PERMA FIX ENVIRONMENTAL SERVICES INC
Form 10-Q
November 06, 2009

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-Q

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

For the quarterly period ended September 30, 2009

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 No. 111596

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
(Exact name of registrant as specified in its charter)

Delaware	58-1954497
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)
8302 Dunwoody Place, Suite 250, Atlanta, GA	30350
(Address of principal executive offices)	(Zip Code)

(770) 587-9898
(Registrant's telephone number)

N/A

(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 T No £

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, 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 T Non-accelerated Filer £ Smaller reporting company £

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

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the close of the latest practical date.

Class	Outstanding at November 2, 2009
Common Stock, $.001 Par Value	54,529,415 shares of registrant's Common Stock

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

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PART I – FINANCIAL INFORMATION
ITEM 1. – FINANCIAL STATEMENTS

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
CONSOLIDATED BALANCE SHEETS

(Amount in Thousands, Except for Share Amounts)	September 30, 2009 (Unaudited)	December 31, 2008
ASSETS		
Current assets:		
Cash	$ 73	$ 129
Restricted cash	55	55
Accounts receivable, net of allowance for doubtful accounts of $218 and $333, respectively	18,275	13,416
Unbilled receivables – current	9,746	13,104
Inventories	335	344
Prepaid and other assets	3,315	2,565
Current assets related to discontinued operations	74	110
Total current assets	31,873	29,723
Property and equipment:		
Buildings and land	26,718	24,726
Equipment	31,561	31,315
Vehicles	650	637
Leasehold improvements	11,455	11,455
Office furniture and equipment	1,929	1,904
Construction-in-progress	2,003	1,159
	74,316	71,196
Less accumulated depreciation and amortization	(27,287)	(23,762)
Net property and equipment	47,029	47,434
Property and equipment related to discontinued operations	651	651
Intangibles and other long term assets:		
Permits	17,286	17,125
Goodwill	12,054	11,320
Unbilled receivables – non-current	2,896	3,858
Finite Risk Sinking Fund	15,457	11,345
Other assets	2,429	2,256
Total assets	$ 129,675	$ 123,712

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

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PERMA-FIX ENVIRONMENTAL SERVICES, INC.
CONSOLIDATED BALANCE SHEETS, CONTINUED

(Amount in Thousands, Except for Share Amounts)	September 30, 2009 (Unaudited)	December 31, 2008
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 5,423	$ 11,076
Current environmental accrual	187	186
Accrued expenses	7,564	8,896
Disposal/transportation accrual	3,129	5,847
Unearned revenue	8,624	4,371
Current liabilities related to discontinued operations	1,188	1,211
Current portion of long-term debt	3,064	2,022
Total current liabilities	29,179	33,609
Environmental accruals	466	620
Accrued closure costs	12,136	10,141
Other long-term liabilities	492	457
Long-term liabilities related to discontinued operations	1,040	1,783
Long-term debt, less current portion	17,794	14,181
Total long-term liabilities	31,928	27,182
Total liabilities	61,107	60,791
Commitments and Contingencies		
Preferred Stock of subsidiary, $1.00 par value; 1,467,396 shares authorized, 1,284,730 shares issued and outstanding, liquidation value $1.00 per share	1,285	1,285
Stockholders' equity:		
Preferred Stock, $.001 par value; 2,000,000 shares authorized, no shares issued and outstanding	—	—
Common Stock, $.001 par value; 75,000,000 shares authorized, 54,502,037 and 53,934,560 shares issued and outstanding, respectively	54	54
Additional paid-in capital	99,107	97,381
Accumulated deficit	(31,878)	(35,799)
Total stockholders' equity	67,283	61,636
Total liabilities and stockholders' equity	$ 129,675	$ 123,712

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

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(Amounts in Thousands, Except for Per Share Amounts)	Three Months Ended September 30, 2009	Three Months Ended September 30, 2008	Nine Months Ended September 30, 2009	Nine Months Ended September 30, 2008
Net revenues	$ 26,534	$ 15,989	$ 72,234	$ 51,961
Cost of goods sold	18,846	11,884	53,433	37,536
Gross profit	7,688	4,105	18,801	14,425
Selling, general and administrative expenses	4,486	4,648	13,290	13,704
Asset impairment recovery	—	(507)	—	(507)
(Gain) loss on disposal of property and equipment	(3)	(2)	(15)	139
Income (loss) from operations	3,205	(34)	5,526	1,089
Other income (expense):				
Interest income	29	52	121	170
Interest expense	(331)	(294)	(1,346)	(1,031)
Interest expense-financing fees	(104)	(14)	(180)	(124)
Other	(5)	—	5	(5)
Income (loss) from continuing operations before taxes	2,794	(290)	4,126	99
Income tax expense (benefit)	165	(14)	265	3
Income (loss) from continuing operations	2,629	(276)	3,861	96
(Loss) income from discontinued operations, net of taxes	(7)	(159)	60	(1,218)
Gain on disposal of discontinued operations, net of taxes	—	94	—	2,309
Net income (loss) applicable to Common Stockholders	$ 2,622	$ (341)	$ 3,921	$ 1,187
Net income (loss) per common share – basic				
Continuing operations	$ .05	$ (.01)	$ .07	$ —
Discontinued operations	—	—	—	(.02)
Disposal of discontinued operations	—	—	—	.04
Net income (loss) per common share	$ .05	$ (.01)	$ .07	$ .02
Net income (loss) per common share – diluted				
Continuing operations	$ .05	$ (.01)	$ .07	$ —
Discontinued operations	—	—	—	(.02)
Disposal of discontinued operations	—	—	—	.04
Net income (loss) per common share	$ .05	$ (.01)	$ .07	$ .02
Number of common shares used in computing net income (loss) per share:				
Basic	54,281	53,844	54,130	53,760
Diluted	54,954	53,844	54,412	54,149

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

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PERMA-FIX ENVIRONMENTAL SERVICES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	September 30,	
(Amounts in Thousands)	2009	2008
Cash flows from operating activities:		
Net income	$ 3,921	$ 1,187
Less: Income on discontinued operations	60	1,091
Income from continuing operations	3,861	96
Adjustments to reconcile net income to cash provided by operations:		
Depreciation and amortization	3,569	3,817
Asset impairment recovery		(507)
Non-cash financing costs	133	
Provision for bad debt and other reserves	274	33
(Gain) loss on disposal of plant, property and equipment	(15)	139
Issuance of common stock for services	189	201
Share based compensation	390	335
Changes in operating assets and liabilities of continuing operations, net of effect from business acquisitions:		
Accounts receivable	(5,134)	6,387
Unbilled receivables	4,320	(742)
Prepaid expenses, inventories and other assets	1,052	2,367
Accounts payable, accrued expenses and unearned revenue	(8,460)	(7,720)
Cash provided by continuing operations	179	4,406
Cash used in discontinued operations	(679)	(3,306)
Cash (used in) provided by operating activities	(500)	1,100
Cash flows from investing activities:		
Purchases of property and equipment	(1,016)	(810)
Proceeds from sale of plant, property and equipment	16	31
Payment to finite risk sinking fund	(4,112)	(4,704)
Payment of earn-out to Nuvotec shareholders	(734)	
Cash used for acquisition considerations, net of cash acquired		(14)
Cash used in investing activities of continuing operations	(5,846)	(5,497)
Proceeds from sale of discontinued operations		6,620
Cash provided by discontinued operations	11	42
Net cash (used in) provided by investing activities	(5,835)	1,165
Cash flows from financing activities:		
Net borrowing (repayments) of revolving credit	4,136	(3,483)
Principal repayments of long term debt	(2,073)	(6,658)
Proceeds from issuance of long term debt	2,982	7,000
Proceeds from issuance of stock	481	184
Proceeds from finite risk financing	753	878
Repayment of stock subscription receivable		25
Cash provided by (used in) financing activities of continuing operations	6,279	(2,054)
Principal repayment of long-term debt for discontinued operations		(238)

Cash provided by (used in) financing activities		6,279		(2,292)
Decrease in cash		(56)		(27)
Cash at beginning of period		129		118
Cash at end of period	$	73	$	91
Supplemental disclosure:				
Interest paid, net of amounts capitalized	$	3,832	$	1,032
Income taxes paid		261		29
Non-cash investing and financing activities:				
Long-term debt incurred for purchase of property and equipment		125		20
Issuance of Common Stock for debt		476		
Issuance of Warrants for debt		190		

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

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Unaudited, for the nine months ended September 30, 2009)

(Amounts in thousands, except for share amounts)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
Balance at December 31, 2008	53,934,560	$ 54	$ 97,381	$ (35,799)	$ 61,636
Net income	—	—	—	3,921	3,921
Issuance of Common Stock for debt	200,000	—	476	—	476
Issuance of Warrants for debt	—	—	190	—	190
Issuance of Common Stock for services	109,144	—	189	—	189
Issuance of Common Stock upon exercise of Options	258,333	—	481	—	481
Share Based Compensation	—	—	390	—	390
Balance at September 30, 2009	54,502,037	$ 54	$ 99,107	$ (31,878)	$ 67,283

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

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2009
(Unaudited)

Reference is made herein to the notes to consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2008.

1. Basis of Presentation

The consolidated financial statements included herein have been prepared by the Company (which may be referred to as we, us or our), without an audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and note disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States of America have been condensed or omitted pursuant to such rules and regulations, although the Company believes the disclosures which are made are adequate to make the information presented not misleading. Further, the consolidated financial statements reflect, in the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position and results of operations as of and for the periods indicated. The results of operations for the nine months ended September 30, 2009, are not necessarily indicative of results to be expected for the fiscal year ending December 31, 2009.

It is suggested that these consolidated financial statements be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2008.

The Company evaluated subsequent events through the time of filing this Quarterly Report on Form 10-Q on November 6, 2009. We are not aware of any significant events that occurred subsequent to the balance sheet date but prior to the filing of this report that would have a material impact on our Condensed Consolidated Financial Statements.

2. Summary of Significant Accounting Policies

Our accounting policies are as set forth in the notes to consolidated financial statements referred to above.

Recently Adopted Accounting Pronouncements
In June 2009, the Financial Accounting Standards Board ("FASB") issued guidance now codified as FASB Accounting Standards Codification ("ASC") 105, "Generally Accepted Accounting Principles," as the single source of authoritative nongovernmental U.S. GAAP. ASC 105 is now the single source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative U.S. GAAP for SEC registrants. All guidance contained in the Codification carries an equal level of authority. The Codification superseded all existing non-SEC accounting and reporting standards. All other non-grandfathered, non-SEC accounting literature not included in the Codification is non-authoritative. The FASB will not issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates ("ASUs"). The FASB will not consider ASUs as authoritative in their own right. ASUs will serve only to update the Codification, provide background about the guidance and provide the bases for conclusions on the changes in the Codification. These provisions of FASB ASC 105 are effective for interim and annual periods ending after September 15, 2009 and, accordingly, the Company

adopted ASC 105 in the third quarter of 2009. References made to FASB guidance throughout this document have been updated for the Codification. The adoption of ASC 105 did not have an impact on the Company's financial condition or results of operations.

In April 2009, the FASB issued guidance now codified as FASB ASC 320, “Investments-Debt and Equity Securities”, which is designed to create greater clarity and consistency in accounting for and presenting impairment losses on securities. The guidance is effective for periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. The adoption of ASC 320 did not materially impact the Company’s financial position, result of operations, or its disclosure requirements.

In April 2009, the FASB issued guidance now codified as FASB ASC 820, “Fair Value Measurement and Disclosures”, which provides additional guidance for estimating fair value in accordance with ASC 820 when the volume and level of activity for an asset or liability have significantly decreased. ASC 820 also includes guidance on identifying circumstances that indicate a transaction is not orderly. The guidance is effective for periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. The adoption of ASC 820 did not materially impact the Company’s financial position, result of operations, or its disclosure requirements.

In April 2009, the FASB issued guidance now codified as FASB ASC 825, “Financial Instruments - Overall,” which amends previous ASC 825 guidance to require disclosures about fair value of financial instruments in interim financial statements as well as in annual financial statements and also amends ASC 270, “Interim Reporting”, to require those disclosures in all interim financial statements. This guidance is effective for periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. The adoption of ASC 825 did not materially impact the Company’s financial position, result of operations, or its disclosure requirements.

In May 2009, the FASB issued guidance now codified as FASB ASC 855, “Subsequent Events - Overall”, which modifies the definition of what qualifies as a subsequent event, those events or transactions that occur following the balance sheet date, but before the financial statements are issued, or are available to be issued, and requires companies to disclose the date through which it has evaluated subsequent events and the basis for determining that date. This standard is effective for interim and annual financial period ending after June 15, 2009. This standard did not have a material effect on our results of operations or financial position.

In August 2009, the FASB issued ASU 2009-05, “Fair Value Measurements and Disclosures (Topic 820)”. The purpose of this ASU is to clarify that in circumstances in which a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using a valuation technique that uses either the quoted price of the identical liability when traded as an asset or quoted prices for similar liabilities or similar liabilities when traded as assets. This guidance is effective upon issuance. ASU 2009-05 did not materially impact the Company’s financial position, result of operations, or its disclosure requirements.

Recently Issue Accounting Standards

In April 2009, the FASB issued updated guidance related to business combinations, which is included in the Codification in ASC 805-20, “Business Combinations – Identifiable Assets, Liabilities and Any Non-controlling Interest” (“ASC 805-20”). ASC 805-20 amends and clarifies ASC 805 to address application issues regarding initial recognition and measurement, subsequent measurement and accounting, and disclosures for assets and liabilities arising from contingencies in business combinations. In circumstances where the acquisition date fair value for a contingency cannot be determined during the measurement period and it is concluded that it is probable that an asset or liability exists as of the acquisition date and the amount can be reasonably estimated, a contingency is recognized as of the acquisition date based on the estimated amount. ASC 805-20 is effective for contingent assets and contingent liabilities acquired in business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The Company expects ASC 805-20 may have an impact on its consolidated financial statements when effective, but the nature and magnitude of the specific effects will depend upon the nature, term and size of the acquired contingencies.

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In June 2009, the FASB issued new guidance on the accounting for the transfers of financial assets. The new guidance, which was issued as Statement of Financial Accounting Standards No. 166, “Accounting for Transfers of Financial Assets, an Amendment of FASB Statement No. 140”, has not yet been adopted into Codification. The new guidance requires additional disclosures for transfers of financial assets, including securitization transactions, and any continuing exposure to the risks related to transferred financial assets. There is no longer a concept of a qualifying special-purpose entity, and the requirements for derecognizing financial assets have changed. The new guidance is effective on a prospective basis for the annual period beginning after November 15, 2009 and interim and annual periods thereafter. The Company does not expect that the provisions of the new guidance will have a material effect on its results of operations, financial position or liquidity.

In June 2009, the FASB issued revised guidance on the accounting for variable interest entities. The revised guidance, which was issued as Statement of Financial Accounting Standards No. 167, “Amendments to FASB Interpretation No. 46(R)”, has not yet been adopted into Codification. The revised guidance reflects the elimination of the concept of a qualifying special-purpose entity and replaces the quantitative-based risks and rewards calculation of the previous guidance for determining which company, if any, has a controlling financial interest in a variable interest entity. The revised guidance requires an analysis of whether a company has: (1) the power to direct the activities of a variable interest entity that most significantly impact the entity’s economic performance and (2) the obligation to absorb the losses that could potentially be significant to the entity or the right to receive benefits from the entity that could potentially be significant to the entity. An entity is required to be re-evaluated as a variable interest entity when the holders of the equity investment at risk, as a group, lose the power from voting rights or similar rights to direct the activities that most significantly impact the entity’s economic performance. Additional disclosures are required about a company’s involvement in variable interest entities and an ongoing assessment of whether a company is the primary beneficiary. This guidance is effective for fiscal years beginning after November 15, 2009. The Company does not expect this guidance to materially impact its operations, financial position, and disclosure requirement.

In September 2009, the FASB issued ASU No. 2009-12, “Fair Value Measurements and Disclosures (Topic 820) – Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent)”. This ASU permits, as a practical expedient, a reporting entity to measure the fair value of an investment that is within the scope of the amendments in this ASU on the basis of the net asset value per share of the investment (or its equivalent) if the net asset value of the investment (or its equivalent) is calculated in a manner consistent with the measurement principles of Topic 946 as of the reporting entity’s measurement date. The ASU also requires disclosures by major category of investment about the attributes of investments within the scope of the Update. ASU 2009-12 is effective for interim and annual periods ending after December 15, 2009. The Company does not expect ASU 2009-12 to materially impact our financial condition, results of operations, and disclosures.

In October 2009, the FASB issued ASU 2009-13, “Revenue Recognition (Topic 605): Multiple Deliverable Revenue Arrangements – A Consensus of the FASB Emerging Issues Task Force.” This update provides application guidance on whether multiple deliverables exist, how the deliverables should be separated and how the consideration should be allocated to one or more units of accounting. This update establishes a selling price hierarchy for determining the selling price of a deliverable. The selling price used for each deliverable will be based on vendor-specific objective evidence, if available, third-party evidence if vendor-specific objective evidence is not available, or estimated selling price if neither vendor-specific or third-party evidence is available. ASU 2009-13 should be applied on a prospective basis for revenue arrangements entered into or materially modified in fiscal year beginning on or after June 15, 2010, with early adoption permitted. The Company is currently evaluating ASU 2009-13 on its financial positions and results of operations.

Reclassifications
Certain prior period amounts have been reclassified to conform with the current period presentation.

3. Stock Based Compensation

We follow FASB ASC 718, "Compensation – Stock Compensation" ("ASC 718") to account for stock based compensation. ASC 718 establishes accounting standards for entity exchanges of equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. ASC 718 requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values.

The Company has certain stock option plans under which it awards incentive and non-qualified stock options to employees, officers, and outside directors. Stock options granted to employees have either a ten year contractual term with one-fifth yearly vesting over a five year period or a six year contractual term with one-third yearly vesting over a three year period. Stock options granted to outside directors have a ten year contractual term with vesting period of six months.

On July 29, 2009, we granted 84,000 options from the Company's 2003 Outside Directors Stock Plan to our seven outside directors as a result of the re-election of our board members at our Annual Meeting of Stockholders held on July 29, 2009. The options granted were for a contractual term of ten years with vesting period of six months. The exercise price of the options was $2.67 per share which was equal to our closing stock price the day preceding the grant date, pursuant to the 2003 Outside Directors Stock Plan. We granted 84,000 options from the same stock plan on August 5, 2008 to our seven outside directors as a result of the re-election our board members at our August 5, 2008 Annual Meeting of Stockholders. The options granted were for a contractual term of ten years with vesting period of six months. The exercise price of the options was $2.34 per share which was equal to our closing stock price the day preceding the grant date, pursuant to the stock plan.

For the nine months ended September 30, 2009, we granted a total of 145,000 Incentive Stock Options ("ISO") to our Chief Financial Officer ("CFO") and certain employees of the Company on February 26, 2009 which allows for the purchase of 145,000 shares of Common Stock from the Company's 2004 Stock Option Plan. The options granted were for a contractual term of six years with vesting period over a three year period at one-third increments per year. The exercise price of the options granted was $1.42 per share which was based on our closing stock price on the date of grant. For the nine months ended September 30, 2008, we granted 918,000 ISO's to certain officers and employees of the Company on August 5, 2008 from the 2004 Stock Option Plan. The options granted were for a contractual term of six years with vesting period at one-third increments per year. The exercise price of the options granted was $2.34 per share.

As of September 30, 2009, we had 2,555,014 employee stock options outstanding, of which 1,794,681 are vested. The weighted average exercise price of the 1,794,681 outstanding and fully vested employee stock option is $1.92 with a remaining weighted contractual life of 2.71 years. Additionally, we had 714,000 outstanding director stock options, of which 630,000 are vested. The weighted average exercise price of the 630,000 outstanding and fully vested direction stock option is $2.21 with a weighted remaining contractual life of 5.57 years.

The Company estimates fair value of stock options using the Black-Scholes valuation model. Assumptions used to estimate the fair value of stock options granted include the exercise price of the award, the expected term, the expected volatility of the Company's stock over the option's expected term, the risk-free interest rate over the option's expected term, and the expected annual dividend yield. The fair value of the employee and director stock options granted above and the related assumptions used in the Black-Scholes option pricing model used to value the options granted as of September 30, 2008 and September 30, 2009 were as follows.

	Employee Stock Options Granted	
	September 30, 2009	September 30, 2008
Weighted-average fair value per share	$ .76	$ 1.17
Risk -free interest rate (1)	2.07% - 2.40 %	3.28%
Expected volatility of stock (2)	59.16% - 60.38 %	55.54%
Dividend yield	None	None
Expected option life (3)	4.6 years - 5.8 years	5.1 years

	Outside Director Stock Options Granted	
	September 30, 2009	September 30, 2008
Weighted-average fair value per share		