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NATIONAL RV HOLDINGS INC

Form 8-K/A

March 29, 2007

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

FORM 8-K/A
(AMENDMENT NO. 1)

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported) February 16, 2007

NATIONAL R.V. HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

| | | |
|---|-----------------------|---|
| Delaware | 001-12085 | 33-0371079 |
| ----- | ----- | ----- |
| (State or other jurisdiction of incorporation) | (Commission File No.) | (I.R.S. Employer Identification No.) |

100 West Sinclair Street
Perris, California 92571

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (951) 436-3000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (SEE General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.01. COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS.

On February 20, 2007, National R.V. Holdings, Inc. (the "Company") completed the sale of its wholly-owned subsidiary, Country Coach, Inc., an Oregon Corporation ("CCI"), to Country Coach Holdings LLC, a Delaware limited liability

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company, an entity owned primarily by Riley Investment Management, LLC, a Delaware limited liability company. Mr. Bryant R. Riley, who owns approximately 1.2 million shares of the Company's common stock, is the sole equity owner of Riley Investment Management, LLC. This disposition will be accounted for as a discontinued operation in fiscal 2007.

The Company reported the completion of this sale in its Form 8-K filed on February 21, 2007. The above-referenced Form 8-K is hereby amended to add the pro forma financial statements required by Item 9.01(b).

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(b) Pro forma financial information:

The following unaudited pro forma consolidated financial information is being filed herewith:

- Pro Forma Condensed Consolidated Balance Sheet as of September 30, 2006. (UNAUDITED)
- Pro Forma Condensed Consolidated Statement of Operations for the nine months ended September 30, 2006. (UNAUDITED)
- Pro Forma Condensed Consolidated Statement of Operations for the year ended December 31, 2005. (UNAUDITED)
- Pro Forma Condensed Consolidated Statement of Operations for the year ended December 31, 2004. (UNAUDITED)
- Pro Forma Condensed Consolidated Statement of Operations for the year ended December 31, 2003. (UNAUDITED)
- Explanations of the Pro Forma Adjustments.

The unaudited pro forma condensed consolidated balance sheet presents the financial position of the Company as of September 30, 2006, assuming the sale of CCI occurred on that date.

The unaudited pro forma condensed consolidated statements of operations present the financial results from continuing operations of the Company for the nine months ended September 30, 2006 and the years ended December 31, 2005, 2004 and 2003, assuming the sale had occurred at the beginning of each of the periods presented.

The unaudited pro forma condensed consolidated financial statements are based on estimates and assumptions. The Company believes that the assumptions and estimates used in the preparation of the unaudited pro forma condensed consolidated financial statements are reasonable. These estimates and assumptions have been made solely for the purposes of developing these unaudited pro forma condensed consolidated financial statements. The unaudited pro forma condensed consolidated financial statements are presented for illustrative purposes only and are not necessarily indicative of the financial position or results of operations that actually would have been realized had CCI been sold on the dates indicated above, nor is it necessarily indicative of the Company's future financial position or results of operations.

The unaudited pro forma condensed financial information should be read in conjunction with the historical consolidated financial statements of the Company, including the notes thereto.

FORWARD-LOOKING STATEMENTS

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This Form 8-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about the Company's future expectations, performance, plans, and prospects, as well as assumptions about future events. Investors are cautioned that forward-looking statements are inherently uncertain. Actual performance and results may differ materially from that projected or suggested herein due to certain risks and uncertainties including, without limitation, the cyclical nature of the recreational vehicle industry; continuation of losses; the ability of the Company to address the effects caused by defective fiberglass material supplied by a third party supplier; the ability of the Company's new and redesigned product introductions to achieve market acceptance; seasonality and potential fluctuations in the Company's operating results; any material weaknesses in the Company's internal control over financial reporting or the failure to remediate any of the previously disclosed material weaknesses; any failure to implement required new or improved controls; the Company's ability to maintain its stock exchange listing; the Company's dependence on chassis suppliers; potential liabilities under dealer/lender repurchase agreements; competition; government regulation; warranty claims; product liability; and dependence on certain dealers and concentration of dealers in certain regions. Certain risks and uncertainties that could cause actual results to differ materially from that projected or suggested are set forth in the Company's Form 10-K and other filings with the Securities and Exchange Commission ("SEC") and the Company's public announcements, copies of which are available from the SEC or from the Company upon request.

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NATIONAL R.V. HOLDINGS, INC. PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET - UNAUDITED SEPTEMBER 30, 2006

| In thousands | As Reported | Pro Forma Adjustments (a) | |
|---|-------------|------------------------------|-----|
| ----- | | | |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 4 | \$ 2 | |
| | | (5,460) | (b) |
| Restricted cash and cash equivalents | 720 | -- | |
| Receivables, less \$533 allowance for doubtful accounts | 21,801 | 13,223 | |
| Inventories | 73,191 | 39,945 | |
| Deferred income taxes | 778 | 473 | (h) |
| Prepaid expenses | 2,732 | 1,099 | |
| ----- | | | |
| Total current assets | 99,226 | 49,282 | |
| Property, plant and equipment, net | 38,411 | 12,248 | |
| Other assets | 1,344 | -- | |
| ----- | | | |
| Total assets | \$ 138,981 | \$ 61,530 | |
| ===== | | | |

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| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
|--|----|---------|-------------|
| Current liabilities: | | | |
| Book overdraft | \$ | 7,086 | \$ 4,472 |
| | | | 2,614 (b) |
| Accounts payable | | 34,394 | 18,180 |
| | | | 6,630 (b) |
| Accrued expenses | | 23,396 | 13,265 |
| | | | (670) (c) |
| Line of credit | | 24,048 | 24,048 (b) |
| Current portion of capital leases | | 62 | -- |
| | | | ----- |
| Total current liabilities | | 88,986 | 68,539 |
| Long-term accrued expenses | | 4,986 | 132 |
| Deferred income taxes | | 778 | 473 |
| Long-term portion of capital leases | | 136 | -- |
| | | | ----- |
| Total liabilities | | 94,886 | 69,144 |
| Stockholders' equity: | | | |
| Common Stock | | 103 | -- |
| Additional paid-in capital | | 38,256 | -- |
| Retained earnings | | 5,736 | (8,284) (d) |
| | | | 670 (c) |
| | | | ----- |
| Total stockholders' equity | | 44,095 | (7,614) |
| | | | ----- |
| Total liabilities and stockholders' equity | \$ | 138,981 | \$ 61,530 |
| | | | ===== |

The accompanying explanations of the pro forma adjustments are an integral part of the unaudited pro forma condensed consolidated financial statements.

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NATIONAL R.V. HOLDINGS, INC. PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS - UNAUDITED FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2006

| In thousands, except per share data | As Reported | Discontinued Operations (a) | |
|--|-------------|-----------------------------|-------|
| Net sales | \$ 315,107 | \$ 185,124 | \$ |
| Cost of goods sold | 309,031 | 172,993 | |
| | ----- | ----- | ----- |
| Gross profit (loss) | 6,076 | 12,131 | |
| Operating expenses | 20,479 | 9,190 | |
| | ----- | ----- | ----- |
| Operating (loss) income | (14,403) | 2,941 | |
| Interest expense and other income, net | 1,734 | 65 | |
| | | 801 (e) | |
| | ----- | ----- | ----- |
| (Loss) income before income taxes | (16,137) | 2,075 | |
| Provision for income taxes | 123 | 46 (f) | |

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| | | | |
|--|-------------|----------|-------|
| (Loss) income from continuing operations | \$ (16,260) | \$ 2,029 | \$ |
| | ===== | ===== | ===== |
| Basic and diluted loss per common share from continuing operations | \$ (1.57) | | \$ |
| | ===== | | ===== |
| Weighted average number of shares: | | | |
| Basic | 10,339 | | |
| Diluted | 10,339 | | |

The accompanying explanations of the pro forma adjustments are an integral part of the unaudited pro forma condensed consolidated financial statements.

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NATIONAL R.V. HOLDINGS, INC. PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS - UNAUDITED FOR THE YEAR ENDED DECEMBER 31, 2005

| In thousands, except per share data | As Reported | Discontinued Operations (a) | |
|--|-------------|-----------------------------|-------|
| | ----- | ----- | ----- |
| Net sales | \$ 463,610 | \$ 260,557 | \$ |
| Cost of goods sold | 451,622 | 240,127 | |
| | ----- | ----- | ----- |
| Gross profit (loss) | 11,988 | 20,430 | |
| Operating expenses | 30,102 | 12,492 | |
| | ----- | ----- | ----- |
| Operating (loss) income | (18,114) | 7,938 | |
| Interest expense and other income, net | 1,473 | 41 | |
| | | 595 (e) | |
| | ----- | ----- | ----- |
| (Loss) income before income taxes | (19,587) | 7,302 | |
| Provision for income taxes | 181 | 56 (f) | |
| | ----- | ----- | ----- |
| (Loss) income from continuing operations | \$ (19,768) | \$ 7,246 | \$ |
| | ===== | ===== | ===== |
| Basic and diluted loss per common share from continuing operations | \$ (1.91) | | \$ |
| | ===== | | ===== |
| Weighted average number of shares: | | | |
| Basic | 10,338 | | |
| Diluted | 10,338 | | |

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The accompanying explanations of the pro forma adjustments are an integral part of the unaudited pro forma condensed consolidated financial statements.

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NATIONAL R.V. HOLDINGS, INC. PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS - UNAUDITED FOR THE YEAR ENDED DECEMBER 31, 2004

| In thousands, except per share data | As Reported | Discontinued Operations (a) | |
|---|-------------|--------------------------------|-------|
| Net sales | \$ 436,813 | \$ 224,973 | \$ |
| Cost of goods sold | 405,858 | 204,277 | |
| Gross profit | 30,955 | 20,696 | |
| Operating expenses | 25,874 | 12,127 | |
| Operating income (loss) | 5,081 | 8,569 | |
| Interest expense and other income, net | 237 | (42) | (e) |
| | | 116 | |
| Income (loss) before income taxes | 4,844 | 8,495 | |
| Provision for income taxes | 13,161 | 1,395 | (f) |
| (Loss) income from continuing operations | \$ (8,317) | \$ 7,100 | \$ |
| | ===== | ===== | ===== |
| Basic and diluted loss per common share from continuing operations | \$ (0.81) | | \$ |
| | ===== | | ===== |
| Weighted average number of shares: | | | |
| Basic | 10,217 | | |
| Diluted | 10,217 | | |

The accompanying explanations of the pro forma adjustments are an integral part of the unaudited pro forma condensed consolidated financial statements.

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NATIONAL R.V. HOLDINGS, INC. PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS - UNAUDITED FOR THE YEAR ENDED DECEMBER 31, 2003

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| In thousands, except per share data | As Reported | Discontinued Operations (a) | |
|--|-------------|-----------------------------|-----|
| Net sales | \$ 312,548 | \$ 137,900 | \$ |
| Cost of goods sold | 306,333 | 130,673 | |
| Gross profit (loss) | 6,215 | 7,227 | |
| Operating expenses | 16,966 | 7,390 | |
| Operating loss | (10,751) | (163) | |
| Interest expense and other income, net | 392 | 11 | |
| | | 147 | (e) |
| Loss before income taxes | (11,143) | (321) | |
| Benefit from income taxes | (4,116) | (118) | (g) |
| Loss from continuing operations | \$ (7,027) | \$ (203) | \$ |
| Basic and diluted loss per common share from continuing operations | \$ (0.71) | | \$ |
| Weighted average number of shares: | | | |
| Basic | 9,900 | | |
| Diluted | 9,900 | | |

The accompanying explanations of the pro forma adjustments are an integral part of the unaudited pro forma condensed consolidated financial statements.

EXPLANATION OF THE PRO FORMA ADJUSTMENTS

The historical condensed consolidated financial statements have been adjusted to give effect to pro forma events that are (1) directly attributable to the sale of CCI; (2) factually supportable; and (3) as they relate to the statements of operations, expected to have a continuing impact on the consolidated results. The following pro forma adjustments are included:

- (a) To eliminate the financial results, assets, liabilities and retained earnings related to the sale of CCI.
- (b) To record the use of proceeds from the sale of CCI.
- (c) To record estimated administrative and other costs incurred by the Company related to the sale of CCI.
- (d) To record the estimated gain on disposition.
- (e) To record the adjustment of interest costs resulting from the paydown of the line of credit with the proceeds received from the sale of CCI.
- (f) To record the adjustment to income tax provision, net of a full tax valuation reserve.
- (g) To record the adjustments to income tax provision to reflect the tax effect of the above entries.

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(h) To record the elimination of CCI deferred income taxes.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

NATIONAL R.V. HOLDINGS, INC.

By: /s/ Thomas J. Martini

Thomas J. Martini
Chief Financial Officer

Date: March 29, 2007

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