing activities was $4,538,000 in the first six months of 2013 compared to $411,000 in cash used in the same period of 2012. The Company continued to make capital investments and purchases of certificates of deposit and other marketable securities.

Table of Contents

Net cash used by financing activities was $1,529,000 in the first six months of 2013 compared to $2,812,000 in the same period of 2012. The Company made $161,000 in contingent consideration payments related to the Patapsco acquisition. Cash dividends paid on common stock decreased to $1,364,000 in 2013 ($0.16 per common share) from $2,639,000 in 2012 ($0.32 per common share) due to an accelerated payment of the dividend declared and paid in December 2012. Proceeds from common stock issuances, principally shares sold to the Company s Employee Stock Ownership Plan and under the Company s Employee Stock Purchase Plan, totaled approximately $206,000 in 2013 and $220,000 in 2012. The Company purchased and retired no shares in 2013 and 2012. At June 30, 2013, Board of Director authority to purchase approximately 411,910 additional shares remained in effect.

The Company has a $10,000,000 line of credit from Wells Fargo Bank. Interest on borrowings on the credit line is at LIBOR plus 1.1% (1.4% at June 30, 2013). There were no borrowings on the line of credit during the first six months of 2013 or 2012. The credit agreement expires October 31, 2014 and is secured by assets of the Company.

In the opinion of management, based on the Company s current financial and operating position and projected future expenditures, sufficient funds are available to meet the Company s anticipated operating and capital expenditure needs.

Critical Accounting Policies

Our critical accounting policies, including the assumptions and judgments underlying them, are discussed in our 2012 Form 10-K in Note 1 Summary of Significant Accounting Policies included in our Consolidated Financial Statements. There were no significant changes to our critical accounting policies during the six months ended June 30, 2013.

The Company s accounting policies have been consistently applied in all material respects and disclose such matters as allowance for doubtful accounts, sales returns, inventory valuation, warranty expense, income taxes, revenue recognition, asset and goodwill impairment recognition and foreign currency translation. On an ongoing basis, we evaluate our estimates based on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the result of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Results may differ from these estimates due to actual outcomes being different from those on which we based our assumptions. Management reviews these estimates and judgments on an ongoing basis.

Recently Issued Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board issued guidance that requires disclosure of amounts reclassified out of accumulated other comprehensive income by component. Significant amounts are required to be presented by the respective line items of net income or should be cross-referenced to other disclosures. These disclosures may be presented on the income statement or in the notes to the financial statements. We adopted this standard during the first six months of 2013. The adoption of this standard did not have a material effect on our financial statement disclosures.

Table of Contents

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

The Company has no freestanding or embedded derivatives. The Company s policy is to not use freestanding derivatives and to not enter into contracts with terms that cannot be designated as normal purchases or sales.

The vast majority of our transactions are denominated in U.S. dollars; as such, fluctuations in foreign currency exchange rates have historically not been material to the Company. At June 30, 2013 our bank line of credit carried a variable interest rate based on LIBOR plus 1.1%.

Based on the Company s operations, in the opinion of management, no material future losses or exposure exist relative to market risk.

Item 4. Controls and Procedures

The Company carried out an evaluation, under the supervision and with the participation of its management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company s disclosure controls and procedures (as defined in the Exchange Act Rule 13a-15(e)) as of the end of the period covered by this report. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company s disclosure controls and procedures are effective.

Except as set forth below, there was no change in the Company s internal control over financial reporting that occurred during the Company s most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company s internal control over financial reporting.

During the quarter ended June 30, 2013, we implemented a new ERP system within one of our business units to strengthen our long-term performance by standardizing all CSI business units on a common platform. The remaining business units will implement the new ERP system in 2014. The system changes were not being made in response to any material weakness in our internal controls. This implementation has resulted in some changes to business processes and internal control over financial reporting. We have taken steps to monitor and maintain appropriate internal control over financial reporting and will continue to evaluate the operating effectiveness of related controls during future periods.

Table of Contents

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Not Applicable.

Item 1A. Risk Factors

We perform annual and periodic assessment of our goodwill; if we determine that our goodwill is impaired, we would be required to write down that goodwill.

As disclosed in our 2012 Form 10-K, in our 2012 fourth quarter goodwill analysis, we determined that the fair value of our Transition Networks reporting unit did not exceed its carrying value by a significant amount. During the three and six months ended June 30, 2013, Transition Networks sales decreased 25% and 21%, respectively over the prior year s results, primarily to continued slowdown in domestic government spending and a decline in sales of its legacy products. We are focused on stabilizing and improving the sales and operating income of Transition Networks. If we are unable to implement a plan that returns Transition Networks to increased revenue and profitability, we may determine that Transition Networks goodwill is impaired and we would take a charge against earnings in the amount of the impairment. Although any impairment would be a non-cash expense and would not affect our cash flows, it would affect our statement of operations and balance sheet.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not Applicable.

Item 3. Defaults Upon Senior Securities

Not Applicable.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

As previously disclosed, David T. McGraw retired as the Company s Chief Financial Officer Vice President Finance, Chief Financial Officer and Corporate Secretary, effective May 21, 2013. In connection with Mr. McGraw s retirement, the Company entered into a Separation Agreement and General Release with him under which the Company agreed to continue his base salary through December 31, 2013. The Company also agreed to make matching contributions to his account under the Company s 401(k) Plan through June 7, 2013, and agreed that Mr. McGraw would have the right to earn a 2013 bonus payment prorated through his retirement date. Mr. McGraw also was granted the right to exercise his vested Stock Options for 2011 and 2012 (covering respectively 6,645 shares and 4,553 shares) on or before three years after the Retirement Date and all other his other unvested stock options would be forfeited in accordance with the terms of the Company s stock option plans. The Company also agreed that the payouts, if any, to which Mr. McGraw would be entitled under the Company s Performance Unit Plans for the 2010 Performance Period, 2011 to 2013 Performance Period, and 2012 to 2014 Performance Periods, would be prorated for the period to his Retirement Date, and paid when permitted by the plans, but no earlier than six months after his Retirement Date and no later than December 31, 2013. In connection with this agreement, the Company incurred a second quarter charge of $164,289.

Table of Contents

The Company is in the process of looking for a successor Chief Financial Officer. Effective August 6, 2013, the Company designated the Company s Corporate Controller Kristin Hlavka as Interim Chief Financial Officer. Ms. Hlavka will serve until a new chief financial officer is named and begins his or her duties. Ms. Hlavka joined the Company as Assistant Corporate Controller in July 2008 and has served as Corporate Controller since May 2011. Prior to joining the Company, she was employed at Deloitte and Touche, LLP as an auditor. Ms. Hlavka currently receives a salary of $124,389 and participates in the Company s bonus plans.

In connection with the restructuring of its Transition Networks unit in May, 2013, the Company entered into a termination agreement with the Company s former Vice President Seweyn Sadura. Under that agreement, in addition to his normal benefits, the Company agreed to pay Mr. Sadura a total separation payment of $100,000. In connection with this agreement, the Company incurred a second quarter charge of $108,610.

Item 6. Exhibits.

The following exhibits are included herein:

31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rules 13a-14 and 15d-14 of the Exchange Act).

31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rules 13a-14 and 15d-14 of the Exchange Act).

32. Certifications pursuant Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. §1350).

99.1 Press Release dated August 7, 2013 announcing 2013 Second Quarter Results.

Table of Contents

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 thereto duly authorized.

		Communications Systems, Inc.
	By	/s/ William G. Schultz William G. Schultz
Date: August 8, 2013		President and Chief Executive Officer
		/s/ Kristin A. Hlavka Kristin A. Hlavka
Date: August 8, 2013		Interim Chief Financial Officer