

GP STRATEGIES CORP
Form 10-Q
August 09, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

For the quarterly period ended June 30, 2006

or

Transition Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number 1-7234

GP STRATEGIES CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware
(State of Incorporation)

13-1926739
(I.R.S. Employer Identification No.)

6095 Marshalee Drive, Suite 300, Elkridge, MD
(Address of principal executive offices)

21075
(Zip Code)

(410) 379-3600

Registrant's telephone number, including area code:

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12(b)-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of issuer's classes of common stock as of July 31, 2006:

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Class

Common Stock, par value \$.01 per share
Class B Capital Stock, par value \$.01 per share

Outstanding

15,627,221 shares

	Page
<u>Part I.</u>	
<u>Financial Information</u>	
<u>Item 1.</u>	
<u>Financial Statements</u>	
<u>Condensed Consolidated Balance Sheets</u> <u>June 30, 2006 and December 31, 2005</u>	1
<u>Condensed Consolidated Statements of Operations</u> <u>Three Months and Six Months Ended June 30, 2006 and 2005</u>	2
<u>Condensed Consolidated Statement of Stockholders' Equity</u> <u>Six Months Ended June 30, 2006</u>	3
<u>Condensed Consolidated Statements of Cash Flows</u> <u>Six Months Ended June 30, 2006 and 2005</u>	4
<u>Notes to Condensed Consolidated Financial Statements</u>	5
<u>Item 2.</u>	
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	18
<u>Item 3.</u>	
<u>Quantitative and Qualitative Disclosure About Market Risk</u>	27
<u>Item 4.</u>	
<u>Controls and Procedures</u>	27
<u>Part II.</u>	
<u>Other Information</u>	
<u>Item 1.</u>	
<u>Legal Proceedings</u>	28
<u>Item 1A.</u>	
<u>Risk Factors</u>	28
<u>Item 2.</u>	
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	28
<u>Item 3.</u>	
<u>Defaults Upon Senior Securities</u>	28
<u>Item 4.</u>	
<u>Submission of Matters to a Vote of Security Holders</u>	28
<u>Item 5.</u>	
<u>Other Information</u>	28
<u>Item 6.</u>	
<u>Exhibits</u>	28
<u>Signatures</u>	30

Part I. Financial Information**Item 1. Financial Statements****GP STRATEGIES CORPORATION AND SUBSIDIARIES**

Condensed Consolidated Balance Sheets
(In thousands, except per share amounts)

	June 30, 2006 (Unaudited)	December 31, 2005
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,164	\$ 18,118
Accounts and other receivables, less allowance for doubtful accounts of \$632 in 2006 and \$1,166 in 2005	23,703	27,079
Costs and estimated earnings in excess of billings on uncompleted contracts	13,109	11,487
Prepaid expenses and other current assets	5,719	5,936
Total current assets	44,695	62,620
Property, plant and equipment	6,864	6,619
Accumulated depreciation	(5,007)	(4,762)
Property, plant and equipment, net	1,857	1,857
Goodwill	58,435	57,483
Other intangible assets, net	746	647
Deferred tax assets	7,874	10,391
Other assets	1,613	1,643
	\$ 115,220	\$ 134,641
Liabilities and Stockholders Equity		
Current liabilities:		
Current maturities of long-term debt	\$ 58	\$ 71
Accounts payable and accrued expenses	19,188	20,315
Billings in excess of costs and estimated earnings on uncompleted contracts	6,438	7,430
Total current liabilities	25,684	27,816
Long-term debt less current maturities	11,558	11,309
Other noncurrent liabilities	1,193	1,174
Total liabilities	38,435	40,299
Stockholders equity:		
Common stock, par value \$0.01 per share	178	171
Class B capital stock, par value \$0.01 per share		12
Additional paid-in capital	161,835	168,737
Accumulated deficit	(68,596)	(71,710)
Unearned compensation		(1,133)
Accumulated other comprehensive loss	(954)	(1,087)
Note receivable from stockholder	(124)	(619)
Treasury stock at cost	(15,554)	(29)
Total stockholders equity	76,785	