Kirst Kenneth C
Form 4
May 28, 2009

FORM 4

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

OMB APPROVAL

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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 *
Kirst Kenneth C

(Last) (First) (Middle)

ONE GRIMSBY DRIVE

(Street)

HAMBURG, NY 14075

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
EVANS BANCORP INC [EVBN]

3. Date of Earliest Transaction (Month/Day/Year)
05/27/2009

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			
Common Stock ($0.50 par value)	05/27/2009		P		101	A	$ 13.76	218.81 (1)	I	by Wife
Common Stock ($0.50 par value)								3,470.4461 (2)	D	

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

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SEC 1474 (9-02)

displays a currently valid OMB control number.

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kirst Kenneth C ONE GRIMSBY DRIVE HAMBURG, NY 14075	X			

Signatures

Michelle A. Baumgarden, Attorney in Fact for Kenneth C. Kirst	05/28/2009
**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) This number reflects shares acquired under the Evans Bancorp, Inc. Dividend Reinvestment Plan as follows: 3.6071 shares on April 1, 2009.

(2) This number reflects shares acquired under the Evans Bancorp, Inc. Dividend Reinvestment Plan as follows: 106.2643 shares on April 1, 2009

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. e examination of our 2006 through 2008 U.S. federal income tax returns, and remain subject to California Franchise Tax Board examination of our 2005 through 2008 California Franchise Tax Returns. However, we have certain tax attribute carryforwards which will remain subject to review and adjustment by the relevant tax authorities until the statute of limitations closes with respect to the year in which such attributes are utilized.

We believe that our income tax filing positions and deductions will be sustained on audit and do not anticipate any adjustments that will result in a material change to our financial position. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to ASC 740. In addition, we did not record a cumulative effect adjustment related to the adoption of ASC 740. Our policy for recording interest and penalties associated with income-based tax audits is to record such items as a component of income taxes.

Recent Accounting Policies

Please see Note 1 of our financial statements that describe the impact, if any, from the adoption of Recent Accounting Pronouncements.

Overview

We distribute discrete semiconductors, optoelectronic devices and passive components to other electronic distributors, CEMs and OEMs, who incorporate them in their products and supply ODM products for our customer's multi-year turn-key projects.

We continue to be impacted by the severe decline in demand for discrete semiconductors from the U.S. market, which began in late 2000. As a result, we have experienced declining sales is such components since early 2001. In response to this declining demand, we placed emphasis on increasing our sales to existing customers through further expansion of the number of different types of discrete components and other integrated circuits in our inventory and by attracting additional contract electronic manufacturers (CEMs), original equipment manufacturers (OEMs) and electronics distributor customers. In addition, over the last three years we have developed our ODM service capabilities and added products developed through partnership agreements with offshore solution providers (OEMs and CEMs). We now offer commodity Integrated Circuits (ICs) as an extension of current discrete semiconductor lines in 2007.

Our core strategy still includes maintaining a substantial inventory of electronic components that allows us to fill customer orders immediately from stock held in inventory. However, since demand remained weak throughout 2008, we continue to focus on lowering our inventory balances and changing our product mix. As a result, net inventory levels decreased throughout the year by $1,019,000, including a non-cash provision of approximately $600,000 during 2009 to increase our inventory reserves for price declines, non-RoHS compliant components and slow-moving inventory. This provision is mainly used to increase our inventory reserve to account for slow moving and excess inventory.

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In accordance with generally accepted accounting principles, we have classified inventory as a current asset in our December 31, 2009, consolidated financial statements representing approximately 77% of current assets and 57% of total assets. However, if all or a substantial portion of the inventory was required to be immediately liquidated, the inventory would not be as readily marketable or liquid as other items included or classified as a current asset, such as cash. We cannot assure you that demand in the discrete semiconductor market will increase and that market conditions will improve. Therefore, it is possible that further declines in our carrying values of inventory may result.

Our gross profit margins are subject to a number of factors, including product demand, the relative strength of the U.S. dollar, provisions for inventory reserves, our ability to purchase inventory at favorable prices and our sales product mix.

Results of Operations

The Year Ended December 31, 2009 Compared to the Year Ended December 31, 2008

Net sales were $5,540,000 and $7,197,000 in 2009 and 2008, respectively, representing a decrease of $1,657,000 or 23%. The decrease in net sales was primarily due to a domestic decline in demand for our component products.

Gross margins were $1,365,000 and $1,901,000 in 2009 and 2008, respectively, which represented 24.6% and 26.4% of net sales for those periods. The decrease of $536,000 was primarily attributed to the decrease of sales.

Selling, general and administrative expenses were $2,441,000 and $2,712,000 in 2009 and 2008, respectively, which represented 44% and 37.7% of net sales for those periods. The decrease of $271,000 was primarily due to decreases in salaries and benefits expenses by $138,000, depreciation expense by $44,000, trade commissions by $25,000 and professional fees by $23,000.

Operating losses were $1,076,000 and $811,000 in 2009 and 2008, respectively, which represented 19.4% and 11.3% of net sales for those periods. Operating losses increased primarily as a result of lower gross margins discussed above related to our provision for inventory reserves.

Net interest expense was $9,000 and $1,000 for 2009 and 2008, respectively. The increase was due to higher debt levels during the year.

Income tax provision was $2,000 and $3,000 in 2009 and 2008, respectively. Our tax provision is primarily based upon our state income tax liabilities.

We incurred net losses of $929,000 and $786,000 in 2009 and 2008, respectively, which represented 16.8% and 10.9% of net sales for those periods. The losses are primarily due to lower margins discussed above and related to provisions for our inventory reserves.

Liquidity and Capital Resources

We historically have satisfied our liquidity requirements through cash generated from operations, short-term commercial loans, subordinated promissory notes and issuance of equity securities. A summary of our cash flows resulting from our operating, investing and financing activities for the years ended December 31, 2009 and 2008 were as follows:

	Year ended December 31,	
	2009	2008

Operating activities	$	1,276,000	$	479,000
Investing activities		(77,000)		(12,000)
Financing activities		(197,000)		136,000

Cash flows provided by operating activities increased to $1,276,000 during 2009, as compared to $479,000 in the prior year. The increase in cash provided by operations was primarily attributed to accounts receivable and inventory decreasing by $304,000 and $1,619,000, respectively, during 2009, as compared to decreasing by $338,000 and $896,000, respectively, during 2008.

Cash flows used in investing activities increased to $77,000 during 2009, as compared to $12,000 in the prior year. Our 2009 investing outflows primarily came from acquisitions of property and equipment by $45,000, compared with $32,000 in 2008.

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Cash flows used in financing activities were $197,000 in 2009 as compared to provided by $136,000 used in the prior year.

We believe that funds generated from operations, existing cash balances and short-term loans, are likely to be sufficient to finance our working capital and capital expenditure requirements for the foreseeable future. If these funds are not sufficient, we may secure new sources of asset-based lending on accounts receivables or issue debt or equity securities. Otherwise, we may need to liquidate assets to generate the necessary working capital.

Inventory is included and classified as a current asset. As of December 31, 2009, inventory represented approximately 77% of current assets and 57% of total assets. However, it is likely to take over one year for the inventory to turn and therefore is likely not to be saleable within a one-year time frame. Hence, inventory would not be as readily marketable or liquid as other items included in current assets, such as cash.

Off-Balance Sheet Arrangements

We had no material off-balance sheet arrangements that have, or are likely to have, a current or future material effect on our operations.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK. Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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Report Of Independent Registered Public Accounting Firm

The Board of Directors and ShareholdersTaitron Components Incorporated:

We have audited the accompanying consolidated balance sheets of Taitron Components Incorporated (the "Company") as of December 31, 2009 and 2008, and the related consolidated statements of operations, shareholders' equity and cash flows for each of the years ended December 31, 2009 and 2008. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 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 include consideration of internal control over financial reporting as a basis for designing audit 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Taitron Components Incorporated as of December 31, 2009 and 2008, and the consolidated results of its operations and its cash flows for each of the years in the periods ended December 31, 2009 and 2008, in conformity with accounting principles generally accepted in the United States of America.

/s/ ANTON & CHIA, LLP

Irvine, California
March 31, 2010

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TAITRON COMPONENTS INCORPORATED
Consolidated Balance Sheets

	December 31, 2009	2008
Assets		
Current assets:		
Cash and cash equivalents	$2,768,000	$1,762,000
Restricted cash (Note 2)	100,000	-
Trade accounts receivable, net	621,000	964,000
Inventory, net	12,307,000	13,926,000
Prepaid expenses and other current assets (Note 3)	245,000	565,000
Total current assets	16,041,000	17,217,000
Property and equipment, net (Note 4)	5,135,000	5,316,000
Other assets (Note 5)	244,000	236,000
Total assets	$21,420,000	$22,769,000
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade accounts payable	$615,000	$822,000
Accrued liabilities	303,000	316,000
Current portion of long-term debt (Note 6)	-	89,000
Total current liabilities	918,000	1,227,000
Long-term debt, less current portion (Note 6)	1,000,000	832,000
Total liabilities	1,918,000	2,059,000
Commitments and contingencies (Notes 6, 8 and 12)		
Minority interest in subsidiary	219,000	251,000
Shareholders' equity:		
Preferred stock, $.001 par value. Authorized 5,000,000 shares; None issued or outstanding	-	-
Class A common stock, $.001 par value. Authorized 20,000,000 shares; 4,777,144 shares issued and outstanding at December 31, 2009 and 2008.	5,000	5,000
Class B common stock, $.001 par value. Authorized, issued and outstanding 762,612 shares	1,000	1,000
Additional paid-in capital	10,594,000	10,569,000
Accumulated other comprehensive income	96,000	92,000
Retained earnings	8,587,000	9,792,000
Total shareholders' equity	19,283,000	20,459,000
Total liabilities and shareholders' equity	$21,420,000	$22,769,000

See accompanying notes to consolidated financial statements.

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TAITRON COMPONENTS INCORPORATED
Consolidated Statements of Operations

	Year ended December 31, 2009	2008
Net sales	$5,540,000	$7,197,000
Cost of goods sold	4,175,000	5,296,000
Gross profit	1,365,000	1,901,000
Selling, general and administrative expenses	2,441,000	2,712,000
Operating loss	(1,076,000)	(811,000)
Interest expense, net	(9,000)	(1,000)
Other income, net	158,000	29,000
Loss before income taxes	(927,000)	(783,000)
Income tax provision	(2,000)	(3,000)
Net loss	$(929,000)	$(786,000)
Other comprehensive income:		
Foreign currency translation adjustment	4,000	48,000
Comprehensive loss	$(925,000)	$(738,000)
Net loss per share: Basic & Diluted	$(0.17)	$(0.14)
Weighted average common shares outstanding: Basic & Diluted	5,539,756	5,539,756

See accompanying notes to consolidated financial statements.

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TAITRON COMPONENTS INCORPORATED
Consolidated Statements of Shareholders' Equity
Two years ended December 31, 2009

	Class A common stock		Class B common stock		Additional Paid-in	Accumulated Other Comprehensive Income	Retained	Total Shareholders'
	Shares	Amount	Shares	Amount	capital	(Loss)	Earnings	Equity
Balances at December 31, 2007	4,775,144	$ 5,000	762,612	$ 1,000	$ 10,544,000	$ 44,000	$ 10,855,000	$ 21,449,000
Issuances of common stock	2,000	-	-	-	2,000	-	-	2,000
Amortization of stock based compensation	-	-	-	-	23,000	-	-	23,000
Dividend payments	-	-	-	-	-	-	(277,000)	(277,000)
Comprehensive loss:								
Foreign currency translation adjustment	-	-	-	-	-	48,000	-	48,000
Net loss	-	-	-	-	-	-	(786,000)	(786,000)
Comprehensive loss	-	-	-	-	-	-	-	(738,000)
Balances at December 31, 2008	4,777,144	$ 5,000	762,612	$ 1,000	$ 10,569,000	$ 92,000	$ 9,792,000	$ 20,459,000
Amortization of stock based compensation	-	-	-	-	25,000	-	-	25,000
Dividend payments	-	-	-	-	-	-	(276,000)	(276,000)
Comprehensive loss:								
Foreign currency translation adjustment	-	-	-	-	-	4,000	-	4,000

Net loss	-	-	-	-	-	-	(929,000)	(929,000)
Comprehensive loss	-	-	-	-	-	-	-	(925,000)
Balances at December 31, 2009	4,777,144	$ 5,000	762,612	$ 1,000	$ 10,594,000	$ 96,000	$ 8,587,000	$ 19,283,000

See accompanying notes to consolidated financial statements.

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TAITRON COMPONENTS INCORPORATED
Consolidated Statements of Cash Flows

	Year ended December 31, 2009	2008
Cash flows from operating activities:		
Net loss	$(929,000)	$(786,000)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	226,000	248,000
Provision for inventory reserve	600,000	600,000
Provision for sales returns and doubtful accounts	39,000	148,000
Stock based compensation	25,000	23,000
Changes in operating assets and liabilities:		
Restricted cash	(100,000)	-
Trade accounts receivable	304,000	338,000
Inventory	1,019,000	296,000
Prepaid expenses and other current assets	320,000	(391,000)
Other assets	(8,000)	477,000
Trade accounts payable	(207,000)	(496,000)
Accrued liabilities	(13,000)	22,000
Total adjustments	2,205,000	1,265,000
Net cash provided by operating activities	1,276,000	479,000
Cash flows from investing activities:		
Acquisition of property and equipment	(45,000)	(32,000)
Minority interest in subsidiary	(32,000)	20,000
Net cash used in investing activities	(77,000)	(12,000)
Cash flows from financing activities:		
Borrowing on notes payable	500,000	500,000
(Payments) on notes payable	(421,000)	(89,000)
Dividend payments	(276,000)	(277,000)
Exercise of Class A common stock options	-	2,000
Net cash (used in) provided by financing activities	(197,000)	136,000
Impact of exchange rates on cash	4,000	48,000
Net increase in cash and cash equivalents	1,006,000	651,000
Cash and cash equivalents, beginning of year	1,762,000	1,111,000
Cash and cash equivalents, end of year	$2,768,000	$1,762,000
Supplemental disclosures of cash flow information:		
Cash paid for interest	$31,000	$41,000
Cash paid for income taxes, net	$1,000	$1,000

See accompanying notes to consolidated financial statements.

Explanation of Responses:

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TAITRON COMPONENTS INCORPORATED
Notes to Consolidated Financial Statements

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") as promulgated in the United States of America.

In July 2009, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 105-10, formerly Statement of Financial Accounting Standards ("SFAS") No. 168, The FASB Accounting Standards Codification and Hierarchy of Generally Accepted Accounting Principles, which became the single source of authoritative GAAP recognized by the FASB. ASC 105-10 does not change current U.S. GAAP, but on the effective date, the FASB ASC superseded all then existing non-SEC accounting and reporting standards. The ASC is effective for interim and annual reporting periods ending after September 15, 2009. The Company adopted ASC 105-10 during the year ended December 31, 2009 and revised its referencing of GAAP accounting standards in these financial statements to reflect the new standards.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, its various wholly-owned subsidiaries and its 60% majority-owned subsidiary, Taitron Components Mexico, SA de CV. All significant intercompany transactions and balances have been eliminated in consolidation. The ownership interests of the minority investors in Taitron Components Mexico, SA de CV are recorded in the accompanying consolidated balance sheet as minority interests, which have a balance of $219,000 as of December 31, 2009.

Concentration of Risk

A significant number of the products distributed by the Company are manufactured in Taiwan, Hong Kong, China, South Korea and the Philippines. The purchase of goods manufactured in foreign countries is subject to a number of risks, including economic disruptions, transportation delays and interruptions, foreign exchange rate fluctuations, imposition of tariffs and import and export controls and changes in governmental policies, any of which could have a material adverse effect on the Company's business and results of operations.

The ability to remain competitive with respect to the pricing of imported components could be adversely affected by increases in tariffs or duties, changes in trade treaties, strikes in air or sea transportation, and possible future U.S. legislation with respect to pricing and import quotas on products from foreign countries. For example, it is possible that political or economic developments in China, or with respect to the relationship of the United States with China, could have an adverse effect on the Company's business. The Company's ability to remain competitive could also be affected by other government actions related to, among other things, anti-dumping legislation and international currency fluctuations. While the Company does not believe that any of these factors adversely impact its business at present, the Company cannot provide assurance that these factors will not materially adversely affect the Company in the future. Any significant disruption in the delivery of merchandise from the Company's suppliers, substantially all of whom are foreign, could also have a material adverse impact on the Company's business and results of operations. Management estimates that over 90% of the Company's products were produced in Asia.

Samsung Electro-Mechanics Co. and Everlight Electronics Co, Ltd., together accounted for approximately 22% and 27% of all Taitron's net purchases for fiscal years 2009 and 2008, respectively. However, Taitron does not regard any one supplier as essential to its operations, since equivalent replacements for most of the products Taitron markets are either available from one or more of Taitron's other suppliers or are available from various other sources at competitive prices. Taitron believes that, even if it loses its direct relationship with a supplier, there exist alternative sources for a supplier's products.

For the year ended December 31, 2009 two customers accounted for 13% and 8% of our net sales. For the year ended December 31, 2008 two customers accounted for 11% and 8% of our net sales. As of December 31, 2009, two customers accounted for 19.6% and 8.6% of our trade receivables. As of December 31, 2008, two customers accounted for 19% and 17% of our trade receivables.

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Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents and maintains cash balances in multiple accounts at multiple banks. Accounts at our primary domestic financial institution are non-interest-bearing transaction accounts and as such, are 100% insured by the Federal Deposit Insurance Corporation ("FDIC") under the FDIC's Transaction Account Guarantee Program, as of the early of the maturity of the financial institution's obligation and June 30, 2012. Our cash held in a money market investment account exceeds insurance limits. Our foreign accounts are not insured, however, management does not believe that there is a significant credit risk with respect to the non-performance of these institutions based on their respective creditworthiness and liquidity.

Revenue Recognition

The Company will recognize revenue on arrangements in accordance with FASB ASC No. 605, "Revenue Recognition". In all cases, revenue is recognized when it has evidence of an arrangement, a determinable fee, and when collection is considered to be probable and products are delivered. This occurs upon shipment of the merchandise, which is when legal transfer of title occurs. Reserves for sales allowances and customer returns are established based upon historical experience and management's estimates of future returns. Sales returns for the years ended December 31, 2009 and 2008 aggregated $24,000 and $148,000, respectively.

Allowance for Sales Returns and Doubtful Accounts

On a case-by-case basis, the Company accepts returns of products from its customers, without restocking charges, when they can demonstrate an acceptable cause for the return. Requests by a distributor to return products purchased for its own inventory generally are not included under this policy. The Company will, on a case-by-case basis, accept returns of products upon payment of a restocking fee, which is generally 10% to 30% of the net sales price. The Company will not accept returns of any products that were special-ordered by a customer or that otherwise are not generally included in our inventory. The allowance for sales returns and doubtful accounts at December 31, 2009 and 2008 aggregated $89,000 and $74,000, respectively.

Inventory

Inventory, consisting principally of products held for resale, is stated at the lower of cost, using the first-in, first-out method, or market. The amount presented in the accompanying consolidated balance sheet is net of valuation allowances of $3,615,000 and $3,127,000 at December 31, 2009 and 2008, respectively. The Company uses a systematic methodology that includes regular evaluations of inventory to identify costs in excess of the lower of cost or market and slow-moving inventory.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and amortization. Depreciation and amortization of property and equipment are computed principally using accelerated and straight-line methods using lives from 5 to 7 years for furniture, machinery and equipment and 31.5 years for building and building improvements. Property and equipment amortized using an accelerated method does not result in a material difference over the straight-line method. Renewals and betterments, which extend the life of an existing asset, are capitalized while normal repairs and maintenance costs are expensed as incurred.

Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of

In accordance with ASC 350-30 (formerly SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets), the Company evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. When such factors and circumstances exist, the Company compares the projected undiscounted future cash flows associated with the related asset or group of assets over their estimated useful lives against their respective carrying amount. Impairment, if any, is based on the excess of the carrying amount over the fair value, based on market value when available, or discounted expected cash flows, of those assets and is recorded in the period in which the determination is made. The Company's management currently believes there is no impairment of its long-lived assets. There can be no assurance, however, that market conditions will not change or demand for the Company's products under development will continue. Either of these could result in future impairment of long-lived assets.

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Stock-Based Compensation

The Company accounts for its share-based compensation in accordance ASC 718-20 (formerly SFAS No. 123R, Share-Based Payment). Stock-based compensation cost is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense over the requisite vesting period.

Income Taxes

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are recorded, when necessary, to reduce deferred tax assets to the amount expected to be realized.

As a result of the implementation of certain provisions of ASC 740, Income Taxes, (formerly FIN 48, Accounting for Uncertainty in Income Taxes – An Interpretation of FASB Statement No. 109), (“ASC 740”), which clarifies the accounting and disclosure for uncertainty in tax positions, as defined. ASC 740 seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to accounting for income taxes. We adopted the provisions of ASC 740 as of January 1, 2007, and have analyzed filing positions in each of the federal and state jurisdictions where required to file income tax returns, as well as all open tax years in these jurisdictions. We have identified the U.S. federal and California as our "major" tax jurisdictions. Generally, we remain subject to Internal Revenue Service examination of our 2006 through 2008 U.S. federal income tax returns, and remain subject to California Franchise Tax Board examination of our 2005 through 2008 California Franchise Tax Returns. However, we have certain tax attribute carryforwards which will remain subject to review and adjustment by the relevant tax authorities until the statute of limitations closes with respect to the year in which such attributes are utilized.

We believe that our income tax filing positions and deductions will be sustained on audit and do not anticipate any adjustments that will result in a material change to our financial position. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to ASC 740. In addition, we did not record a cumulative effect adjustment related to th adoption of ASC 740. Our policy for recording interest and penalties associated with income-based tax audits is to record such items as a component of income taxes.

Financial Instruments

ASC 820-10 (formerly SFAS No. 157, Fair Value Measurements) requires entities to disclose the fair value of financial instruments, both assets and liabilities recognized and not recognized on the balance sheet, for which it is practicable to estimate fair value. ASC 820-10 defines the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. The estimated fair values of cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities approximate their carrying value because of the short-term maturity of these instruments. The estimated fair value of long-term debt approximates its carrying value because the interest rate associated with the instrument fluctuates with market conditions.

Net Loss Per Share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted loss per share includes potentially dilutive securities such as outstanding options and warrants, using various methods such as the treasury stock or modified treasury stock method in the determination of dilutive shares outstanding during each reporting period. Common equivalent shares, consisting primarily of stock options, of approximately 339,000 and 370,000 for the years ended December 31, 2009 and 2008, respectively, are excluded from the computation of diluted loss per share as their effect is anti-dilutive.

Foreign Currency Translation

The financial statements of the Company’s majority-owned subsidiary in Mexico and divisions in Taiwan, Brazil and China, which were established in 1998, 1997, 1996 and 2005, respectively, are translated into U.S. dollars for financial reporting purposes. Balance sheet accounts are translated at year-end or historical rates while income and expenses are translated at weighted-average exchange rates for the year. Translation gains or losses related to net assets are shown as a separate component of shareholders’ equity as accumulated other comprehensive income. Gains and losses resulting from realized foreign currency transactions (transactions denominated in a currency other than the entities’ functional currency) are included in operations. The transactional gains and losses are not significant to the consolidated financial statements.

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Use of Estimates

The Company's management has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. These estimates have a significant impact on the Company's valuation and reserve accounts relating to the allowance for sales returns, doubtful accounts and inventory reserves. Actual results could differ from these estimates.

Reclassifications

Certain reclassifications have been made to the prior years' financial statements in order to conform to the current year presentation. Such reclassifications are immaterial to both current and all previously issued financial statements taken as a whole and had no effect on previously reported results of operations.

Business Segments

We operate in one industry, the business of providing distribution and value-added services for electronic components. Management designates the internal reporting used by the chief executive officer for making decisions and assessing performance as the source of our reportable segments. See Note 12 to the consolidated financial statements Geographic Information, for additional information.

Recent Accounting Pronouncements

In June 2009, the FASB issued changes to the consolidation guidance applicable to a variable interest entity (VIE). FASB ASC Topic 810, "Consolidation," ("ASC 810") amends the guidance governing the determination of whether an enterprise is the primary beneficiary of a VIE, and is, therefore, required to consolidate an entity, by requiring a qualitative analysis rather than a quantitative analysis. The qualitative analysis will include, among other things, consideration of who has the power to direct the activities of the entity that most significantly impact the entity's economic performance and who has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. This standard also requires continuous reassessments of whether an enterprise is the primary beneficiary of a VIE. FASB ASC 810 also requires enhanced disclosures about an enterprise's involvement with a VIE. Topic 810 is effective as of the beginning of interim and annual reporting periods that begin after November 15, 2009. The adoption of ASC 810 did not have an impact on the Company's financial position, results of operations or cash flows.

As of June 15, 2009 ASC No. 855 "Subsequent Events" (formerly FASB 165), establishes principles and requirements for stating subsequent events. A subsequent event consists of events that provide additional information of a condition that is already being reported or of an event that does not exist as the balance sheet date. The latter event(s) are limited to certain event types that are outlined in their respective ASC. Certain events must be disclosed so as to not have financial statements that are misleading.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants, and the United States Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future financial statements.

2 – RESTRICTED CASH

At December 31, 2009 we had $100,000 of restricted cash on deposit as collateral for our $100,000 irrevocable letter of credit in favor of a trade vendor for inventory purchasing.

3 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Includes $166,000 for 1,000,000 preferred shares in Zowie Technology Corporation, a manufacturer of discrete semiconductors and also our supplier of electronic component products, as we have exercised our rights for redemption as of December 31, 2009. Also includes $17,000 in our investment in a land purchase contract, of which we expect to be refunded within one year.

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4 - PROPERTY AND EQUIPMENT

Property and equipment, at cost, is summarized as follows:

	December 31,			
		2009		2008
Land	$	1,297,000	$	1,297,000
Buildings and improvements		5,125,000		5,123,000
Furniture and equipment		978,000		981,000
Computer software and equipment		2,364,000		2,318,000
Total Property and Equipment		9,764,000		9,719,000
Less: Accumulated depreciation and amortization		(4,629,000)		(4,403,000)
Property and Equipment, net	$	5,135,000	$	5,316,000

5 - OTHER ASSETS

Other assets is summarized as follows:

	December 31,			
		2009		2008
Investment in securitites	$	68,000	$	68,000
Investment in joint venture		147,000		147,000
Other		29,000		21,000
Other Assets	$	244,000	$	236,000

Our $68,000 investment in securities as of December 31, 2009 relates to 154,808 shares of Zowie Technology Corporation, a manufacturer of discrete semiconductors and also a supplier of our electronic component products. This investment is accounted for under the cost method basis of accounting.

Our $147,000 investment in joint venture as of December 31, 2009, relates to our 49% ownership of Taiteam (Yangzhou) Technology Corporation Limited, a joint venture with its 51% owner, Full Harvest Development Limited. This joint venture is not considered to be a “Variable Interest Entity”, as defined under ASC 810 (formerly FAS Interpretation No. 46R), and as such, is accounted for under the equity method basis of accounting. This joint venture is not operational and as such, there has been no activity in this joint venture during 2009.

6 - LONG-TERM DEBT

Long-term debt consists of the following:

	December 31,			
		2009		2008
Bank loan	$	-	$	421,000
Less current portion		-		(89,000)
Subtotal	$	-	$	332,000
Secured credit facility - related party		1,000,000		500,000
Less current portion		-		-
Subtotal	$	1,000,000	$	500,000
Long-term debt, less current portion	$	1,000,000	$	832,000

Bank loan - On September 29, 2006, the Company borrowed $620,000 in connection with its acquisition of approximately 4,500 square feet of office space in Shanghai, China with a total purchase price of $1,230,000. On January 16, 2009, we repaid the entire outstanding balance of $421,000.

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Secured credit facility - On April 21, 2008 we entered into a $3,000,000 credit facility, collateralized by real property, from K.S. Best International Co. Ltd., a company controlled by the brother of our Chief Executive Officer, maturing on April 21, 2011. Credit is available in $500,000 advances, each advance payable in monthly interest only installments, at the rate of Prime + 0.25% per annum with entire principal amount outstanding due two years from the date of each advance or April 21, 2011, whichever is earlier. As of December 31, 3009 the aggregate outstanding balance on this credit facility was $1,000,000 as on June 3, 2008, we borrowed $500,000 due April 21, 2011 and on April 3, 2009, we borrowed $500,000 due April 3, 2011.

7 - SHAREHOLDER'S EQUITY

Preferred Stock - There are 5,000,000 shares of authorized preferred stock, par value $.001 per share, with no shares of preferred stock outstanding. The terms of the shares are subject to the discretion of the Board of Directors.

Class A Common Stock - There are 20,000,000 shares of authorized Class A common stock, par value $.001 per share, with 4,777,144 issued and outstanding as of December 31, 2009 and 2008. Each holder of Class A common stock is entitled to one vote for each share held. During 2009 and 2008, the Company did not repurchase any shares of its Class A common stock. However, the Company issued 0 and 2,000 shares of common stock upon the exercise of stock options during 2009 and 2008, respectively (Note 9).

Class B Common Stock - There are 762,612 shares of authorized Class B common stock, par value $.001 per share, with 762,612 shares issued and outstanding as of December 31, 2008 and 2007. Each holder of Class B common stock is entitled to ten votes for each share held. The shares of Class B common stock are convertible at any time at the election of the shareholder into one share of Class A common stock, subject to certain adjustments. The Company's Chief Executive Officer is the sole beneficial owner of all the outstanding shares of Class B common stock.

Dividends - On June 2, 2009, the Board of Directors declared an annual cash dividend of $0.05 per share of Class A and Class B common stock, payable to shareholders of record at the close of business on June 15, 2009. The total dividend amount paid for the year ended December 31, 2009 was $276,000. On March 28, 2008, the Board of Directors declared an annual cash dividend of $0.05 per share of Class A and Class B common stock, payable to shareholders of record at the close of business on April 15, 2008. The total dividend amount paid for the year ended December 31, 2008 was $277,000.

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8 - INCOME TAXES

Income tax provision is summarized as follows:

	Year Ended December 31, 2009	2008
Current:		
Federal	$ -	$ -
State	3,000	3,000
	3,000	3,000
Deferred:		
Federal	(249,000)	(196,000)
State	(64,000)	(54,000)
Increase in valuation allowance	313,000	250,000
	-	-
Income tax provision	$ 3,000	$ 3,000

The actual income tax provision differs from the "expected" tax computed by applying the Federal corporate tax rate of 34% to the loss before income taxes as follows:

	Year Ended December 31, 2009	2008
"Expected" income tax expense (benefit)	$ (313,000)	$ (250,000)
State tax expense, net of Federal benefit	2,000	2,000
Foreign (income) loss	-	-
Increase in valuation allowance	313,000	250,000
Other	1,000	1,000
Income tax provision	$ 3,000	$ 3,000

The tax effects of temporary differences which give rise to significant portions of the deferred taxes are summarized as follows:

	December 31, 2009	2008
Deferred tax assets:		
Inventory reserves	$ 1,549,000	$ 1,340,000
Section 263a adjustment	82,000	90,000
Allowances for bad debts and returns	33,000	32,000
Accrued expenses	20,000	18,000
Asset valuation reserve	57,000	57,000
State net operating loss carry forward	182,000	61,000
Other	34,000	24,000
Total deferred tax assets	1,957,000	1,622,000
Valuation allowance	(1,804,000)	(1,491,000)
	153,000	131,000
Deferred tax liabilities:		
Deferred state taxes	(153,000)	(131,000)

Net deferred tax assets	$ -	$ -

As of December 31, 2009, the Company had approximately $297,000 and $917,000 in net operating loss carryforwards for federal and state income tax purposes, respectively. In assessing the realizability of the deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. Management considers the scheduled reversal of deferred tax assets, the level of historical taxable income and tax planning strategies in making the assessment of the realizability of deferred tax assets. We have identified the U.S. federal and California as our "major" tax jurisdiction and generally, we remain subject to Internal Revenue Service examination of our 2006 through 2008 U.S. federal income tax returns, and remain subject to California Franchise Tax Board examination of our 2005 through 2008 California Franchise Tax Returns.

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As a result of the implementation of ASC 740, we recognized no material adjustment to unrecognized tax benefits. At the adoption date of January 1, 2007, we had $795,000 of unrecognized tax benefits, all of which would affect our effective tax rate if recognized. At December 31, 2009 and 2008, we have $1,804,000 and $1,491,000 of unrecognized tax benefits, respectively. The Company will continue to classify income tax penalties and interest, if any, as part of interest and other expenses in its statements of operations. The Company has incurred no interest or penalties as of December 31, 2009 and 2008.

9 - 401(k) PROFIT SHARING PLAN

In January 1995, the Company implemented a defined contribution profit sharing plan pursuant to Section 401(k) of the Internal Revenue Code (the Code) covering all employees of the Company. Participants once eligible, as defined by the plan, may contribute up to the maximum allowed under the Code. The plan also provides for safe harbor matching contributions, vesting immediately, at the discretion of the Company. For each of the years ended December 31, 2009 and 2008, employer matching contributions aggregated approximately $33,000.

Participants in the plan, through self-directed brokerage accounts, held 228,939 and 156,354 shares in Class A common stock of the Company as of December 31, 2009 and 2008, respectively. The Plan does not offer new issues of common stock of the Company as an investment option.

10 - STOCK OPTIONS

The Company's 2005 Stock Incentive Plan (the "Plan") authorizes the issuance of up to 1,000,000 shares pursuant to options or awards granted under the plan. Under the Plan, incentive stock and nonstatutory options were granted at prices equal to at least the fair market value of the Company's Class A common stock at the date of grant. Outstanding options vest in three equal annual installments beginning one year from the date of grant and are subject to termination provisions as defined in the Plan. The fair value of options using the Black-Scholes option-pricing model with the following weighted average assumptions was as follows for 2009 and 2008: dividend yield of 2%; expected volatility of 33%; a risk free interest rate of approximately 4.4% and an expected holding period of five years.

Stock option activity during the periods indicated is as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Years Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2007	414,167	$ 1.84	4.41	$ 106,000
Granted	51,000	1.63	7.26	-
Exercised	(2,000)	1.00	-	-
Forfeited	(10,000)	2.40	-	-
Outstanding at December 31, 2008	453,167	$ 1.81	3.64	-
Granted	42,000	0.87	8.05	-
Forfeited	(99,667)	1.62	-	-
Outstanding at December 31, 2009	395,500	$ 1.75	4.29	-
Exercisable at December 31, 2009	297,834	$ 1.84	3.41	-

At December 31, 2009, the range of individual weighted average exercise prices was $1.71 to $2.05.

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11 - NET LOSS PER SHARE

The following data shows a reconciliation of the numerators and the denominators used in computing loss per share and the weighted average number of shares of dilutive potential common stock.

	Year ended December 31, 2009	2008
Net loss available to common shareholders used in basic and diluted loss per share	$ (929,000)	$ (786,000)
Weighted average number of common shares used in basic loss per share	5,539,673	5,539,673
Basic loss per share	$ (0.17)	$ (0.14)
Effect of dilutive securities:		
Options	-	-
Weighted average number of common shares and dilutive potential common shares used in diluted loss per share	5,539,673	5,539,673
Diluted loss per share	$ (0.17)	$ (0.14)

12 - COMMITMENTS AND CONTINGENCIES

Legal and Regulatory Proceedings
The Company is engaged in various legal and regulatory proceedings incidental to its normal business activities, none of which, individually or in the aggregate, are deemed to be a material risk to its financial condition.

Inventory Purchasing
Outstanding commitments to purchase inventory from suppliers aggregated $1,100,000 as of December 31, 2009.

Regulation
Effective July 1, 2006, the European Union (“EU”) directive relating to the Restriction of Certain Hazardous Substance (“RoHS”) restricted the distribution of products within the EU containing certain substances, including lead. At the present time, much of our inventory contains substances prohibited by the RoHS directive and some of our inventory may become obsolete and unsaleable and, as a result, have to be written off.

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13 - GEOGRAPHIC INFORMATION

The following table presents summary geographic information about revenues and long-lived assets (land and property, net of accumulated depreciation) attributed to countries based upon location of our customers:

	Year ended December 31, 2009 Revenues	December 31, 2009 Long-lived Assets	Year ended December 31, 2008 Revenues	December 31, 2008 Long-lived Assets
United States	$3,873,000	$3,454,000	$4,425,000	$3,617,000
Mexico	667,000	172,000	1,173,000	184,000
Brazil	231,000	-	368,000	-
Taiwan	90,000	285,000	311,000	297,000
China	48,000	1,224,000	136,000	1,218,000
Canada	29,000	-	26,000	-
Other foreign countries	602,000	-	758,000	-
Total	$5,540,000	$5,135,000	$7,197,000	$5,316,000

14 - SUBSEQUENT EVENTS

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through March 31, 2010, the date the financial statements were issued.

ITEM 9.CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE. None.

ITEM 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures.

Our management, with the participation of our principal executive and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934 (“Exchange Act”)) as of the end of the period covered by this report. Based on that evaluation, our principal executive and principal financial officer concluded that our disclosure controls and procedures as of the end of the period covered by this report were effective such that the information required to be disclosed by us in reports filed under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and (ii) accumulated and communicated to our management, including our principal executive and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control over Financial Reporting.

a) Management’s Annual Report on Internal Control over Financial Reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) for the Company. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. Because of its inherent limitations, internal control over financial reporting may not prevent nor detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving their control objectives.

Our internal controls framework is based on the criteria set forth in the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and includes those policies and procedures that: (i) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; (ii) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

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Based on such criteria, our management, with the participation of our principal executive and principal financial officer, evaluated the effectiveness of the Company's internal control over financial reporting as of December 31, 2009 and 2008 and concluded that, as of December 31, 2009 and 2008, our internal control over financial reporting was effective.

Management's assessment report was not subject to attestation by the Company's independent registered public accounting firm and as such, no attestation was performed pursuant to SEC Final Rule Release Nos. 33-8934; 34-58028 that permit the Company to provide only management's assessment report for the year ended December 31, 2009 and 2008.

b) Changes in Internal Control over Financial Reporting. There has been no change in our internal control over financial reporting that occurred in our fiscal quarter ended December 31, 2009 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION. None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE.

The information required by this section, with the exception of the information provided below concerning the Company's Code of Ethics, will appear in the Proxy Statement for the 2010 Annual Meeting of Shareholders (the "Proxy Statement") under the captions "Election of Directors", "Compliance with Section 16(a) - Beneficial Ownership Reporting" and "Report of the Audit Committee" and is incorporated herein by this reference. The Proxy Statement will be filed with the Securities and Exchange Commission within 120 days following December 31, 2009.

The Company has adopted a Code of Ethics that applies to all officers (including its principal executive officer, principal financial officer, controller and any person performing similar functions). The Code of Ethics is available on the Company's website at www.taitroncomponents.com.

ITEM 11. EXECUTIVE COMPENSATION.

The information required by this section will appear in the Proxy Statement under the caption "Executive Compensation" and is incorporated herein by this reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The information required by this section will appear in the Proxy Statement under the caption "Security Ownership of Certain Beneficial Owners and Management" and is incorporated herein by this reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE.

The information required by this section will appear in the Proxy Statement under the caption "Certain Relationships and Related Transactions" and is incorporated herein by this reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

The information required by this section will appear in the Proxy Statement under the caption "Principal Accounting Fees and Services" and is incorporated herein by this reference.

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

Financial Statement Schedules. Not Applicable.

Exhibits

3.1	Articles of Incorporation of Taitron Components Incorporated. (1)
3.2	Bylaws. (1)
4.1	Specimen certificate evidencing Class A common stock. (1)
4.2	Form of Underwriter's Warrant. (1)
10.1*	Form of Director and Officer Indemnification Agreement. (1)
10.2*	2005 Stock Incentive Plan. (2)
21.1**	List of Subsidiaries.
23.1**	Consent of Independent Registered Public Accounting Firm – Anton & Chia LLP.
24.1**	Power of Attorney (contained on the signature page hereof).
31.1**	Principal Executive Officer - Section 302 Certification.
31.2**	Principal Financial Officer - Section 302 Certification.
32**	Principal Executive and Principal Financial Officer - Section 906 Certification.

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* Management contract or compensatory plan or arrangement.

** Filed herewith.

(1) Incorporation by reference from the Company's Registration Statement on Form SB-2, Registration No. 33-90294-LA.

(2) Incorporated by reference from the Company's Definitive Proxy Statement on Form DEF-14 filed May 2, 2006.

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SIGNATURES

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

TAITRON COMPONENTS INCORPORATED

Dated: March 31, 2010	By:	/s/ Stewart Wang Stewart Wang Director, Chief Executive Officer and President
Dated: March 31, 2010	By:	/s/ David Vanderhorst David Vanderhorst Chief Financial Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Stewart Wang and David Vanderhorst and each of them singly, as attorneys-in-fact and agents, with full power of substitution, for him in any and all capacities, to sign any amendments to this Annual Report, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or his substitutes, may do or cause to be done by virtue hereof.

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

Signature	Title	Date
/s/ Johnson Ku Johnson Ku	Chairman of the Board	March 31, 2010
/s/ Stewart Wang Stewart Wang	Director, Chief Executive Officer and President	March 31, 2010
/s/ Richard Chiang Richard Chiang	Director	March 31, 2010
/s/ Craig Miller Craig Miller	Director	March 31, 2010
/s/ Felix Sung Felix Sung	Director	March 31, 2010