

CONTINENTAL MATERIALS CORP
Form 10-K/A
February 15, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K/A

AMENDMENT NO. 1

(Mark One)

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

For the fiscal year ended December 31, 2011

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 1-3834

Continental Materials Corporation

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(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

36-2274391
(I.R.S. Employer Identification No.)

200 South Wacker Drive, Suite 4000, Chicago, Illinois
(Address of principal executive offices)

60606
(Zip Code)

Registrant's telephone number, including area code **312-541-7200**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock - \$0.25 par value

Name of each exchange on which registered
NYSE Amex

Securities registered pursuant to Section 12(g) of the Act: **NONE**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined by Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 and 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of the Form 10-K or any amendment to this Form 10-K.

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 Exchange Act. (Check one):

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Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

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 aggregate market value (based on July 2, 2011 closing price) of voting stock held by non-affiliates of registrant: Approximately \$9,631,718
Number of common shares outstanding at March 23, 2012: 1,634,674.

Incorporation by reference: Portions of registrant's definitive proxy statement for the 2012 Annual Meeting of stockholders to be held May 23, 2012 into Part III of this Form 10-K. The definitive proxy statement is expected to be filed with the Securities and Exchange Commission within 120 days after the close of the fiscal year covered by this Form 10-K.

EXPLANATORY NOTE:

This purpose of this Amendment No. 1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011, which was filed with the Securities and Exchange Commission (the "SEC") on March 30, 2012 (the "Original Filing"), is solely for the purpose of filing an amended Report of Independent Registered Public Accounting Firm. This Amendment No. 1 speaks as of the filing date of the Original Report and does not reflect events that have occurred subsequent to the filing date of the Original Report. Except as described above, this Amendment No. 1 does not modify or update the disclosures set forth in the Original Filing including the financial statements and notes to financial statements set forth in the Original Report.

This Amendment No. 1 consists solely of the preceding cover page, this explanatory note, the amended Report of Independent Registered Public Accounting Firm, the amended exhibit index, the signature page, Schedule II, Consent of Independent Registered Public Accounting Firm and the amended certifications pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act.

Report of Independent Registered Public Accounting Firm

Audit Committee, Board of Directors and Shareholders

Continental Materials Corporation

Chicago, Illinois

We have audited the accompanying consolidated balance sheets of Continental Materials Corporation as of December 31, 2011 and January 1, 2011, and the related consolidated statements of operations, shareholders' equity and cash flows for the years then ended. Our audit also included the years 2011 and 2010 information on the financial statement schedule listed in the Index at Part IV, Item 15(a)2. The Company's management is responsible for these consolidated financial statements and financial statement schedule. Our responsibility is to express an opinion on these consolidated financial statements based on our audits and financial statement schedule based on our audits of the basic financial statements. The financial statement schedule is presented for purposes of complying with the Securities and Exchange Commission's rules and regulations and is not a required part of the consolidated financial statements.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing auditing procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. Our audits also included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Continental Materials Corporation as of December 31, 2011 and January 1, 2011, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the financial statement schedule referred to above, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ BKD, LLP

Indianapolis, Indiana
March 30, 2012

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) 3 The following is a list of all exhibits filed as part of this Report:

- Exhibit 3 Restated Certificate of Incorporation dated May 28, 1975, as amended on May 24, 1978, May 27, 1987 and June 3, 1999 filed as Exhibit 3 to Form 10-K for the year ended January 1, 2005, incorporated herein by reference.
- Exhibit 3a Registrant's By-laws as amended September 19, 1975 filed as Exhibit 6 to Form 8-K for the month of September 1975, incorporated herein by reference.
- Exhibit 10 Credit Agreement dated April 16, 2009 among Continental Materials Corporation, as the Company, The Various Financial Institutions Party Hereto, as Lenders, and The PrivateBank and Trust Company, as Administrative Agent and Arranger filed as Exhibit 10f to Form 10-K for the year ended January 3, 2009, incorporated herein by reference; First Amendment thereto dated as of November 18, 2009 filed as Exhibit 10.1 to Form 10-K for the year ended January 2, 2010; the Second Amendment thereto dated April 15, 2010 filed as Exhibit 10.2 to Form 10-K for the year ended January 2, 2010; the Third Amendment dated November 12, 2010 filed as Exhibit 10.1 to Form 10-Q for the quarter ended October 2, 2010; the Fourth Amendment dated December 31, 2010 filed as Exhibit 10.1 to Form 10-K for the year ended January 1, 2011; the Fifth Amendment dated April 14, 2011 filed as Exhibit 10.2 to Form 10-K for the year ended January 1, 2011; and the Amended and Restated Credit Agreement thereto dated November 18, 2011 filed as Exhibit 10 to Form 10-Q for the quarter ended October 1, 2011.
- Exhibit 10a Fee Sand and Gravel Lease Between Valco, Inc. And Continental Materials Corporation filed as Exhibit 2C to Form 8-K filed November 4, 1996, incorporated herein by reference.
- Exhibit 10b Form of Supplemental Deferred Compensation Agreement filed as Exhibit 10 to Form 10-Q for the quarter ended July 1, 1983, incorporated herein by reference.*
- Exhibit 10c Continental Materials Corporation Employees Profit Sharing Retirement Plan, 2009 Amendment and Restatement filed as Exhibit 10c to Form 10-K for the year ended January, 2, 2010.*
- Exhibit 10d Williams Furnace Co. Employees Profit Sharing Retirement Plan, 2009 Amendment and Restatement filed as Exhibit 10c to Form 10-K for the year ended January, 2, 2010.*
- Exhibit 14 Continental Materials Corporation Code of Business Conduct and Ethics filed as Exhibit 14 to Form 10-K/A (Amendment No. 1) for the year ended January 3, 2004, incorporated herein by reference.
- Exhibit 21 Subsidiaries of Registrant incorporated by reference from Exhibit 21 to the Original Report.
- Exhibit 23 Consent of Independent Registered Public Accounting Firm (filed herewith).
- Exhibit 31.1 Rule 13a-14(a)/15d-14(a) and Rule 13a-14(d)/15d-14(d) Certification of Chief Executive Officer (filed herewith).
- Exhibit 31.2 Rule 13a-14(a)/15d-14(a) and Rule 13a-14(d)/15d-14(d) Certification of Chief Financial Officer (filed herewith).
- Exhibit 32 Section 1350 Certification of Chief Executive Officer and Chief Financial Officer (filed herewith).
- Exhibit 95 Mine Safety Disclosures incorporated by reference from Exhibit 95 to the Original Report.
- Exhibit 101

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The following financial information from Continental Materials Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2011 filed with the SEC on March 30, 2011, formatted in Extensible Business Reporting Language (XBRL); (i) the Consolidated Statements of Operations for the fiscal years 2011 and 2010, (ii) the Consolidated Statements of Cash Flows for the fiscal years 2011 and 2010, (iii) the Consolidated Balance Sheets as of December 31, 2011 and January 1, 2011, (iv) the Consolidated Statements of Shareholders' Equity for fiscal years 2011 and 2010, and (v) Notes to Consolidate Financial Statements incorporated by reference from Exhibit 101 to the Original Report.**

* - Compensatory plan or arrangement

** - Pursuant to Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 to the Original Report is not be deemed to be filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be deemed part of a registration statement, prospectus or other document filed under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filings.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CONTINENTAL MATERIALS CORPORATION
Registrant

By: /S/ Joseph J. Sum
Joseph J. Sum, Vice President and Chief Financial Officer

Date: February 15, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	CAPACITY(IES)	DATE
/S/ James G. Gidwitz James G. Gidwitz	Chief Executive Officer and a Director (Principal Executive Officer)	February 15, 2013
/S/ Joseph J. Sum Joseph J. Sum	Vice President, Chief Financial Officer (Principal Financial Officer)	February 15, 2013
/S/ Mark S. Nichter Mark S. Nichter	Secretary and Controller (Principal Accounting Officer)	February 15, 2013
/S/ William D. Andrews William D. Andrews	Director	February 15, 2013
/S/ Thomas H. Carmody Thomas H. Carmody	Director	February 15, 2013
/S/ Betsy R. Gidwitz Betsy R. Gidwitz	Director	February 15, 2013
/S/ Ralph W. Gidwitz Ralph W. Gidwitz	Director	February 15, 2013
/S/ Ronald J. Gidwitz Ronald J. Gidwitz	Director	February 15, 2013
/S/ Theodore R. Tetzlaff Theodore R. Tetzlaff	Director	February 15, 2013
/S/ Peter E. Thieriot Peter E. Thieriot	Director	February 15, 2013
/S/ Darrell M. Trent Darrell M. Trent	Director	February 15, 2013

CONTINENTAL MATERIALS CORPORATION

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES (c) (e)

for the fiscal years 2011 and 2010

COLUMN A Description	COLUMN B Balance at Beginning of Period	COLUMN C(1) Additions Charged to Costs and Expenses	COLUMN D Deductions - Describe	COLUMN E Balance at End of Period
Year 2011				
Allowance for doubtful accounts (c)	\$ 580,000	\$ 10,000	\$ 90,000(a)	\$ 500,000
Inventory valuation reserve (c)	\$ 196,000	\$ 237,000	\$ 105,000(b)	\$ 328,000
Reserve for self-insured losses	\$ 2,798,000	\$ 3,359,000	\$ 3,481,000(d)	\$ 2,676,000
Year 2010				
Allowance for doubtful accounts (c)	\$ 576,000	\$ 245,000	\$ 241,000(a)	\$ 580,000
Inventory valuation reserve (c)	\$ 384,000	\$ 55,000	\$ 243,000(b)	\$ 196,000
Reserve for self-insured losses	\$ 2,973,000	\$ 4,885,000	\$ 5,060,000(d)	\$ 2,798,000

Notes:

- (a) Accounts written off, net of recoveries.
- (b) Amounts written off upon disposal of assets.
- (c) Reserve deducted in the balance sheet from the asset to which it applies.
- (d) Payments of self-insured claims including healthcare claims accrued and paid in connection with the Company's self-insured employee healthcare benefit plan.
- (e) Column C (2) has been omitted as the answer would be none.