CHICAGO BRIDGE & IRON CO N V
Form 4
December 07, 2012

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN 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 *
NEALE GARY L

(Last) (First) (Middle)

801 EAST 86TH AVENUE

(Street)

MERRILLVILLE, IN 46410

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
CHICAGO BRIDGE & IRON CO N V [CBI]

3. Date of Earliest Transaction (Month/Day/Year)
12/06/2012

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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 Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

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

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SEC 1474 (9-02)

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

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. D S

(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)		Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)						(I
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Phantom Stock Unit (1)	(2)	12/06/2012	A		231.278		(3)	(3)	Common Stock	231.278	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
NEALE GARY L 801 EAST 86TH AVENUE MERRILLVILLE, IN 46410	X			

Signatures

Cindy A. McMinn as Attorney in Fact	12/07/2012
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(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).

(1) Acquired pursuant to the CB&I Supervisory Board of Directors Fee Payment Plan.

(2) 1-for-1

(3) Shares of Phantom Stock are payable in common stock one year after the reporting person's retirement from the Supervisory Board of the Company.

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. font-family: "Times New Roman", Times, Serif; font-size: 10pt;">

(amounts in thousands)

Contract Manufacturing:

US Customers

$10,498 $9,159 $1,339 14.6%

International Customers

1,258 1,199 59 4.9%

Net sales, Contract Manufacturing

11,756 10,358 1,398 13.5%

Branded Nutraceutical Products:

US Customers

48 162 (114) (70.4%)

International Customers

12 10 2 20.0%

Net sales, Branded Nutraceutical Products

60 172 (112) (65.1%)

Other Nutraceuticals:

US Customers

181 231 (50) (21.6%)

International Customers

4 39 (35) (89.7%)

Net sales, Other Nutraceuticals

185 270 (85) (31.5%)

Total net sales

$12,001 $10,800 $1,201 11.1%

For the three months ended December 31, 2018 and 2017 a significant portion of our consolidated net sales, approximately 93% and 91%, respectively, were concentrated among two customers, Life Extension and Herbalife, customers in our Contract Manufacturing Segment. Life Extension and Herbalife represented approximately 75% and 20% in the three months ended December 31, 2018 and 79% and 16%, in the three months ended December 31, 2017, respectively, of our Contract Manufacturing Segment's net sales. The loss of any of these customers could have a significant adverse impact on our financial condition and results of operations.

The increase in net sales of approximately $1,201 was primarily the result of net sales increasing in our Contract Manufacturing Segment of $1,398 primarily due to increased sales volumes to one of our major customers, Herbalife of approximately $720 and Life Extension of approximately $683, in the three months ended December 31, 2018, compared to the comparable prior period.

Cost of sales. Cost of sales increased by $919, approximately 9%, to $10,671 for the three months ended December 31, 2018, as compared to $9,752 for the three months ended December 31, 2017. Cost of sales decreased as a percentage of sales to 89% for the three months ended December 31, 2018 as compared to 90.3% for the three months ended December 31, 2017. The increase in the cost of goods sold amount is consistent with the increased net sales of approximately 11%. The decrease in the cost of goods sold as a percentage of net sales, was primarily the result of the increased net sales used to offset the fixed manufacturing overhead. There were no significant changes in the cost of goods sold in our other two segments other than the decreased sales in each of the other two segments.

Selling and Administrative Expenses. There was a slight decrease in selling and administrative expenses of $7 in the three months ended December 31, 2018 as compared to the three months ended December 31, 2017, less than 1.0%. As a percentage of sales, net, selling and administrative expenses were approximately 7% and 8% for the three months ended December 31, 2018 and 2017, respectively. The decrease was due to an increase in salaries and employees benefits of approximately $37, as the result of replacing an administrative staff with a higher paid individual; offset, in part, by a decrease of approximately $20 in amortization as the result of intangible assets being fully amortized in October 2018. No other expense within our selling and administrative expenses changed by more than $15.

Other income (expense), net. Other income (expense), net was approximately $183 and $207 for the three months ended December 31, 2018 and 2017, respectively, and is composed of:

	Three months ended December 31,	
	2018	2017
	(dollars in thousands)	
Interest expense	$(190)	$(229)
Change in fair value of derivative instruments	-	185
Impairment charge on investment in iBio, Inc.	-	(168)
Other income, net	7	4
Other income (expense), net	$(183)	$(208)

The variance in the change in fair value of derivative liabilities from the three months ended December 31, 2017 to the three months ended December 31, 2018 was the result of the extinguishment of the derivative instrument upon the conversion of the related debt to common stock in July 2018 (See Note 4 to the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q).

Our interest expense for the three months ended December 31, 2018 decreased by $39 from the three month period ended December 31, 2017, primarily as the result of CD Financial exercising its conversion right to convert the $5,350 CD Convertible Note to equity on July 24, 2018 (See Note 4 to the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q), an interest savings of $94. This decrease was offset in part, by increased amounts outstanding under our revolving credit facility along with increased interest rates on the senior debt of 1.0% from December 31, 2017 to December 31, 2018 coupled with the adoption of ASU 2016-02 on July 1, 2018, which classifies a portion of the operating lease payments as interest. Accordingly, in the three month period ended December 31, 2018, we incurred additional interest cost on our senior debt of $24 and an interest cost of $34 on our operating lease liabilities.

In the three months ended December 31, 2017 we determined that there was an impairment on the carrying value of our investment in iBio, Inc. in the amount of approximately $0.2 million resulting from the decline in the closing trading price of their common stock on the NYSE American Exchange from $0.32 per share as of September 30, 2017 to $0.18 per share as of December 31, 2017. There was no such impairment charge in the three months ended December 31, 2018.

Federal and state income tax, net. For the three months ended December 31, 2018 and 2017, we had state income tax expense of approximately $74 and $34, respectively, and federal income tax benefit of $16 and federal income tax expense of $304, respectively. We continue to maintain a reserve on a portion of our deferred tax assets as it has been determined that based upon past losses, the Company's past liquidity concerns and the current economic environment, that it is "more likely than not" the Company's deferred tax assets may not be fully realized. The state tax expense is the result of MDC using all of its state net operating losses in the fiscal year ended 2013 tax period. All of our other subsidiaries still have adequate net operating losses for state income tax purposes to absorb any taxable income for state tax purposes.

The increase in state income tax expense of $40 is the result of the increased net income for MDC and the decrease in the federal income tax expense of $320 is the result of the one-time charge for the change in the effective federal tax rate from 34% as of December 31, 2017 to 21% as of January 1, 2018, which resulted in a decrease to our deferred tax assets of $263 and a current federal tax expense of approximately $41 in the three month period ended December 31, 2017 compared to no such changes in the three month period ended December 31, 2018.

Net income (loss). We had net income for the three months ended December 31, 2018 of $246 compared to a net loss for the three months ended December 31, 2017 of approximately $348. The change to net income from a net loss of approximately $594 was primarily the result of increased operating income of $289 and decreases in other expenses of $25 and federal and state income taxes, net of $280.

Seasonality

The nutraceutical business tends to be seasonal. We have found that in our first fiscal quarter ending on September 30th of each year, orders for our branded proprietary nutraceutical products usually slow (absent the addition of new customers or a new product launch with a significant first time order), as buyers in various markets may have purchased sufficient inventory to carry them through the summer months. Conversely, in our second fiscal quarter, ending on December 31st of each year, orders for our products increase as the demand for our branded nutraceutical products, as well as sales orders from our customers in our contract manufacturing segment, seem to increase in late December to early January as consumers become health conscious as they enter the new year.

The Company believes that there are other non-seasonal factors that also may influence the variability of quarterly results including, but not limited to, general economic and industry conditions that affect consumer spending, changing consumer demands and current news on nutritional supplements. Accordingly, a comparison of the Company's results of operations from consecutive periods is not necessarily meaningful, and the Company's results of operations for any period are not necessarily indicative of future periods.

Liquidity and Capital Resources

The following table sets forth, for the periods indicated, the Company's net cash flows used in operating, investing and financing activities, its period end cash and cash equivalents and other operating measures:

	For the six months ended December 31,	
	2018	2017
	(dollars in thousands)	
Net cash (used in) provided by operating activities	$(914)	$640
Net cash used in investing activities	$(294)	$(206)
Net cash provided by (used in) financing activities	$1,025	$(512)

Cash at end of period	$45	$54

At December 31, 2018 our working capital was approximately $1,029 and at June 30, 2018, we had a working capital deficit of $4,026. The increase of $4,386 in our current assets and a decrease in our current liabilities of $669, resulted in a net increase in our working capital of $5,055 since June 30, 2018. The decrease in the current liabilities was primarily the result of $5,269 of the CD Convertible Note, classified as current as of June 30, 2018 due to the receipt of a conversion notice in July 2018, and the subsequent conversion of the entire CD Convertible Note to common shares of the Company at $0.65 per share on July 31, 2018.

Operating Activities

Net cash used in operating activities of $914 in the six months ended December 31, 2018, includes net income of approximately $405. After excluding the effects of non-cash expenses, including depreciation and amortization, and changes in the fair value of derivative liabilities and deferred tax assets, the adjusted cash provided from operations before the effect of the changes in working capital components was $606. Net cash used in our operations in the six months ended December 31, 2018 from our working capital assets and liabilities in the amount of approximately $1,520 was primarily the result of cash used in our accounts receivable of $721 and inventories of $3,794 offset, in part, with an aggregate increase in accounts payable, accrued expenses and other liabilities of $3,047.

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Net cash provided by operating activities of $640 in the six months ended December 31, 2017, includes a net loss of approximately $527. After excluding the effects of non-cash expenses, including depreciation and amortization, and changes in the fair value of derivative liabilities, the adjusted cash provided from operations before the effect of the changes in working capital components was $143. Cash was provided by operations from our working capital assets and liabilities in the amount of approximately $497 and was primarily the result of a net increase in accounts payable and accrued expenses and other liabilities of approximately $1,505 offset, in part, by increases in accounts receivable of $575 and inventories of $413.

Investing Activities

Cash used in investing activities in the six months ended December 31, 2018 and 2017, of approximately $294 and $206, respectively, was used primarily for the purchase of machinery and equipment of $287 and $210, respectively.

Financing Activities

Cash provided by financing activities was approximately $1,025 for the six months ended December 31, 2018, and was from advances under our revolving credit facility of $22,899, offset in part, by repayments of advances under our revolving credit facility of $21,467, principal payments under our term notes in the amount of $330 and payments under capitalized lease obligations of $101.

Cash used in financing activities was approximately $512 for the six months ended December 31, 2017, and was from $19,673 of advances under our revolving credit facility and $143 in proceeds received in a sales-lease back financing for machinery and equipment in our Contract Manufacturing Segment, offset in part, by repayments of advances under our revolving credit facility of $19,559 and repayments of principal under our term notes in the amount of $669.

As of December 31, 2018, we had cash of $45, funds available under our revolving credit facility of approximately $1,059 and working capital of approximately $1,029. Our working capital includes $6,326 outstanding under our revolving line of credit which is not due until February 2020 but classified as current due to a subjective acceleration clause that could cause the advances to become currently due. (See Note 4 to the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q). Additionally, we had income from operations of approximately $892 in the six months ended December 31, 2018 and going forward we will have an annual interest cost savings of approximately $321 as a result of the conversion of the CD Convertible Note into equity at the election of CD Financial in July 2018. After taking into consideration our interim results and current projections, management believes that operations, together with the revolving credit facility will support our working capital requirements at least through the period ending February 13, 2020.

Our total annual commitments at December 31, 2018 for long term non-cancelable leases of approximately $565 consists of obligations under operating leases for facilities and operating lease agreements for the rental of warehouse equipment, office equipment and automobiles.

Capital Expenditures

The Company's capital expenditures for the six months ended December 31, 2018 and 2017 were approximately $287 and $216, respectively. The Company has budgeted approximately $500 for capital expenditures for fiscal year 2019. The total amount is expected to be funded from lease financing and cash provided from the Company’s operations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Recent Accounting Pronouncements

None.

Impact of Inflation

The Company does not believe that inflation has significantly affected its results of operations.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

Item 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized, and reported within the time periods specified by the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to management, including the Chief

Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, the Company has evaluated the effectiveness of its disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2018, and, based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures are effective in providing reasonable assurance of compliance.

Changes in Internal Control over Financial Reporting

No change in our internal control over financial reporting occurred during the three and six months ended December 31, 2018 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings that arise in the ordinary course of business. However, litigation is subject to inherent uncertainties and an adverse result in these or other matters may arise from time to time that may harm our business. We are currently not aware of any such legal proceedings or claims that we believe will have a material adverse effect on our business, financial condition or operating results.

Item 1A. Risk Factors

Not Applicable

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Recent Sales of Unregistered Securities

None

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

During the quarter ended December 31, 2018, neither we nor any “affiliated purchaser,” as that term is defined in Rule 10b-18(a)(3) under the Exchange Act, purchased any of our registered equity securities.

Item 3. DEFAULTS UPON SENIOR SECURITIES

None.

Item 4. MINE SAFETY DISCLOSURE

Not Applicable.

Item 5. OTHER INFORMATION

None.

Item 6. EXHIBITS

(a) Exhibits

Exhibit **Number**	
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer.
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer.
32.1	Certification of periodic financial report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer.
32.2	Certification of periodic financial report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer.
101	The following unaudited financial information from Integrated BioPharma, Inc.'s Quarterly Report on Form 10-Q for the quarter ended December 31, 2018, formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Statements of Operations for the three and six months ended December 31, 2018 and 2017, (ii) Condensed Consolidated Balance Sheets as of December 31, 2018 and June 30, 2018, (iii) Condensed Consolidated Statement of Changes in Stockholders' (Deficit) Equity for the six months ended December 31, 2018, (iv) Condensed Consolidated Statements of Cash Flows for the six months ended December 31, 2018 and 2017, and (iv) the Notes to Condensed Consolidated Financial Statements.

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SIGNATURES

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

INTEGRATED BIOPHARMA, INC.

Date: February 13, 2019 By: /s/ E Gerald Kay
E, Gerald Kay,
President and Chief Executive Officer

Date: February 13, 2019 By: /s/ Dina L. Masi
Dina L. Masi,
Chief Financial Officer & Senior Vice President

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Explanation of Responses: