

COOPER TIRE & RUBBER CO  
Form 8-K  
July 27, 2010

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 8-K  
CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
Date of report (Date of earliest event reported): July 23, 2010  
COOPER TIRE & RUBBER COMPANY  
(Exact Name of Registrant as Specified in Charter)**

Delaware

001-04329

344297750

(State or Other Jurisdiction  
of Incorporation)

(Commission  
File Number)

(IRS Employer  
Identification No.)

701 Lima Avenue, Findlay, Ohio

45840

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (419) 423-1321

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

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:

- 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 2.02. Results of Operations and Financial Condition.**

Cooper Tire & Rubber Company (the Company) will host a conference call for investors and security analysts on August 5, 2010, beginning at 11:00 a.m., Eastern Daylight Time. Company management will discuss the financial results. Individuals can access a webcast of the conference call at the investor relations web page at [www.coopertire.com](http://www.coopertire.com).

The information under Item 4.02(a) Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review below is incorporated herein by reference.

**Item 4.02(a). Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.**

On July 23, 2010, as a result of a review of the accounting by Cooper Tire & Rubber Company (the Company) of Noncontrolling shareholders' interests, the Audit Committee of the Board of Directors and management of the Company determined that its consolidated financial statements contained in the Annual Report on Form 10-K for the fiscal year ended December 31, 2009 (the Form 10-K) and the consolidated financial statements contained in the Quarterly Report on Form 10-Q for the three months ended March 31, 2010 (the Form 10-Q) will be restated and such financial statements should no longer be relied upon.

In accordance with applicable financial guidance, a portion of the Currency translation adjustment recorded in Comprehensive income (loss) and Cumulative other comprehensive loss should have been allocated to the Noncontrolling shareholders' interests in consolidated subsidiaries which include Cooper Chengshan, Cooper Kenda, and Cooper de Mexico.

The restatement also relates, in part, to the Company's classification of the Noncontrolling shareholders' interest in Cooper Chengshan. The Company classified the Noncontrolling shareholders' interest as permanent equity as of December 31, 2006, 2007, 2008 and 2009 and March 31, 2010. After completion of a recent review, including consideration of the applicable financial guidance, and evaluation of the agreements related to the Cooper Chengshan joint venture, management determined that the Noncontrolling shareholders' interest in Cooper Chengshan should be classified as a Redeemable noncontrolling shareholders' interest in mezzanine equity on the balance sheet because, pursuant to the agreements related to Cooper Chengshan, the owners of the Noncontrolling shareholders' interest in Cooper Chengshan had the right to sell and, if exercised, the Company had the obligation to purchase, the remaining 49 percent Noncontrolling shareholders' interest share at a minimum price of \$62.7 million. This put option was previously disclosed in the footnotes to the financial statements, with a term beginning on January 1, 2009 and continuing through December 31, 2011.

The restatement will not affect any items in the Company's consolidated statement of operations, other than the basic and diluted earnings per share. The restatement will have no impact on the Company's consolidated statements of cash flows as of any date or for any period.

The following table reflects the impact of the allocation of the currency translation adjustment and the reclassification on the Company's balance sheet for the fiscal years ended December 31, 2006, 2007, 2008 and 2009 and the three month periods ended March 31, 2009 and March 31, 2010:

(dollar amounts in thousands)

	As of December 31, 2006		As of December 31, 2007	
	As		As	
	Originally	As	Originally	As
	Reported	Restated	Reported	Restated
Redeemable noncontrolling shareholders interest		44,956		56,686
Retained earnings	1,256,971	1,256,971	1,350,527	1,350,527
Cumulative other comprehensive loss	(282,552)	(284,509)	(205,677)	(213,414)
Total parent stockholders equity	639,891	637,934	792,291	784,554
Noncontrolling shareholders interests in consolidated subsidiaries	71,309	28,310	90,657	41,708
Total stockholders equity	711,200	666,244	882,948	826,262
<b>Total Liabilities and Equity</b>	<b>2,235,515</b>	<b>2,235,515</b>	<b>2,298,490</b>	<b>2,298,490</b>

Note: These are selected measures and not intended to sum.

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	As of December 31, 2008		As of December 31, 2009	
	As		As	
	Originally	As	Originally	As
	Reported	Restated	Reported	Restated
Redeemable noncontrolling shareholders interest		62,720		83,528
Retained earnings	1,106,344	1,096,405	1,133,133	1,133,133
Cumulative other comprehensive loss	(450,079)	(464,427)	(455,750)	(470,272)
Total parent stockholders equity	294,116	269,829	345,330	330,808
Noncontrolling shareholders interests in consolidated subsidiaries	86,850	48,417	118,722	49,716
Total stockholders equity	380,966	318,246	464,052	380,524
<b>Total Liabilities and Equity</b>	<b>2,042,896</b>	<b>2,042,896</b>	<b>2,100,340</b>	<b>2,100,340</b>
	As of March 31, 2009		As of March 31, 2010	
	As		As	
	Originally	As	Originally	As
	Reported	Restated	Reported	Restated
Redeemable noncontrolling shareholders interest		62,720		55,041
Retained earnings	1,078,842	1,067,793	1,137,764	1,137,764
Cumulative other comprehensive loss	(449,340)	(463,789)	(444,946)	(456,816)
Total parent stockholders equity	268,431	242,933	360,503	348,633
Noncontrolling shareholders interests in consolidated subsidiaries	84,830	47,608	98,627	55,456
Total stockholders equity	353,261	290,541	459,130	404,089
<b>Total Liabilities and Equity</b>	<b>2,025,887</b>	<b>2,025,887</b>	<b>2,142,892</b>	<b>2,142,892</b>

In addition to the reclassification of the Noncontrolling shareholders' interest in Cooper Chengshan described above, the Company's management determined that it did not properly consider the accreted value of the Noncontrolling shareholders' interest in Cooper Chengshan. Because the Noncontrolling shareholders' interest in Cooper Chengshan is redeemable at an amount other than fair value, it is considered a preferential obligation of the Company. Accordingly, adjustments (accretion only) to the carrying value of the Noncontrolling shareholders' interest in Cooper Chengshan must be considered in Retained earnings shown in the previous table, and in the calculation of earnings per share. Based on the election by the Company to accrete the carrying value of this Noncontrolling shareholders' interest over time, to the date it became redeemable, using the interest method, the following table reflects the impact of this adjustment on Basic and Diluted earnings per share for the years ended December 31, 2008 and 2009 and for the three month periods ended March 31, 2009 and March 31, 2010. There was no impact to Basic or Diluted earnings per share for the years ended December 31, 2006 and 2007 (not shown) or the three month period ended March 31, 2010 (as shown).

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stockholders				
Income (loss) from discontinued operations	(0.01)	(0.01)	(0.01)	(0.01)
Net income (loss) available to Cooper Tire & Rubber Company common stockholders	\$ (0.36)	\$ (0.38)	\$ 0.19	\$ 0.19
Diluted earnings (loss) per share:				
Income (loss) from continuing operations available to Cooper Tire & Rubber Company common stockholders	\$ (0.35)	\$ (0.37)	\$ 0.20	\$ 0.20
Income (loss) from discontinued operations	(0.01)	(0.01)	(0.01)	(0.01)
Net income (loss) available to Cooper Tire & Rubber Company common stockholders	\$ (0.36)	\$ (0.38)	\$ 0.19	\$ 0.19

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The Company will file an amendment to the Form 10-K and the Form 10-Q to restate its consolidated financial statements included therein and otherwise reflect the adjustments described above. These filings are expected to be made by the Company on August 4, 2010.

In connection with this restatement for the respective periods referenced above, the Company has concluded that a material weakness existed in the Company's internal control over financial reporting. The Company has taken a series of steps designed to improve its control processes. These actions include a review of the accounting for joint ventures from acquisition to present with a special focus on changes to reporting guidance that may affect the Company's accounting. The Company is also implementing measures to enhance the controls by which authoritative guidance will be monitored and applied on a regular basis. The Company believes that these measures will appropriately address the material weakness related to the issues described above.

The Company's management and the Audit Committee of the Board of Directors have discussed the matters disclosed in this Current Report on Form 8-K with Ernst & Young LLP, the Company's independent registered public accounting firm.

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**SIGNATURES**

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 hereunto duly authorized.

**COOPER TIRE & RUBBER COMPANY**

By: /s/ Bradley E. Hughes

Name: Bradley E. Hughes

Title: Vice President and Chief Financial  
Officer

Date: July 27, 2010