ASTA FUNDING INC
Form 10-K/A
January 29, 2010

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**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D. C. 20549**
**Form 10-K/A**
**Amendment No. 1**

þ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended September 30, 2009**

**OR**

o **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: 0-26906**

**ASTA FUNDING, INC.**

*(Exact Name of Registrant Specified in its Charter)*

| | |
|---|---|
| **Delaware** | **22-3388607** |
| *(State or other jurisdiction of incorporation or organization)* | *(I.R.S. Employer Identification No).* |
| **210 Sylvan Avenue, Englewood Cliffs, NJ** | **07632** |
| *(Address of principal executive offices)* | *(Zip Code)* |

Issuer s telephone number, including area code: **(201) 567-5648**

Securities registered pursuant to Section 12(b) of the Exchange Act: **None**

Securities registered pursuant to Section 12(g) of the Exchange Act:

**Common Stock, par value $.01 per share**

*(Title of Class)*

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act Yes o No þ

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act Yes o No þ

Indicate by check mark whether the registrant: (1) filed all reports required to be filed by Section 13 or 15(d) of the 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 þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K/A or any amendment to this Form 10-K/A. o

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

| | | | |
|---|---|---|---|
| Large accelerated filer o | Accelerated filer o | Non-accelerated filer þ (Do not check if a smaller reporting company) | Smaller reporting company o |

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

The aggregate market value of voting and nonvoting common equity held by non-affiliates of the registrant was approximately $25,976,000 as of the last business day of the registrant s most recently completed second fiscal quarter.

As of January 22, 2010, the registrant had 14,272,457 shares of Common Stock issued and outstanding.

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**Explanatory Note**

This Amendment No. 1 on Form 10-K/A (this Amendment No. 1 ) to our Annual Report on Form 10-K for the year ended September 30, 2009 (the Annual Report ) is being filed to correct the Portfolio Performance table included in Part II, Item 7. Management Discussion & Analysis of Financial Condition and Results of Operations of the Annual Report on Form 10-K filed with Securities and Exchange Commission on December 29, 2009. The correction was to the Net Cash Collections Including Cash Sales column of the Portfolio Performance table. This correction also revised the Total Estimated Collections column and the Total Estimated Collections as a Percentage of Purchase Price. There was no impact on the financial statements of Asta Funding, Inc. as a result of this change. Except as described above, no other changes have been made to the Annual Report, and this Amendment No. 1 does not amend or update any other information contained in the Annual Report.

**Item 7.** ***Management s Discussion and Analysis of Financial Condition and Results of Operation.***

**Cautions Regarding Forward-Looking Statements**

This Annual Report on Form 10-K/A contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements typically are identified by use of terms such as may , will , should , plan , expect , anticipate , estimate , and similar words, although some forward-loo statements are expressed differently. Forward-looking statements represent our judgment regarding future events, but we can give no assurance that such judgments will prove to be correct. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in such forward-looking statements. Certain factors which could materially affect our results and our future performance are described above under Item 1A Risk Factors and below under Critical Accounting Policies in Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations Forward-looking statements are inherently uncertain as they are based on current expectations and assumptions concerning future events and are subject to numerous known and unknown risks and uncertainties. We caution you not to place undue reliance on these forward-looking statements, which are only predictions and speak only as of the date of this report. Except as required by law, we undertake no obligation to update or publicly announce revisions to any forward-looking statements to reflect future events or developments. Unless the context otherwise requires, the terms we , us the Company , or our as used herei refer to Asta Funding, Inc. and our subsidiaries.

**Overview**

We are primarily engaged in the business of acquiring, managing for our own account, servicing and recovering on portfolios of consumer receivables. These portfolios generally consist of one or more of the following types of consumer receivables:

*charged-off receivables* accounts that have been written-off by the originators and may have been previously serviced by collection agencies;

*semi-performing receivables* accounts where the debtor is making partial or irregular monthly payments, but the accounts may have been written-off by the originators; and in limited circumstances,

*performing receivables* accounts where the debtor is making regular monthly payments that may or may not have been delinquent in the past.

We acquire these consumer receivable portfolios at a significant discount to the amount actually owed by the borrowers. We acquire these portfolios after a qualitative and quantitative analysis of the underlying receivables and calculate the purchase price so that our estimated cash flow offers us an adequate return on our investment after servicing expenses. After purchasing a portfolio, we actively monitor its performance and review and adjust our collection and servicing strategies accordingly.

We purchase receivables from credit grantors and others through privately negotiated direct sales, brokered transactions and auctions in which sellers of receivables seek bids from several pre-qualified debt purchasers. We pursue new acquisitions of consumer receivable portfolios on an ongoing basis through:

- our relationships with industry participants, financial institutions, collection agencies, investors and our financing sources;
- brokers who specialize in the sale of consumer receivable portfolios; and
- other sources.

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## Critical Accounting Policies

We account for our investments in consumer receivable portfolios, using either:

- The interest method; or
- The cost recovery method.

As we believe our extensive liquidating experience in certain asset classes such as distressed credit card receivables, consumer loan receivables and mixed consumer receivables has matured, we use the interest method when we believe we can reasonably estimate the timing of the cash flows. In those situations where we diversify our acquisitions into other asset classes in which we do not possess the same expertise or history, or we cannot reasonably estimate the timing of the cash flows, we utilize the cost recovery method of accounting for those portfolios of receivables.

The Company accounts for its investment in finance receivables using the interest method under the guidance of ASC 310. Static pools of accounts are established. These pools are aggregated based on certain common risk criteria. Each static pool is recorded at cost and is accounted for as a single unit for the recognition of income, principal payments and loss provision. We currently consider for aggregation portfolios of accounts, purchased within the same fiscal quarter, that generally have the following characteristics:

- same issuer/originator
- same underlying credit quality
- similar geographic distribution of the accounts
- similar age of the receivable and
- same type of asset class (credit cards, telecommunications, etc.)

After determining that an investment will yield an adequate return on our acquisition cost after servicing fees, including court costs, which are expensed as incurred, we use a variety of qualitative and quantitative factors to determine the estimated cash flows. As previously mentioned, included in our analysis for purchasing a portfolio of receivables and determining a reasonable estimate of collections and the timing thereof, the following variables are analyzed and factored into our original estimates:

- the number of collection agencies previously attempting to collect the receivables in the portfolio;
- the average balance of the receivables;
- the age of the receivables (as older receivables might be more difficult to collect or might be less cost effective);
- past history of performance of similar assets as we purchase portfolios of similar assets, we believe we have built significant history on how these receivables will liquidate and cash flow;
- number of months since charge-off;
- payments made since charge-off;
- the credit originator and their credit guidelines;
- the locations of the debtors as there are better states to attempt to collect in and ultimately we have better predictability of the liquidations and the expected cash flows. Conversely, there are also states where the liquidation rates are not as good and that is factored into our cash flow analysis;

financial wherewithal of the seller;

jobs or property of the debtors found within portfolios-with our business model, this is of particular importance. Debtors with jobs or property are more likely to repay their obligation and conversely, debtors without jobs or property are less likely to repay their obligation; and

the ability to obtain customer statements from the original issuer.

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We will obtain and utilize as appropriate input including, but not limited to, monthly collection projections and liquidation rates, from our third party collection agencies and attorneys, as further evidentiary matter, to assist us in developing collection strategies and in modeling the expected cash flows for a given portfolio.

We acquire accounts that have experienced deterioration of credit quality between origination and the date of our acquisition of the accounts. The amount paid for a portfolio of accounts reflects our determination that it is probable we will be unable to collect all amounts due according to the portfolio of accounts contractual terms. We consider the expected payments and estimate the amount and timing of undiscounted expected principal, interest and other cash flows for each acquired portfolio coupled with expected cash flows from accounts available for sales. The excess of this amount over the cost of the portfolio, representing the excess of the account s cash flows expected to be collected over the amount paid, is accreted into income recognized on finance receivables over the expected remaining life of the portfolio.

We believe we have significant experience in acquiring certain distressed consumer receivable portfolios at a significant discount to the amount actually owed by underlying debtors. We acquire these portfolios only after both qualitative and quantitative analyses of the underlying receivables are performed and a calculated purchase price is paid so that we believe our estimated cash flow offers us an adequate return on our acquisition costs including servicing expenses. Additionally, when considering larger portfolio purchases of accounts, or portfolios from issuers from whom we have little or limited experience, we have the added benefit of soliciting our third party collection agencies and attorneys for their input on liquidation rates and at times incorporate such input into the price we offer for a given portfolio and the estimates we use for our expected cash flows.

As a result of the recent and current challenging economic environment and the impact it has had on collections, for portfolio purchases acquired in fiscal year 2009 we have extended our time frame of the expectation of recovering 100% of our invested capital within a 24-39 month period from an 18-28 month period, and the expectation of recovering 130-140% of invested capital to a period of 7 years which is an increase from the previous 5 year expectation. We routinely monitor these expectations against the actual cash flows and, in the event the cash flows are below our expectations and we believe there are no reasons relating to mere timing differences or explainable delays (such as can occur, particularly when the court system is involved) for the reduced collections, an impairment would be recorded as a provision for credit losses. Conversely, in the event the cash flows are in excess of our expectations and the reason is due to timing, we would defer the excess collection as deferred revenue.

The Company uses the cost recovery method when collections on a particular pool of accounts cannot be reasonably predicted. Under the cost recovery method, no income is recognized until the cost of the portfolio has been fully recovered. A pool can become fully amortized (zero carrying balance on the balance sheet) while still generating cash collections. In this case, all cash collections are recognized as revenue when received.

**Results of Operations**

The following discussion of our operations and financial condition should be read in conjunction with our financial statements and notes thereto included elsewhere in this Report on Form 10-K/A. In these discussions, most percentages and dollar amounts have been rounded to aid presentation. As a result, all such figures are approximations.

| | **Years Ending September 30,** | | |
|---|---|---|---|
| | **2009** | **2008** | **2007** |
| Finance income | 99.8% | 99.8% | 98.4% |
| Other income | 0.2% | 0.2% | 1.6% |
| Total revenue | 100.0% | 100.0% | 100.0% |
| General and administrative expenses | 36.9% | 25.6% | 18.1% |
| Interest expense | 12.0% | 15.5% | 13.0% |
| Impairments | 261.1% | 46.0% | 6.5% |

| | | | |
|---|---|---|---|
| (Loss) income before equity in earnings in venture and income taxes | (210.0)% | 12.9% | 62.4% |
| Equity in earnings in venture | 0.1% | 0% | 0.2% |
| (Loss) income before income taxes | (209.9)% | 12.9% | 62.6% |
| Provision for income taxes | (80.8)% | 5.3% | 25.4% |
| Net (loss) income | (129.1)% | 7.6% | 37.2% |

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***Year Ended September 30, 2009 Compared to the Year Ended September 30, 2008***

*Finance income.* For the year ended September 30, 2009, finance income decreased $45.1 million or 39.2% to $70.2 million from $115.3 million for the year ended September 30, 2008. The average outstanding level of consumer receivable accounts acquired for liquidation decreased from $497.3 million for the fiscal year ended September 30, 2008 to $394.6 million for fiscal year ended September 30, 2009, reflecting a combination of lower collections and lower portfolio purchases in 2009 compared to the prior period. A significant reason for the decrease in finance income is the impact of the Portfolio Purchase being transferred from the interest method to the cost recovery method effective in the third quarter of fiscal year 2008. The finance income recorded on the Portfolio Purchase in fiscal year 2008, prior to the transfer to cost recovery, was $17.7 million, as compared to zero finance income recorded in fiscal year 2009. No finance income will be recognized on the Portfolio Purchase until after the entire carrying value of $121.5 million, as of September 30, 2009, is collected.

During the fiscal year ended September 30, 2009, we acquired consumer receivable portfolios at a cost of $19.6 million as compared to $49.9 million during the fiscal year ended September 30, 2008. The portfolios purchased in fiscal year 2008 include a portfolio purchased that is domiciled in South America at a cost of $8.6 million. Further, as we have curtailed our purchases of new portfolios of consumer receivables during the second, third and fourth quarters of 2008 and into 2009, finance income was negatively impacted and will continue to be negatively impacted going forward since we are not replacing our receivables acquired for liquidation. Instead, we are focusing, in the short-term, on reducing our debt and being highly disciplined in our portfolio purchases. We continue to review potential portfolio acquisitions regularly and will be buyers at the right price, where we believe the purchase will yield our desired rate of return.

Finance income recognized from fully amortized portfolios (zero basis revenue) was $40.7 million and $45.3 million for the years ended September 30, 2009 and 2008, respectively. There were no accretable yield adjustments recorded during the fiscal years ended September 30, 2009 and 2008.

*Other income.* Other income of $134,000 and $200,000 for the fiscal year ended September 30, 2009 and 2008, respectively, consisted primarily of service fee income and interest income from banks.

*General and administrative expenses.* For the year ended September 30, 2009, general and administrative expenses decreased $3.7 million or 12.3% to $25.9 million from $29.6 million for the year ended September 30, 2008. Lower general and administrative expenses is due primarily to lower staffing levels as collections and purchase of accounts acquired for liquidation decreased significantly from the prior year. Staffing levels have decreased, from 158 full time employees as of September 30, 2008 to 105 full time employees as of September 30, 2009. Approximately 38 employees were eliminated in February 2009 as a result of the closing of the Pennsylvania call center, with a salary cost savings of approximately $0.8 million during the year ended September 30, 2009. Lower postage expense in the current fiscal year is a reflection of fewer mailings resulting from lower portfolio purchases.

*Interest expense.* For the year ended September 30, 2009, interest expense decreased $9.4 million or 52.7% to $8.5 million from $17.9 million during the year ended September 30, 2008. The decrease was due to a decrease in our outstanding borrowings under our line of credit and our Receivables Financing Agreement, during the year ended September 30, 2009, as compared to the outstanding borrowings during the year ended September 30, 2008, coupled with lower interest rates during the year ended September 30, 2009. The average interest rate (excluding unused credit line fees) for the year ended September 30, 2009 on the line of credit and the Receivable Financing Agreement was 4.72% as compared to 6.11% during the year ended September 30, 2008. The rate on the subordinated debt related party is fixed at 6.25%. The average outstanding borrowings decreased from $274.1 million to $168.1 million for the years ended September 30, 2008 and 2009, respectively, reflecting the Company s continuing effort to pay down its debt.

*Impairments.* Impairments of $183.5 million were recorded by the Company during the year ended September 30, 2009 as compared to $53.2 million for the year ended September 30, 2008. Included in the current year s impairments is approximately $108.5 million related to the interest method portfolios and $75.0 million related to cost recovery method portfolios, including $53.9 applied to the Portfolio Purchase. For the interest method portfolios, relative collections with respect to our expectations were deteriorating and this deterioration was confirmed by our third party collection agencies and attorneys. The deterioration, which has impacted us throughout the year, became more significant during the fourth quarter of the fiscal year ended September 30, 2009. Historically, moving through the year and into the fourth quarter, collections tend to be stable or perhaps increase in performance. For cost recovery portfolios the impairments recorded wrote down the cost recovery portfolios to their net realizable value. As with the interest method portfolios, our third party collection agencies and attorneys confirmed during the fourth quarter of fiscal year 2009, the recent trend of the deterioration of collections. Although collections on the cost recovery method portfolios are expected to continue, we have determined the final estimated collections will not be enough to recover the original cost of or current carrying value of the portfolio. The impairment charge for the Portfolio Purchase wrote down the value of the portfolio to $121.9 million. Impairment charges in 2008 included $30.3 million on the Portfolio Purchase prior to its transfer to the cost recovery method.

*Income tax (benefit) expense* Income tax benefit for fiscal year 2009 of $56.8 million consists of a federal tax benefit of $46.0 million and a state tax benefit of $10.8 million. The state deferred tax benefit is inclusive of a $4.4 million valuation allowance. Although the carryforward period for state income tax purposes is up to twenty years, given the economic conditions, such economic environment could limit growth over a reasonable time period to realize the deferred tax asset. The Company determined the time period allowance for carryforward is outside a reasonable period to forecast full realization of the deferred tax asset, therefore recognized the deferred tax asset valuation allowance. The Company continually monitors forecast information to ensure the valuation allowance is at the appropriate value. In fiscal year 2008 the income tax expense of $6.1 million was comprised of a net federal tax of $4.6 million (including $6.6 million current) and a net state tax of $1.5 million (including $2.1 million current). The current year tax benefit is driven primarily by the impairment charges recorded during the fiscal year 2009.

*Net (loss) income.* For the year ended September 30, 2009, net income decreased $99.5 million to $(90.7) million from $8.8 million for the year ended September 30, 2008, primarily reflecting increased impairments and reduced finance income in fiscal year 2009, partially offset by lower income taxes and expenses. Net income per diluted share for the year ended September 30, 2009 decreased $6.96 per diluted share to $(6.36) per diluted share, from $0.61 per diluted share for the year ended September 30, 2008.

***Year Ended September 30, 2008 Compared to the Year Ended September 30, 2007***

*Finance income.* For the year ended September 30, 2008, finance income decreased $23.1 million or 16.7% to $115.3 million from $138.4 million for the year ended September 30, 2007. Although the average outstanding level of consumer receivable accounts acquired for liquidation increased from $401.4 million for the fiscal year ended September 30, 2007 to $497.3 million for fiscal year ended September 30, 2008, the decrease in finance income resulted primarily from the Portfolio Purchase being transferred from the interest method to the cost recovery method effective in the third quarter of fiscal year 2008. The finance income recorded on the Portfolio Purchase during the fiscal year ended September 30, 2007 was approximately $22.6 million (which relates to our ownership of the Portfolio Purchase for only seven months during that period), as compared to $17.7 million recorded in the first six months of fiscal year 2008 prior to the transfer to cost recovery. As a result of the transfer to cost recovery, no finance income was recognized on the Portfolio Purchase during the second half of fiscal year 2008 and no further finance income will be recognized on the Portfolio Purchase after September 30, 2008 until the entire carrying value of $207.3 million value as of September 30, 2008, is collected.

During the fiscal year ended September 30, 2008, we acquired consumer receivable portfolios at a cost of $49.9 million as compared to $440.9 million during the fiscal year ended September 30, 2007, which included the Portfolio Purchase at a cost of $300 million. The portfolios purchased in fiscal year 2008 include a portfolio purchase domiciled in South America at $8.6 million. Further, as we have curtailed our purchases of new portfolios of consumer receivables during the second, third and fourth quarters of 2008, we expect to see a reduction in finance income in future quarters and future years, since we are not replacing our receivables acquired for liquidation. Instead, we are focusing, in the short-term, on reducing our debt and being highly disciplined in our portfolio purchases. We continue to review potential portfolio acquisitions regularly and will be buyers at the right price, where we believe the purchase will yield our desired rate of return. However, purchases in the first quarter of fiscal 2009 have remained at the reduced 2008 levels. As the environment continues to be challenging, data received in the second quarter of fiscal year 2009 reflects a continued slowness of collections, in relation to our estimates. As this data impacts the first quarter of fiscal year 2009, impairments of approximately $21.4 million are required in the first quarter of fiscal year 2009.

There were no accretable yield adjustments recorded during the fiscal year ended September 30, 2008. Adjustments to accretable yields on certain portfolios were recorded in the amount of $44.5 million for the year ended September 30, 2007. Finance income related to the accretable yield reclassifications during the year ended September 30, 2007 was approximately $11.1 million. Income recognized from fully amortized portfolios (zero based revenue) was $45.3 million and $23.9 million for the years ended September 30, 2008 and 2007, respectively. The increase is due primarily to more pools which were fully amortized in the fourth quarter of 2007, and were predominantly derived from credit card purchases from one issuer made in 2003 and 2004 and telecommunications portfolios purchased from 2004 through 2005. Collections with regard to the Portfolio Purchase were $45.5 million for the fiscal year ended September 30, 2008 and $55.0 million for the period owned through September 30, 2007, which includes approximately $5.5 million collected from the seller for accounts returned to the seller.

*Other income.* Other income of $200,000 for the fiscal year ended September 30, 2008 consisted primarily of service fee income and interest income from banks. Other income of $2.2 million for the year ended September 30, 2007 includes interest income from banks and other loan instruments substantially acquired in 2007, which were collected during the fourth quarter of 2007.

*General and administrative expenses.* For the year ended September 30, 2008, general and administrative expenses increased $4.1 million or 16.2% to $29.6 million from $25.5 million for the year ended September 30, 2007, and represented 29.4% of total expenses (excluding income taxes) for the year ended September 30, 2008 as compared to 48.2% for the year ended September 30, 2007. The increase in general and administrative expenses was primarily due to an increase in receivable servicing expenses during the year ended September 30, 2008, as compared to the year ended September 30, 2007. The increase in receivable servicing expenses resulted from the increase in our average number of accounts acquired for liquidation, primarily due to the Portfolio Purchase in the second quarter of 2007. A majority of the increased costs were from collection related expenses, consulting and skiptracing fees (further described below), salaries, payroll taxes and benefits, professional fees, telephone charges and travel costs, as we are visiting our third party collection agencies and attorneys on a more frequent basis for financial and operational audits. In December 2007, the Company negotiated an agreement with a third party servicer, to assist the Company in the asset location, skiptracing efforts and ultimately the suing of debtors with respect to the Portfolio Purchase. The agreement calls for a 3% percent fee on substantially all gross collections from the Portfolio Purchase on the first $500 million and 7% on substantially all collections from the Portfolio Purchase in excess of $500 million. The fee was agreed to in December of 2007 and retroactive to March 2007 and we believe this arrangement enhances our collection efforts. The 3% fee is applied to collections on the Portfolio Purchase and is not included in general and administrative expenses. Additionally, the Company is paying this third party servicer a monthly fee of $275,000 per month for 25 months for its consulting and skiptracing efforts in connection with the Portfolio Purchase. The $275,000 fee is included in general and administrative expenses. This fee began in May 2007. During the fiscal year ended September 30, 2008, $3.3 million was recorded as collection expense as compared to $1.3 million in fiscal year 2007.

*Interest expense.* For the year ended September 30, 2008, interest expense decreased $365,000 to $17.9 million from $18.2 million during the year ended September 30, 2007, and represented 17.8% of total expenses (excluding income taxes) for the year ended September 30, 2008 as compared to 34.6% for the year ended September 30, 2007. The decrease was due to a decrease in our outstanding borrowings under our line of credit and our Receivables Financing Agreement, slightly offset by the increase in the subordinated debt from a related party, during the year ended September 30, 2008, as compared to the outstanding borrowings during the year ended September 30, 2007, coupled with lower interest rates during the year ended September 30, 2008. The average interest rate (excluding unused credit line fees) for the year ended September 30, 2008 on the line of credit and the Receivable Financing Agreement was 6.11% as compared to 7.34% during the year ended September 30, 2007. The rate on the subordinated debt related party is fixed at 6.25%. Although outstanding borrowings decreased approximately $104.0 million during the fiscal year ended September 30, 2008, the average outstanding borrowings increased from $241.5 million to $274.1 million for the years ended September 30, 2007 and 2008, respectively. The increase was caused by the higher levels of borrowing stemming from the Portfolio Purchase in the second quarter of 2007. Since then, the Company has been limiting portfolio purchases and concentrating on paying down debt.

*Impairments.* Impairments of $53.2 million were recorded by the Company during the year ended September 30, 2008 as compared to $9.1 million for the year ended September 30, 2007, and represented 52.8% of total expenses (excluding income taxes) for the year ended September 30, 2008, as compared to 17.2% for the year ended September 30, 2007. Because relative collections with respect to our expectations on these portfolios were deteriorating, and this deterioration was confirmed by our third party collection agencies and attorneys, we believed that impairment charges became necessary.

*Equity in earnings of venture.* In August 2006, the Company invested approximately $7.8 million for a 25% interest in a newly formed venture. The venture invested in a bankruptcy liquidation that collects on existing rental contracts and the liquidation of inventory. The Company s share of the income was $55,000 and $225,000 during the years ended September 30, 2008 and 2007, respectively. The Company has received approximately $8.1 million in cash distributions from the inception of the venture through September 30, 2008.

*Net income.* For the year ended September 30, 2008, net income decreased $43.4 million, or 83.1% to $8.8 million from $52.3 million for the year ended September 30, 2007, primarily reflecting the increased impairments recorded in fiscal year 2008 and the reduced finance income from the Portfolio Purchase for the last six months of 2008 due to the switch from the interest method to the cost recovery method. Net income per share for the year ended September 30, 2008 decreased $2.95 per diluted share, or 83.0% to $0.61 per diluted share, from $3.56 per diluted share for the year ended September 30, 2007.

**Liquidity and Capital Resources**

Our primary sources of cash from operations include collections on the receivable portfolios that we have acquired. Our primary uses of cash include repayment of debt, our purchases of consumer receivable portfolios, interest payments, costs involved in the collections of consumer receivables, taxes and dividends, if approved. In the past we relied significantly upon our lenders to provide the funds necessary for the purchase of consumer and accounts receivable portfolios. As of September 30, 2009, the Eighth Amendment to the Credit Facility entered into on July 10, 2009, granted an initial $40 million line of credit from the Bank Group for portfolio purchases and working capital and was scheduled to reduce to zero by December 31, 2009. The Credit Facility bore an interest at the lesser of LIBOR plus an applicable margin, or the prime rate minus an applicable margin based on certain leverage ratios, with a minimum rate of 5.5%. The Credit Facility was collateralized by all assets of the Company other than the assets of Palisades XVI and contained financial and other covenants (relative to tangible net worth, interest coverage, and leverage ratio, as defined) that must be maintained in order to borrow funds. The Credit Facility s commitment original termination date was December 31, 2009. As of September 30, 2009, there was an $18.3 million outstanding balance on the Credit Facility. This Credit Facility was repaid on December 14, 2009. As the loan was repaid there were no covenant requirements on the Credit Facility.

On December 14, 2009 Asta Funding, Inc. and its subsidiaries other than Palisades XVI, entered into a new revolving credit agreement with Bank Leumi, which permits maximum principal advances of up to $6 million. The term of the agreement is through December 31, 2010. The interest rate is a floating rate equal to the Bank Leumi

Reference Rate plus 2%, with a floor of 4.5%. The current rate is 5.5%. The loan is secured by collateral consisting of all of the assets of the Company other than those of Palisades XVI. In addition, other collateral for the loan consists of a pledge by GMS Family Investors, LLC, an investment company owned 100% by members of the Stern family in the form of cash and securities with a value of 133% of the loan commitment. On December 14, 2009 approximately $3.6 million of the Bank Leumi credit line was drawn and used to pay off in full the remaining balance on the credit facility the Company formerly had with the bank group with IDB as agent.

In March 2007, Palisades XVI consummated the Portfolio Purchase. The Portfolio Purchase is made up of predominantly credit card accounts and includes accounts in collection litigation and accounts as to which the sellers have been awarded judgments and other traditional charge-offs. The Company s line of credit with the Bank Group was fully utilized, as modified in February 2007, with the aggregate deposit of $75 million paid for the Portfolio Purchase.

The remaining $225 million was paid on March 5, 2007 by borrowing approximately $227 million (inclusive of transaction costs) under a new Receivables Financing Agreement entered into by Palisades XVI with a major financial institution as the funding source, and consists of debt with full recourse only to Palisades XVI, and, as of June 30, 2008, bore an interest rate of approximately 320 basis points over LIBOR. The term of the original agreement was three years. All proceeds received as a result of the net collections from the Portfolio Purchase are applied to interest and principal of the underlying loan. The Company made certain representations and warranties to the lender to support the transaction. The Portfolio Purchase is serviced by Palisades Collection, LLC, a wholly owned subsidiary of the Company, which has also engaged several unrelated subservicers.

On February 20, 2009, the Company entered into the Fourth Amendment Receivables Financing Agreement. The effect of this Fourth Amendment is, among other things, to (i) lower the collection rate minimum to $1 million per month (plus interest and fees) as an average for each period of three consecutive months, (ii) provide for an automatic extension of the maturity date from April 30, 2011 to April 30, 2012 should the outstanding balance be reduced to $25 million or less by April 30, 2011 and (iii) permanently waive the previous termination events. The interest rate remained unchanged at approximately 320 basis points over LIBOR, subject to automatic reduction in the future should certain collection milestones be attained.

As additional credit support for repayment by Palisades XVI of its obligations under the Receivables Financing Agreement and as an inducement for BMO to enter into the Fourth Amendment, the Company provided BMO a limited recourse, subordinated guaranty, secured by the assets of the Company, in an amount not to exceed $8 million plus reasonable costs of enforcement and collection. Under the terms of the guaranty, BMO cannot exercise any recourse against the Company until the earlier of (i) five years from the date of the Fourth Amendment and (ii) the termination of the Company s existing senior lending facility or any successor senior facility.

The aggregate minimum repayment obligations required under the Fourth Amendment to the Receivables Financing Agreement entered into on February 20, 2009 with Palisades XVI including interest and principal for fiscal years ending September 30, 2010 and September 30, 2011 (seven months), are $12.0 million and $7.0 million, respectively, plus monthly interest and fees. There is an additional requirement that the balance of the facility be reduced to $25 million by April 30, 2011. While the Company believes it will be able to make all payments due under the new payment schedule, it is likely we will not be able to reduce the balance of the facility to $25 million by April 30, 2011, and there is no assurance the loan will be extended. We anticipate working with BMO to extend the facility by the expiration date.

On September 30, 2009 and 2008, the outstanding balance on the Receivable Financing Agreement loan was approximately $104.3 million, and $128.6 million, respectively. The average interest rate of the Receivable Financing Agreement was 4.82% and 6.10% for the fiscal year ended September 30, 2009 and 2008, respectively.

On April 29, 2008, the Company obtained a subordinated loan pursuant to a subordinated promissory note from the Family Entity. The Family Entity is a greater than 5% shareholder of the Company beneficially owned and controlled by Arthur Stern, the Chairman Emeritus of the Company, Gary Stern, the President, Chairman and Chief Executive Officer of the Company, and members of their families. The loan is in the aggregate principal amount of $8,246,493, bears interest at a rate of 6.25% per annum, is payable interest only each quarter until its maturity date of January 9, 2010, subject to prior repayment in full of the Company s senior loan facility with a consortium of banks. Interest expense on this loan was $515,000 for the year ended September 30, 2009.

The Family Entity loan has been extended until December 31, 2010 with a new interest rate (subsequent to January 9, 2010) of 10.0% per annum.

The subordinated loan was incurred by the Company to resolve certain issues with a significant servicer. Proceeds of the subordinated loan were used to reduce the balance due on our line of credit with the Bank Group on June 13, 2008. This facility is secured by substantially all of the assets of the Company and its subsidiaries, other than the assets of Palisades XVI, which was separately financed by BMO.

As of September 30, 2009, our cash decreased $1.2 million to $2.4 million from $3.6 million at September 30, 2008, including an $8,000 positive effect of foreign exchange on cash. The decrease in cash during the fiscal year ended September 30, 2009, was due to a decrease in net income for the period, partially offset by an increase in cash flows from investing and financing activities.

Net cash provided by operating activities was $32.5 million during the fiscal year ended September 30, 2009, compared to net cash provided by operating activities of $55.8 million for the fiscal year ended September 30, 2008. The decrease in net cash provided by operating activities virtually mirrors the change in net income adjusted for non-cash items. Net cash provided by investing activities was $57.4 million during the fiscal year ended September 30, 2009, as compared to net cash used by investing activities of $44.6 million during the fiscal year ended September 30, 2008. The increase in net cash provided by investing activities was primarily due to the decrease in the purchase of accounts acquired for liquidation during the fiscal year ended September 30, 2009, partially offset by a decrease in collections during the same period. Net cash used in financing activities was $91.1 million during the fiscal year ended September 30, 2009, as compared to cash used in financing activities of $101.3 million in the prior period. The change in net cash used by financing activities was primarily due to a smaller pay down of debt during the fiscal year ended September 30, 2009 compared to that in the prior period.

Our cash requirements have been and will continue to be significant and we have depended on external financing to acquire consumer receivables and operate the business. Significant requirements include repayments under our debt facilities, purchase of consumer receivable portfolios, interest payments, costs involved in the collections of consumer receivables, and taxes. In addition, dividends are paid if approved by the Board of Directors. Acquisitions have been financed primarily through cash flows from operating activities and a credit facility. We believe we will be less dependent on a credit facility in the short-term as our cash flow from operations will be sufficient to purchase portfolios and operate the business. However, as the collection environment remains challenging, we may seek additional funding.

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Our business model affords us the ability to sell accounts on an opportunistic basis. While we have not consummated any significant sales from our Portfolio Purchase, we launched a sales effort in order to attempt to enhance our cash flow and pay down our debt faster. The results are slower than expected for a variety of factors, including a slow resale market, similar to the decrease in pricing we are seeing in general.

The following table shows the changes in finance receivables, including amounts paid to acquire new portfolios:

| | Year Ended September 30, | | | | |
|---|---|---|---|---|---|
| | 2009 | 2008 | 2007 | 2006 | 2005 |
| | | | (In millions) | | |
| Balance at beginning of period | $ 449.0 | $ 545.6 | $ 257.3 | $ 172.7 | $ 146.1 |
| Acquisitions of finance receivables, net of buybacks | 19.6 | 49.9 | 440.9 | 200.2 | 126.0 |
| Cash collections from debtors applied to principal(1)(2) | (69.1) | (81.7) | (114.4) | (90.4) | (59.6) |
| Cash collections represented by account sales applied to principal(1) | (8.1) | (11.0) | (29.1) | (23.0) | (39.8) |
| Impairments/Portfolio write down | (183.5) | (53.2) | (9.1) | (2.2) | |
| Effect of foreign exchange | 0.4 | (0.6) | | | |
| Balance at end of period | $ 208.3 | $ 449.0 | $ 545.6 | $ 257.3 | $ 172.7 |

(1) Cash collections applied to principal consists of cash collections less income recognized on finance receivables plus amounts received by us from the sale of consumer receivable portfolios to third parties.

(2) In 2007, includes put backs of purchased accounts returned to the seller totaling $5.5 million. Supplementary

Information on Consumer Receivables Portfolios:

**Portfolio Purchases**

| | Year Ended September 30, 2009 | 2008 | 2007 |
|---|---|---|---|
| | (In millions) | | |
| Aggregate Purchase Price | $ 19.6 | $ 49.9 | $ 440.9 |
| Aggregate Portfolio Face Amount | 577.0 | 1,605.1 | 10,891.9 |

The prices we pay for our consumer receivable portfolios are dependent on many criteria including the age of the portfolio, the number of third party collection agencies and attorneys that have been involved in the collection process and the geographical distribution of the portfolio. When we pay higher prices for portfolios which are performing or fresher, we believe it is not at the sacrifice of our expected returns. Price fluctuations for portfolio purchases from quarter to quarter or year to year are primarily indicative of the overall mix of the types of portfolios we are purchasing.

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**Schedule of Portfolios by Income Recognition Category**

| | September 30, 2009 | | September 30, 2008 | | September 30, 2007 | |
|---|---|---|---|---|---|---|
| | Cost Recovery Portfolios | Interest Method Portfolios | Cost Recovery Portfolios | Interest Method Portfolios | Cost Recovery Portfolios | Interest Method Portfolios |
| | | | (In millions) | | | |
| Original Purchase Price (at period end) | $ 442.2 | $ 772.8 | $ 405.9 | $ 789.5 | $ 101.1 | $ 1,045.4 |
| Cumulative Aggregate Managed Portfolios (at period end) | 13,884.5 | 17,725.9 | 12,053.4 | 18,980.0 | 3,961.5 | 25,464.7 |
| Receivable Carrying Value (at period end) | 137.6 | 70.6 | 245.5 | 203.5 | 32.0 | 513.6 |
| Finance Income Earned (for the respective period) | 2.5 | 67.7 | 1.2 | 114.0 | 2.2 | 136.2 |
| Total Cash Flows (for the respective period) | 47.0 | 100.4 | 24.9 | 183.0 | 21.2 | 260.6 |

The original purchase price reflects what we paid for the receivables from 1998 through the end of the respective period. The cumulative aggregate managed portfolio balance is the original aggregate amount owed by the borrowers at the end of the respective period. Additional differences between year to year period end balances may result from the transfer of portfolios between the interest method and the cost recovery method. We purchase consumer receivables at substantial discounts from the face amount. We record finance income on our receivables under either the cost recovery or interest method. The receivable carrying value represents the current basis in the receivables after collections and amortization of the original price.

**Collections Represented by Account Sales**

| Year | Collections Represented By account Sales | Finance Income Recognized |
|---|---|---|
| 2009 | $ 8,662,000 | $ 3,085,000 |
| 2008 | 20,395,000 | 9,361,000 |
| 2007 | 54,193,000 | 25,164,000 |

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**Portfolio Performance (1)**

The following table summarizes our historical portfolio purchase price and cash collections on interest method portfolios on an annual vintage basis since October 1, 2001 through September 30, 2009.

| Purchase Period | Purchase Price(2) | Net Cash Collections Including Cash Sales(3) | Estimated Remaining Collections(4) | Total Estimated Collections(5) | Total Estimated Collections as a Percentage of Purchase Price |
|---|---|---|---|---|---|
| 2001 | $ 65,120,000 | $ 105,453,000 | $ | $ 105,453,000 | 162% |
| 2002 | 36,557,000 | 48,014,000 | | 48,014,000 | 131% |
| 2003 | 115,626,000 | 210,815,000 | 1,392,000 | 212,207,000 | 184% |
| 2004 | 103,743,000 | 179,189,000 | 682,000 | 179,871,000 | 173% |
| 2005 | 126,023,000 | 202,045,000 | 10,931,000 | 212,976,000 | 169% |
| 2006(6) | 163,392,000 | 230,765,000 | 22,479,000 | 253,244,000 | 155% |
| 2007(7) | 109,235,000 | 77,483,000 | 37,865,000 | 115,348,000 | 106% |
| 2008 | 26,626,000 | 28,851,000 | 3,936,000 | 32,787,000 | 123% |
| 2009 | 19,129,000 | 6,376,000 | 19,240,000 | 25,616,000 | 134% |

(1) Total collections do not represent full collections of the Company with respect to this or any other year.

(2) Purchase price refers to the cash paid to a seller to acquire a portfolio less the purchase price refunded by a seller due to the return of non-compliant accounts (also defined as put-backs), plus third party commissions

(3) Cash collections include: net

collections from our third-party collection agencies and attorneys, collections from our in-house efforts and collections represented by account sales.

(4) Does not include estimated collections from portfolios that are zero basis

(5) Total estimated collections refer to the actual net cash collections, including cash sales, plus estimated remaining collections.

(6) Four portfolios purchased in 2006 with an aggregate purchase price of $36,845,000 were reclassified from the interest method to the cost recovery method during fiscal year 2009. The following table describes the impact of the reclassification on the year 2007:

**Total**

| | Purchase Price | Net Cash Collections Including Cash Sales | Estimated Remaining Collections | Total Estimated Collections | Estimated Collections as a Percentage of Purchase Price |
|---|---|---|---|---|---|
| As reported 2007 | $ 200,237,000 | $ 149,368,000 | $ 160,913,000 | $ 310,281,000 | 155% |
| Less: Portfolio purchases transferred to cost recovery method in 2009 | (36,845,000) | (15,112,000) | (34,539,000) | (49,651,000) | (135)% |
| Interest method Portfolios | $ 163,392,000 | $ 134,256,000 | $ 126,374,000 | $ 260,630,000 | 160% |
| 2008 and 2009 Activity | | 96,509,000 | (103,895,000) | (7,386,000) | |
| As reported 2009 | $ 163,392,000 | $ 230,765,000 | $ 22,479,000 | $ 253,244,000 | 155% |

(7) The Portfolio Purchase was reclassified from the interest method to the cost recovery method during the third quarter of fiscal year 2008 The following table describes the impact of the reclassification on the year 2007:

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| | Purchase Price | Net Cash Collections Including Cash Sales | Estimated Remaining Collections | Total Estimated Collections | Total Estimated Collections as a Percentage of Purchase Price |
|---|---|---|---|---|---|
| As reported 2007 | $ 384,850,000 | $ 69,409,000 | $ 460,205,000 | $ 529,614,000 | 138% |
| Less: Portfolio Purchase | (275,615,000) | (45,499,000) | (334,701,000) | (380,200,000) | (138)% |
| Interest method Portfolios without Portfolio Purchase-2007 | $ 109,235,000 | $ 23,910,000 | $ 125,504,000 | $ 149,414,000 | 137% |
| 2008 and 2009 Activity | | 53,573,000 | (87,639,000) | (34,066,000) | |
| As reported 2008 | $ 109,235,000 | $ 77,483,000 | $ 37,865,000 | $ 115,348,000 | 106% |

We do not anticipate collecting the majority of the purchased principal amounts. Accordingly, the difference between the carrying value of the portfolios and the gross receivables is not indicative of future finance income from these accounts acquired for liquidation. Since we purchased these accounts at significant discounts, we anticipate collecting only a portion of the face amounts.

For the year ended September 30, 2009, we recognized finance income of $1.9 million under the cost recovery method because we collected $1.9 million in excess of our purchase price on certain of these portfolios. In addition, we earned $68.2 million of finance income under the interest method based on actuarial computations which, in turn, are based on actual collections during the period and on what we project to collect in future periods. During the year ended September 30, 2009, we purchased portfolios with an aggregate purchase price of $19.6 million with a face value (gross contracted amount) of $577.0 million.

**New Accounting Pronouncements**

In June 2009, the FASB issued ASC 105 Generally Accepted Accounting Principles, ( ASC 105 ). Under ASC 105, The FASB Accounting Standards Codification ( Codification ) is now the source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission ( SEC ) under authority of the federal securities laws are also sources of authoritative GAAP for SEC registrants. On the effective date of ASC 105, the Codification superseded all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification is now non-authoritative. ASC 105 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. In the FASB s views, the issuance of ASC 105 and the Codification will not change GAAP, except for those nonpublic nongovernmental entities that must now apply the American Institute to Certified Public Accountants Technical Inquiry Service Section 5100, Revenue Recognition paragraphs 38-76. The adoption of ASC 105 has been reflected in the Company s consolidated financial statements.

In June 2009, the Financial Accounting Standards Board issued FASB Statement 167, Amendments to FASB Interpretation No. 46(R), which is not yet reflected in the FASB ASC, to improve how enterprises account for and disclose their involvement with variable interest entities (VIE s), which are special-purpose entities, and other entities whose equity at risk is insufficient or lack certain characteristics. Among other things, Statement 167 changes how an entity determines whether it is the primary beneficiary of a variable interest entity (VIE) and whether that VIE should be consolidated. The new Statement requires an entity to provide significantly more disclosures about its involvement with VIEs. As a result, the Company must comprehensively review its involvements with VIEs and potential VIEs, including entities previous considered to be qualifying special purpose entities, to determine the effect on its consolidated financial statements and related disclosures. Statement 167 is effective as of the beginning of a reporting entity s first annual reporting period that begins after November 15, 2009 and for interim periods within the first annual reporting period. Earlier application isprohibited. The Company does not believe that the adoption of Statement 167 will have a significant effect on its consolidated financial statements.

In May 2009, the FASB issued FASB ASC 855, Subsequent Events, ( ASC 855 ) to incorporate the accounting and disclosures requirements for subsequent events into GAAP. ASC 855 introduces new terminology, defines a date through which management must evaluate subsequent events, and lists the circumstances under which an entity must recognize and disclose events or transactions occurring after the balance-sheet date. The Company adopted ASC 855 as of June 30, 2009, which was the required effective date. The Company evaluated its September 30, 2009 financial statements for subsequent events through December 29, 2009.

In April 2009 the FASB issued ASC 718, Compensation Stock Compensation, ( ASC 718 ). ASC 718 expands disclosures for fair value of financial instruments that are within the scope of FASB statement fair value disclosures in interim period reports. ASC 718 is effective for interim reporting periods ending after June 15, 2009. ASC 718 expresses the views of the staff regarding the use of a simplified method in developing an estimate of expected term of plain vanilla share options. In particular, the staff indicated in ASC 718 that it will accept a company s election to use the simplified method, regardless of whether the company has sufficient information to make more refined estimates of expected term. At the time ASC 718 was issued, the staff believed that more detailed external information about employee exercise behavior (e.g., employee exercise patterns by industry and/or other categories of companies) would, over time, become readily available to companies. Therefore, the staff stated in ASC 718 that it would not expect a company to use the simplified method for share option grants after December 31, 2007. The staff understands that such detailed information about employee exercise behavior might not have been widely available by December 31, 2007. Accordingly, the staff will continue to accept, under certain circumstances, the use of the simplified method beyond December 31, 2007. This portion of ASC 718 does not have a material impact on the Company.

**Inflation**

We believe that inflation has not had a material impact on our results of operations for the years ended September 30, 2009, 2008 and 2007.

**Seasonality and Trends**

Our management believes that our operations may, to some extent, be affected by high delinquency rates and by lower recoveries on consumer receivables acquired for liquidation during or shortly following certain holiday periods and during the summer months. In addition, on occasion the market for acquiring distressed receivables does become more competitive thereby possibly diminishing our ability to acquire such distressed receivables at attractive prices in such periods

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## Part IV

**Item 15.** ***Exhibits, Financial Statement Schedules.***

The following exhibits are filed with this Amendment No. 1 to Annual Report on Form 10-K/A.

The Company undertakes to furnish to any stockholder so requesting a copy of any of the following exhibits upon payment to us of the reasonable costs incurred by us in furnishing any such exhibit.

The following documents are filed as part of this Amendment No. 1 to Annual Report on Form 10-K/A.

**2. Exhibits**

| **Exhibit Number** | |
|---|---|
| 31.1 | Certification of Registrant s Chief Executive Officer, Gary Stern, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2 | Certification of Registrant s Chief Financial Officer, Robert J. Michel, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certification of the Registrant s Chief Executive Officer, Gary Stern, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification of the Registrant s Chief Financial Officer, Robert J. Michel, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |

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## SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**ASTA FUNDING, INC.**

By: /s/ Gary Stern
Gary Stern
Chairman, President and Chief Executive Officer (Principal Executive Officer)
Dated: January 28, 2010

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

| Signature | Title | Date |
|---|---|---|
| /s/ Gary Stern<br>Gary Stern | Chairman, President, Chief Executive Officer and Director | January 28, 2010 |
| /s/ Robert J. Michel<br>Robert J. Michel | Chief Financial Officer Principal Financial and Accounting Officer | January 28, 2010 |
| /s/ Arthur Stern<br>Arthur Stern | Chairman Emeritus and Director | January 28, 2010 |
| /s/ Herman Badillo<br>Herman Badillo | Director | January 28, 2010 |
| /s/ Edward Celano<br>Edward Celano | Director | January 28, 2010 |
| /s/ Harvey Leibowitz<br>Harvey Leibowitz | Director | January 28, 2010 |
| /s/ David Slackman<br>David Slackman | Director | January 28, 2010 |
| /s/ Louis A. Piccolo<br>Louis A. Piccolo | Director | January 28, 2010 |