

GSI TECHNOLOGY INC  
Form 10-Q  
August 06, 2010  
Table of Contents

**UNITED STATES  
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 June 30, 2010**

**or**

**o 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 000-33387**

---

# GSI Technology, Inc.

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**77-0398779**

(IRS Employer Identification No.)

**1213 Elko Drive  
Sunnyvale, California 94089**

(Address of principal executive offices, zip code)

**(408) 980-8388**

(Registrant's telephone number, including area code)

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 corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the 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 Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of the registrant's common stock outstanding as of July 31, 2010: 27,739,442.



Table of Contents

GSI TECHNOLOGY, INC.

FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2010

	<b>Page</b>
<b><u>PART I FINANCIAL INFORMATION</u></b>	
<u>Item 1.</u>	<u>Financial Statements</u> 1
	<u>Condensed Consolidated Balance Sheets</u> 1
	<u>Condensed Consolidated Statements of Operations</u> 2
	<u>Condensed Consolidated Statements of Cash Flows</u> 3
	<u>Notes to Condensed Consolidated Financial Statements</u> 4
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> 11
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u> 16
<u>Item 4T.</u>	<u>Controls and Procedures</u> 16
<b><u>PART II OTHER INFORMATION</u></b>	
<u>Item 1A.</u>	<u>Risk Factors</u> 16
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u> 27
<u>Item 6.</u>	<u>Exhibits</u> 27
<u>Signatures</u>	28
<u>Exhibit Index</u>	29

Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****GSI TECHNOLOGY, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS****(Unaudited)**

	<b>June 30, 2010</b>	<b>March 31, 2010</b>
	<b>(In thousands, except share and per share amounts)</b>	
<b>ASSETS</b>		
Cash and cash equivalents	\$ 17,130	\$ 24,658
Short-term investments	25,950	22,120
Accounts receivable, net	13,459	9,241
Inventories	19,260	15,436
Prepaid expenses and other current assets	5,047	3,889
Deferred income taxes	1,584	1,274
Total current assets	82,430	76,618
Property and equipment, net	12,686	12,344
Long-term investments	27,053	22,565
Other assets	1,546	1,601
Total assets	\$ 123,715	\$ 113,128
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
Accounts payable	\$ 7,178	\$ 6,686
Accrued expenses and other liabilities	4,470	3,569
Deferred revenue	6,987	3,316
Total current liabilities	18,635	13,571
Income taxes payable	992	838
Total liabilities	19,627	14,409
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Preferred stock: \$0.001 par value authorized: 5,000,000 shares; issued and outstanding: none		
Common stock: \$0.001 par value authorized: 150,000,000 shares; issued and outstanding: 27,739,442 and 27,575,123 shares, respectively	28	28
Additional paid-in capital	50,849	49,872
Accumulated other comprehensive income	203	190
Retained earnings	53,008	48,629
Total stockholders' equity	104,088	98,719
Total liabilities and stockholders' equity	\$ 123,715	\$ 113,128

Edgar Filing: GSI TECHNOLOGY INC - Form 10-Q

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

Table of Contents

## GSI TECHNOLOGY, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended June 30,	
	2010	2009
	(In thousands, except per share amounts)	
Net revenues	\$ 22,918	\$ 14,208
Cost of revenues	12,101	8,165
Gross profit	10,817	6,043
Operating expenses:		
Research and development	2,535	1,595
Selling, general and administrative	2,828	2,060
Total operating expenses	5,363	3,655
Income from operations	5,454	2,388
Interest income, net	186	294
Other income (expense), net	55	(1)
Income before income taxes	5,695	2,681
Provision for income taxes	1,316	560
Net income	\$ 4,379	\$ 2,121
Net income per share:		
Basic	\$ 0.16	\$ 0.08
Diluted	\$ 0.15	\$ 0.08
Weighted average shares used in per share calculations:		
Basic	27,671	26,872
Diluted	28,834	27,324

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

Table of Contents**GSI TECHNOLOGY, INC.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(Unaudited)**

	<b>Three Months Ended June 30,</b>	
	<b>2010</b>	<b>2009</b>
	<b>(In thousands)</b>	
<b>Cash flows from operating activities:</b>		
Net income	\$ 4,379	\$ 2,121
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Allowance for sales returns, doubtful accounts and other	(1)	(13)
Provision for excess and obsolete inventories	227	156
Depreciation and amortization	660	352
Stock-based compensation	446	291
Deferred income taxes	(310)	(76)
Windfall tax benefits from stock options exercised	(50)	(108)
Amortization of bond premium on investments	185	278
<b>Changes in assets and liabilities, net of effects of acquisition:</b>		
Accounts receivable	(4,217)	(1,496)
Inventory	(4,051)	(1,680)
Prepaid expenses and other assets	(1,152)	125
Accounts payable	632	288
Accrued expenses and other liabilities	1,302	246
Deferred revenue	3,671	363
Net cash provided by operating activities	1,721	847
<b>Cash flows from investing activities:</b>		
Purchase of investments	(13,037)	(6,166)
Proceeds from sales and maturities of investments	4,551	10,000
Purchases of property and equipment	(1,294)	(247)
Net cash (used in) provided by investing activities	(9,780)	3,587
<b>Cash flows from financing activities:</b>		
Repurchase of common stock		(58)
Windfall tax benefits from stock options exercised	50	108
Proceeds from issuance of common stock under employee stock plans	481	269
Net cash provided by financing activities	531	319
Net (decrease) increase in cash and cash equivalents	(7,528)	4,753
Cash and cash equivalents at beginning of the period	24,658	12,597
Cash and cash equivalents at end of the period	\$ 17,130	\$ 17,350
<b>Non-cash financing activities:</b>		
Purchases of property and equipment through accounts payable and accruals	\$ 409	\$ 243
<b>Supplemental cash flow information:</b>		
Cash paid for income taxes	\$ 77	\$ 118

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





Table of Contents

**GSI TECHNOLOGY, INC.**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

**NOTE 1 THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of presentation***

The accompanying unaudited condensed consolidated financial statements of GSI Technology, Inc. and its subsidiaries ( GSI or the Company ) have been prepared in accordance with accounting principles generally accepted in the United States of America and pursuant to the instructions to Form 10-Q and Article 10 of Regulation S-X of the Securities and Exchange Commission. Accordingly, the interim financial statements do not include all of the information and footnotes required by generally accepted accounting principles for annual financial statements. These interim financial statements contain all adjustments (which consist of only normal, recurring adjustments) that are, in the opinion of management, necessary to state fairly the interim financial information included therein. The Company believes that the disclosures are adequate to make the information not misleading. However, these financial statements should be read in conjunction with the audited consolidated financial statements and related notes thereto included in the Company s Annual Report on Form 10-K for the fiscal year ended March 31, 2010.

The consolidated results of operations for the three months ended June 30, 2010 are not necessarily indicative of the results to be expected for the entire fiscal year.

***Significant accounting policies***

The Company s significant accounting policies are disclosed in the Company s Annual Report on Form 10-K for the fiscal year ended March 31, 2010.

***Comprehensive net income***

The Company s comprehensive net income for the three month periods ended June 30, 2010 and 2009 was as follows:

**Three Months Ended June 30,**  
**2010**                      **2009**  
(In thousands)

Net income	\$	4,379	\$	2,121
Net unrealized gain on available-for-sale investments, net of tax		13		1
Comprehensive net income	\$	4,392	\$	2,122

***Recent accounting pronouncements***

In January 2010, the Financial Accounting Standards Board (the FASB ) issued authoritative guidance for fair value measurements. This guidance now requires a reporting entity to disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and also to describe the reasons for these transfers. This authoritative guidance also requires enhanced disclosure of activity in Level 3 fair value measurements. The guidance for Level 1 and Level 2 fair value measurements is effective for the Company's year ended March 31, 2010. Implementation of this guidance did not have an impact on the Company's consolidated financial position, results of operations or cash flows as it is disclosure-only in nature. The guidance for Level 3 fair value measurements disclosures becomes effective for the Company's interim reporting period ending June 30, 2011, and the Company does not expect that this guidance will have an impact on its consolidated financial position, results of operations or cash flows as it is disclosure-only in nature and the Company does not have any level 3 securities as of June 30, 2010.

Table of Contents**NOTE 2 NET INCOME PER COMMON SHARE**

The Company uses the treasury stock method to calculate the weighted average shares used in computing diluted net income attributable to common stockholders per share. The following table sets forth the computation of basic and diluted net income per share:

	<b>Three Months Ended June 30,</b>	
	<b>2010</b>	<b>2009</b>
	<b>(In thousands, except per share amounts)</b>	
Net income	\$ 4,379	\$ 2,121
Denominators:		
Weighted average shares Basic	27,671	26,872
Dilutive effect of employee stock options	1,163	452
Weighted average shares Dilutive	28,834	27,324
Net income per common share Basic	\$ 0.16	\$ 0.08
Net income per common share Diluted	\$ 0.15	\$ 0.08

The following shares of common stock underlying outstanding stock options, determined on a weighted average basis, were excluded from the computation of diluted net income per share as they had an anti-dilutive effect:

	<b>Three Months Ended June 30,</b>	
	<b>2010</b>	<b>2009</b>
	<b>(In thousands)</b>	
Stock options	356	3,559

**NOTE 3 BALANCE SHEET DETAIL**

	<b>June 30, 2010</b>	<b>March 31, 2010</b>
	<b>(In thousands)</b>	
Inventories:		
Work-in-progress	\$ 8,331	\$ 6,889
Finished goods	9,218	7,637
Inventory at distributors	1,711	910
	\$ 19,260	\$ 15,436

	<b>June 30, 2010</b>	<b>March 31, 2010</b>
	<b>(In thousands)</b>	
Accounts receivable, net:		
Accounts receivable	\$ 13,559	\$ 9,342
Less: Allowances for sales returns, doubtful accounts and other	(100)	(101)
	\$ 13,459	\$ 9,241

Edgar Filing: GSI TECHNOLOGY INC - Form 10-Q

	June 30, 2010	March 31, 2010
	(In thousands)	
Prepaid expenses and other current assets:		
Prepaid tooling and masks	\$ 3,490	\$ 2,179
Other receivables	823	736
Other prepaid expenses	734	974
	\$ 5,047	\$ 3,889

	June 30, 2010	March 31, 2010
	(In thousands)	
Property and equipment, net:		
Computer and other equipment	\$ 12,188	\$ 12,195
Software	4,359	4,276
Building and building improvements	2,215	
Furniture and fixtures	110	235
Leasehold improvements	446	746
Land	3,900	
Construction in progress	201	5,486
	23,419	22,938
Less: Accumulated depreciation and amortization	(10,733)	(10,594)
	\$ 12,686	\$ 12,344

## Edgar Filing: GSI TECHNOLOGY INC - Form 10-Q

### Table of Contents

Depreciation and amortization expense was \$615,000 and \$352,000, respectively, for the three months ended June 30, 2010 and 2009.

	June 30, 2010	March 31, 2010
	(In thousands)	
<b>Other assets:</b>		
Non-current deferred income taxes	\$ 237	\$ 196
Intangibles, net	1,240	1,285
Deposits	69	120
	\$ 1,546	\$ 1,601

The following table summarizes the components of intangible assets and related accumulated amortization balances at June 30, 2010 (in thousands):

	Gross Carrying Amount		Accumulated Amortization		Net Carrying Amount
<b>Intangible assets:</b>					
Product designs	\$ 590	\$	(70)	\$	520
Patents	720		(67)		653
Software	80		(13)		67
Total	\$ 1,390	\$	(150)	\$	1,240

Amortization of intangible assets included in cost of revenues for the three months ended June 30, 2010 was \$45,000.

	June 30, 2010	March 31, 2010
	(In thousands)	
<b>Accrued expenses and other liabilities:</b>		
Accrued compensation	\$ 1,174	\$ 1,298
Accrued acquisition payments	653	587
Accrued professional fees	20	12
Accrued commissions	493	406
Accrued royalties	28	31
Accrued income taxes	1,512	498
Accrued equipment and software costs	51	248
Other accrued expenses	539	489
	\$ 4,470	\$ 3,569

#### **NOTE 4 INCOME TAXES**

The current portion of the Company's unrecognized tax benefits at June 30, 2010 and March 31, 2010 was 530,000 and \$524,000, respectively. The long-term portion at June 30, 2010 and March 31, 2010 was \$992,000 and \$838,000, respectively, of which the timing of the resolution is uncertain. As of June 30, 2010, \$383,000 of unrecognized tax benefits had been recorded as a reduction to net deferred tax assets. The unrecognized tax benefit balance as of June 30, 2010 of \$1,777,000 would affect the Company's effective tax rate if recognized. It is possible, however, that some months or years may elapse before an uncertain position for which the Company has established a reserve is resolved.

There are no events that are expected to occur during the next twelve months that management believes would cause a material change in unrecognized tax benefits.

The Company's policy is to include interest and penalties related to unrecognized tax benefits within the provision for income taxes in the Condensed Consolidated Statements of Operations.

Table of Contents

The Company is subject to taxation in the United States, and various state and foreign jurisdictions. Fiscal years 2004 through 2010 remain open to examination by federal and most state tax authorities.

The Company's estimated annual effective income tax rate was approximately 23.0% as of June 30, 2010 and 2009. The differences between the effective income tax rate and the applicable statutory U.S. income tax rate in each period were primarily due to the effects of tax credits, foreign tax rate differentials and tax free interest income, offset by stock-based compensation expense.

**NOTE 5 FINANCIAL INSTRUMENTS**

*Fair value measurements*

Authoritative accounting guidance for fair value measurements provides a framework for measuring fair value and related disclosure. The guidance applies to all financial assets and financial liabilities that are being measured on a recurring basis. The guidance requires fair value measurement to be classified and disclosed in one of the following three categories:

Level 1: Valuations based on quoted prices in active markets for identical assets and liabilities. The fair value of available-for-sale securities included in the Level 1 category is based on quoted prices that are readily and regularly available in an active market. As of June 30, 2010, the Level 1 category included money market funds of \$5.9 million, which were included in cash and cash equivalents in the Condensed Consolidated Balance Sheet.

Level 2: Valuations based on observable inputs (other than Level 1 prices), such as quoted prices for similar assets at the measurement date; quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly. The fair value of available-for-sale securities included in the Level 2 category is based on the market values obtained from an independent pricing service that were evaluated using pricing models that vary by asset class and may incorporate available trade, bid and other market information and price quotes from well established independent pricing vendors and broker-dealers. As of June 30, 2010, the Level 2 category included short-term investments of \$25.9 million and long term-investments of \$27.1 million, which were comprised of certificates of deposit, corporate debt securities and government and agency securities.

Level 3: Valuations based on inputs that are unobservable and involve management judgment and the reporting entity's own assumptions about market participants and pricing. As of June 30, 2010, the Company had no Level 3 financial assets measured at fair value in the Condensed Consolidated Balance Sheets.

The fair value of financial assets and liabilities measured on a recurring basis is as follows (in thousands):



Edgar Filing: GSI TECHNOLOGY INC - Form 10-Q

	Fair Value Measurement at Reporting Date Using					
	June 30, 2010		Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets:						
Money market funds	\$	5,884	\$	5,884	\$	\$
Marketable securities		53,003			53,003	
Total	\$	58,887	\$	5,884	\$	53,003

	Fair Value Measurement at Reporting Date Using					
	March 31, 2010		Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets:						
Money market funds	\$	8,919	\$	8,919	\$	\$
Marketable securities		44,685			44,685	
Total	\$	53,604	\$	8,919	\$	44,685

Table of Contents*Short-term and long-term investments*

All of the Company's short-term and long-term investments are classified as available-for-sale. Available-for-sale debt securities with maturities greater than twelve months are classified as long-term investments when they are not intended for use in current operations. Investments in available-for-sale securities are reported at fair value with unrecognized gains (losses), net of tax, as a component of accumulated other comprehensive income in the Condensed Consolidated Balance Sheets. The Company had money market funds of \$5.9 million and \$8.9 million at June 30, 2010 and March 31, 2010, respectively, included in cash and cash equivalents in the Condensed Consolidated Balance Sheet. The Company monitors its investments for impairment periodically and records appropriate reductions in carrying values when the declines are determined to be other-than-temporary.

The following table summarizes the Company's available-for-sale investments:

	Cost	June 30, 2010		Fair Value
		Gross Unrealized Gains	Gross Unrealized Losses	
(In thousands)				
Short-term investments:				
State and municipal obligations	\$ 6,575	\$ 32	\$	\$ 6,607
Corporate notes	11,585	73		11,658
Certificates of deposit	7,656	29		7,685
Total short-term investments	\$ 25,816	\$ 134	\$	\$ 25,950
Long-term investments:				
State and municipal obligations	\$ 15,365	\$ 52	\$	\$ 15,417
Corporate notes	6,087	47		6,134
Certificates of deposit	5,458	44		5,502
Total long-term investments	\$ 26,910	\$ 143	\$	\$ 27,053

	Cost	March 31, 2010		Fair Value
		Gross Unrealized Gains	Gross Unrealized Losses	
(In thousands)				
Short-term investments:				
State and municipal obligations	\$ 10,706	\$ 61	\$	\$ 10,767
Corporate notes	9,774	107		9,881
Certificates of deposit	1,470	2		1,472
Total short-term investments	\$ 21,950	\$ 170	\$	\$ 22,120
Long-term investments:				
State and municipal obligations	\$ 9,917	\$ 14	\$	\$ 9,931
Corporate notes	9,107	65		9,172
Certificates of deposit	3,450	12		3,462
Total long-term investments	\$ 22,474	\$ 91	\$	\$ 22,565

Table of Contents

The Company's investment portfolio consists of both corporate and governmental securities that have a maximum maturity of three years. All unrealized losses are due to changes in interest rates and bond yields. The Company has the ability to realize the full value of all these investments upon maturity.

As of June 30, 2010, the deferred tax liability related to unrecognized gains and losses on short-term and long-term investments was \$74,000. At March 31, 2010, the deferred tax liability related to unrecognized gains and losses on short-term investments was \$71,000, and the deferred tax asset related to unrecognized gains and losses on short-term and long-term investments was \$3,000.

As of June 30, 2010, contractual maturities of the Company's available-for-sale non-equity investments were as follows:

	Cost	Fair Value
	(In thousands)	
Maturing within one year	\$ 25,816	\$ 25,950
Maturing in one to three years	26,910	27,053
	\$ 52,726	\$ 53,003

The Company classifies its short-term investments as available for sale as they are intended to be available for use in current operations.

Effective April 1, 2009, the Company adopted the newly issued authoritative guidance for fair value measurements of all nonfinancial assets and nonfinancial liabilities not recognized or disclosed at fair value in the financial statements on a recurring basis. The adoption did not have a material impact on the Company's financial position or results of operations.

**NOTE 6 COMMITMENTS AND CONTINGENCIES**

*Indemnification obligations*

The Company is a party to a variety of agreements pursuant to which it may be obligated to indemnify the other party with respect to certain matters. Typically, these obligations arise in the context of contracts entered into by the Company, under which the Company customarily agrees to hold the other party harmless against losses arising from a breach of representations and covenants related to such matters as title to assets sold and certain intellectual property rights. In each of these circumstances, payment by the Company is conditioned on the other party making a claim pursuant to the procedures specified in the particular contract, which procedures typically allow the Company to challenge the other party's claims. Further, the Company's obligations under these agreements may be limited in terms of time and/or amount, and in some instances, the Company may have recourse against third parties for certain payments made by it under these agreements.

## Edgar Filing: GSI TECHNOLOGY INC - Form 10-Q

It is not possible to predict the maximum potential amount of future payments under these or similar agreements due to the conditional nature of the Company's obligations and the unique facts and circumstances involved in each particular agreement. Historically, payments made by the Company under these agreements did not have a material effect on its business, financial condition, cash flows or results of operations. The Company believes that if it were to incur a loss in any of these matters, such loss should not have a material effect on its business, financial condition, cash flows or results of operations.

### *Product warranties*

The Company warrants its products to be free of defects generally for a period of three years. The Company estimates its warranty costs based on historical warranty claim experience and includes such costs in cost of revenues. Warranty costs were not significant for the three months ended June 30, 2010 and 2009.

### *Legal proceedings*

From time to time, the Company may be involved in litigation relating to claims arising out of its day-to-day operations.

Table of Contents**NOTE 7 STOCK OPTION PLANS**

As of June 30, 2010, 4,224,113 shares of common stock were available for grant under the Company's 2007 Equity Incentive Plan.

The following table summarizes the Company's stock option activities for the three months ended June 30, 2010:

	Number of Shares Underlying Outstanding Options	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Intrinsic Value
Options outstanding as of March 31, 2010	5,404,145		\$ 4.08	
Granted	209,270		\$ 6.00	
Exercised	(113,272)		\$ 2.87	\$ 363,421
Forfeited	(50,005)		\$ 4.95	
Options outstanding as of June 30, 2010	5,450,138		\$ 4.17	\$ 8,513,001
Options exercisable as of June 30, 2010	3,012,459	4.64	\$ 4.38	\$ 4,049,066
Options vested and expected to vest	5,357,747	6.38	\$ 4.17	\$ 8,353,047

The weighted average fair value per underlying share of options granted during the three months ended June 30, 2010 and 2009 was \$2.74 and \$1.52, respectively.

Options outstanding by exercise price at June 30, 2010 were as follows:

Exercise Price	Options Outstanding			Options Exercisable	
	Number of Shares Underlying Outstanding Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Shares Underlying Vested and Exercisable Options	Weighted Average Exercise Price
\$2.10	565,649	\$ 2.10	3.04	565,649	\$ 2.10