

QUALSTAR CORP
Form 10-Q
November 13, 2012

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, 2012

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 000-30083

QUALSTAR CORPORATION

CALIFORNIA	95-3927330
(State of incorporation)	(I.R.S. Employer Identification No.)

3990-B Heritage Oak Court, Simi Valley, CA 93063

(805) 583-7744

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition 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 Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes No

Total shares of common stock without par value outstanding at September 30, 2012 are 12,253,117.

QUALSTAR CORPORATION

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2012

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PART I FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****QUALSTAR CORPORATION****CONDENSED BALANCE SHEETS****(In thousands)**

	September 30, 2012 (Unaudited)	June 30, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,241	\$7,381
Marketable securities, short-term	7,709	7,135
Receivables, net of allowances of \$54 at September 30, 2012, and \$38 at June 30, 2012	2,616	2,995
Inventories, net	4,121	4,475
Prepaid expenses and other current assets	287	151
Total current assets	\$ 22,974	\$22,137
Property and equipment, net	293	268
Marketable securities, long-term	3,649	6,369
Other assets	52	50
Total assets	\$ 26,968	\$28,824
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,158	\$2,039
Accrued payroll and related liabilities	458	332
Other accrued liabilities	2,198	1,374
Total current liabilities	\$ 3,814	\$3,745
Other long term liabilities	26	26
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, no par value; 5,000 shares authorized; no shares issued	18,892	18,878

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Common stock, no par value; 50,000 shares authorized, 12,253 shares issued and outstanding
as of September 30, 2012 and June 30, 2012

Accumulated other comprehensive income	16	9
Retained earnings	4,220	6,166
Total shareholders' equity	\$ 23,128	\$25,053
Total liabilities and shareholders' equity	\$ 26,968	\$28,824

See notes to condensed financial statements.

QUALSTAR CORPORATION**CONDENSED STATEMENTS OF OPERATIONS****(Unaudited) (In thousands, except per share data)**

	Three Months Ended	
	September 30,	
	2012	2011
Power supply revenue	\$1,544	\$2,203
Storage revenue	1,909	2,421
Net revenues	\$3,453	\$4,624
Cost of goods sold	2,509	2,910
Gross profit	\$944	\$1,714
Operating expenses:		
Engineering	666	648
Sales and marketing	531	461
General and administrative	740	592
Restructuring expense	882	-
Total operating expenses	\$2,819	\$1,701
(Loss) income from operations	(1,875)	13
Other (expense) income	(71)	44
(Loss) income before income taxes	(1,946)	57
Provision for income taxes	-	-
Net (loss) income	\$(1,946)	\$57
(Loss) earnings per common share:		
Basic and Diluted	\$(0.16)	\$0.00
Weighted average common shares outstanding:		