CAMCO FINANCIAL CORP
Form 10-Q/A
February 03, 2012
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q/A

Amendment No. 1

(Mark One)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2011

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 0-25196

CAMCO FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**51-0110823**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

814 Wheeling Avenue, Cambridge, Ohio 43725-9757
(Address of principal executive offices) (Zip Code)
Registrant s telephone number, including area code: (740) 435-2020

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 x No ¨

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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes x No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting Corporation. 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	¨	Accelerated filer	¨
Non-accelerated filer	¨	Smaller reporting company	x

Indicate by checkmark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act).

Yes ¨ No x

As of August 8, 2011, the latest practicable date, 7,205,595 shares of the registrant s common stock, $1.00 par value, were outstanding.

Table of Contents

Camco Financial Corporation

INDEX

Table of Contents

Camco Financial Corporation

Quarterly Report on Form 10-Q/A for the period ended June 30, 2011

EXPLANATORY NOTE

Camco Financial Corporation (the Camco) is filing this Amendment No. 1 (Amended Report) to its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011, which was originally filed with the Securities and Exchange Commission (SEC) on August 15, 2011 (the Original Report), to restate the Camco s unaudited consolidated financial statements for the quarterly period ended June 30, 2011 and amend related disclosures in the Selected Financial Data and Management s Discussion and Analysis.

On January 17, 2012, the Boards of Directors of Camco and Advantage Bank, Camco s wholly owned subsidiary, received notice from Advantage s regulators, the FDIC and Ohio Department of Financial Institutions (ODFI), that Advantage must restate its Call Report previously filed with the FDIC to reflect an additional provision to Advantage s allowance for loan losses of at least $1.6 million as of June 30, 2011. This impacted our previously issued unaudited consolidated financial statements for the quarter ended June 30,2011, contained in the Original Report.

As a result, Camco is filing this Amended Report to amend Part 1. Financial Statements and Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations, to reflect a restatement of the financial statements in connection with the following:

Camco s net loss after tax for the three months ended June 30, 2011, is $1.5 million compared to earnings of $137,000. Loss per basic share for the second quarter of 2011 is $(.20), compared to the originally reported earnings per share of $.02. Due to the adjustments to the financial results for the second quarter of 2011, Camco s after tax net loss for the six months ended June 30, 2011, is $811,000 compared to net earnings of $789,000. Loss per basic share for the six months ended 2011 is $(.11), compared to the originally reported basic earnings per share of $.11.

The provision for losses on loans for the second quarter of 2011 increased from $197,000 to $1.8 million. As a result of the increased provision for loan losses, the allowance for loan losses as of June 30, 2011 increased to $18.4 million, or 70.4% of non-performing loans, compared to the originally reported amount of $16.8 million, or 64.3% of non-performing loans.

Loans receivable net declined to $639.7 million from the previously reported level of $641.3 million and total assets declined to $765.9 million from the previously reported level of $767.5 million.

Total stockholders equity at June 30, 2011 declined $1.6 million to $44.5 million from $46.1 million.

For the specific line items restated and a more detailed description of the changes made in this restatement *See* Part 1, Item 9, Restatement of Previously Issued Financial Statements .

Table of Contents

Camco Financial Corporation

Quarterly Report on Form 10-Q/A for the period ended June 30, 2011

EXPLANATORY NOTE

While we are amending only certain portions of our Original Report, for convenience and ease of future reference, we are filing the entire Quarterly Report for the quarter ended June 30, 2011, in this Amended Report.

This Amended Report also includes currently-dated certifications from the Camco s Chief Executive Officer and Chief Financial Officer, as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002. Camco has not modified or updated disclosures presented in the Original Report, except as required to specifically reflect the effects of the restatement in the Amended Report. Accordingly, this Amended Report does not reflect other events occurring after the Original Report, nor does it modify or update those disclosures affected by other subsequent events. Information not affected by the restatement is unchanged and reflects the disclosures made at the time of the Original Report.

Table of Contents

Item 1. Financial Statements

Camco Financial Corporation

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(In thousands, except share data)

	September 30, June 30, 2011 (unaudited)	September 30, December 31, 2010
ASSETS		
Cash and due from banks	$ 13,074	$ 13,143
Interest-bearing deposits in other financial institutions	29,308	15,971
Cash and cash equivalents	42,382	29,114
Securities available for sale, at market	10,921	30,768
Securities held to maturity, at cost	3,663	3,948
Loans held for sale at lower of cost or fair value	3,699	2,208
Loans receivable net	639,683	667,840
Office premises and equipment net	9,389	9,928
Real estate acquired through foreclosure	14,216	10,096
Federal Home Loan Bank stock at cost	9,888	29,888
Accrued interest receivable	3,164	3,521
Mortgage servicing rights at lower of cost or market	3,979	3,841
Prepaid expenses and other assets	4,649	4,426
Cash surrender value of life insurance	19,739	19,388
Prepaid federal income taxes	554	
Total assets	$ 765,926	$ 814,966
LIABILITIES AND STOCKHOLDERS EQUITY		
Deposits	$ 631,647	$ 651,816
Other Borrowings	11,715	11,530
Advances from the Federal Home Loan Bank	68,765	92,934
Advances by borrowers for taxes and insurance	488	2,413
Accounts payable and accrued liabilities	8,816	10,170
Total liabilities	721,431	768,863
Commitments		
Stockholders equity:		
Preferred stock $1 par value; authorized 100,000 shares; no shares outstanding		
Common stock $1 par value; authorized 29,900,000 shares; 8,884,508 shares issued at June 30, 2011 and December 31, 2010	8,885	8,885
Unearned compensation	(47)	(94)
Additional paid-in capital	60,459	60,260
Retained earnings	(675)	136

Accumulated other comprehensive income (loss) net of related tax effects		(13)		1,030
Treasury stock -1,678,913 shares at June 30, 2011 and December 31, 2010, at cost		(24,114)		(24,114)
Total stockholders equity		44,495		46,103
Total liabilities and stockholders equity	$	765,926	$	814,966

5

Table of Contents

Camco Financial Corporation

CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands, except per share data)

	September 30,	September 30,	September 30,	September 30,
	Six months ended June 30,		Three months ended June 30,	
(unaudited)	**2011**	**2010**	**2011**	**2010**
Interest and dividend income				
Loans	$ 17,740	$ 18,561	$ 8,839	$ 9,281
Investment securities	439	1,073	84	495
Other interest-earning accounts	503	673	157	333
Total interest and dividend income	18,682	20,307	9,080	10,109
Interest Expense				
Deposits	4,107	5,689	1,918	2,744
Borrowings	1,529	1,989	726	992
Total interest expense	5,636	7,678	2,644	3,736
Net interest income	13,046	12,629	6,436	6,373
Provision for losses on loans	2,810	6,117	1,797	5,212
Net interest income after provision for losses on loans	10,236	6,512	4,639	1,161
Other income				
Late charges, rent and other	565	737	203	328
Loan servicing fees	605	637	298	320
Service charges and other fees on deposits	1,032	1,116	529	598
Gain (loss) on sale of loans		490	(92)	261
Mortgage servicing rights net	139	(94)	(132)	(124)
Gain (loss) on sale of investments & fixed assets	1,280	(1)	2	(1)
Income on cash surrender value of life insurance	437	435	220	220
Total other income	4,058	3,320	1,028	1,602
General, administrative and other expenses				
Employee compensation and benefits	6,531	6,654	3,153	3,269
Occupancy and equipment	1,452	1,485	691	743
Federal deposit insurance premiums and other insurance	1,097	1,094	494	591
Data processing	561	566	277	286
Advertising	182	170	96	89
Franchise taxes	348	534	178	269
Postage, supplies and office expenses	471	567	253	274
Travel and training	121	118	56	65
Professional services	702	784	320	462
Deposit and transaction processing expenses	367	378	200	185
Real estate owned and other expenses	1,655	831	825	409
Loan expenses	1,081	736	598	333
Total general, administrative and other expense	14,568	13,917	7,141	6,975

Loss before federal income taxes		(274)		(4,085)		(1,474)		(4,212)
Federal income taxes (benefit)		537		(115)		(11)		(113)
NET LOSS	$	**(811)**	$	**(3,970)**	$	**(1,463)**	$	**(4,099)**
LOSS PER SHARE								
Basic	$	**(0.11)**	$	**(0.55)**	$	**(0.20)**	$	**(0.57)**
Diluted	$	**(0.11)**	$	**(0.55)**	$	**(0.20)**	$	**(0.57)**

Table of Contents

Camco Financial Corporation

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In thousands)

	September 30,	September 30,	September 30,	September 30,
	Six months ended June 30,		Three months ended June 30,	
(unaudited)	**2011**	**2010**	**2011**	**2010**
Net loss	$ (811)	(3,970)	$ (1,463)	$ (4,099)
Other comprehensive income, net of tax:				
Unrealized holding gains on securities during the period, net of tax effects of $(103) and $99, $(143) and $64 for the respective periods	1,043	193	21	125
Reclassification adjustment for realized gains included in net earnings, net of taxes of $(441) and $0 in 2011 and 2010, respectively	(1,276)			
Comprehensive loss	**$ (1,044)**	**$ (3,777)**	**$ (1,442)**	**$ (3,974)**

7

Table of Contents

Camco Financial Corporation

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended June 30,

(In thousands)

	September 30, 2011	September 30, 2010
	(unaudited)	
Cash flows from operating activities:		
Net loss for the period	$ (811)	$ (3,970)
Adjustments to reconcile net earnings (loss) to net cash provided by (used in) operating activities:		
Amortization of deferred loan origination fees	(159)	67
Amortization of premiums and discounts on investment and mortgage-backed securities net	30	8
Amortization of mortgage servicing rights net	72	546
Depreciation and amortization	668	628
Provision for losses on loans	2,810	6,117
Stock option expense	199	138
Deferred compensation	47	31
Provisions for losses on REO	259	192
Loss on sale of real estate acquired through foreclosure	285	30
Gain on sale of loans		(490)
(Gain) or loss on sale of investments and fixed assets	(1,280)	1
Loans originated for sale in the secondary market	(34,614)	(29,293)
Proceeds from sale of loans in the secondary market	33,123	28,589
Net increase in cash surrender value of life insurance	(351)	(351)
Increase (decrease) in cash due to changes in:		
Accrued interest receivable	357	320
Prepaid expenses and other assets	(777)	(629)
Accrued interest and other liabilities	(818)	(949)
Net cash provided by (used in) operating activities	(960)	985
Cash flows provided by (used in) investing activities:		
Principal repayments, maturities on securities held to maturity	282	195
Principal repayments, maturities on securities available for sale	4,971	17,842
Purchases of investment securities designated as available for sale	(12,615)	
Purchases of investment securities designated as held to maturity		(828)
Proceeds from sale of investments	27,161	
Redemption of FHLB Stock	20,000	
Loan principal repayments	108,208	73,863
Loan disbursements and purchased loans	(90,452)	(100,079)
Proceeds from sale of office premises and equipment	4	10
Proceeds from sale of life insurance		160
Additions to office premises and equipment	(129)	(219)
Proceeds from sale of real estate acquired through foreclosure	2,876	1,521
Net cash provided by (used in) investing activities	60,306	(7,535)
Net cash provided by (used in) operating and investing activities balance carried forward	59,346	(6,550)

8

Table of Contents

Camco Financial Corporation

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

For the six months ended June 30,

(In thousands)

	September 30, 2011	September 30, 2010
Net cash provided by (used in) operating and investing activities (balance brought forward)	$ 59,346	$ (6,550)
Cash flows used in financing activities:		
Net decrease in deposits	(20,169)	(7,030)
Proceeds from Federal Home Loan Bank advances and other borrowings	42,317	87,606
Repayment of Federal Home Loan Bank advances and other borrowings	(66,301)	(76,848)
Decrease in advances by borrowers for taxes and insurance	(1,925)	(1,764)
Net cash provided by (used in) financing activities	(46,078)	1,964
Increase (decrease) in cash and cash equivalents	13,268	(4,586)
Cash and cash equivalents at beginning of period	29,114	38,153
Cash and cash equivalents at end of period	**$ 42,382**	**$ 33,567**
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest on deposits and borrowings	$ 5,699	$ 7,690
Income taxes paid	580	
Transfers from loans to real estate acquired through foreclosure	7,540	2,682

9

Table of Contents

NOTES TO CONDENSED FINANCIAL STATEMENTS

1. Basis of Presentation

The accompanying unaudited consolidated financial statements were prepared in accordance with instructions for Form 10-Q and, therefore, do not include information or footnotes necessary for a complete presentation of financial position, results of operations and cash flows in conformity with accounting principles generally accepted in the United States of America (US GAAP). Accordingly, these financial statements should be read in conjunction with the consolidated financial statements and notes thereto of Camco Financial Corporation (Camco or the Corporation) included in Camco s Annual Report on Form 10-K for the year ended December 31, 2010. However, all adjustments (consisting only of normal recurring accruals) which, in the opinion of management, are necessary for a fair presentation of the consolidated financial statements have been included. The results of operations for the six month period ended June 30, 2011, are not necessarily indicative of the results which may be expected for the entire year.

2. Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Camco and its wholly-owned subsidiary, Advantage Bank (Advantage or the Bank). All significant intercompany balances and transactions have been eliminated.

On March 31, 2011, Camco Financial Corporation dissolved Camco Title Agency, Inc. and sold certain of its assets to a third party. The balance sheet and results of operations of Camco Title are not material to the Corporation s consolidated financial statements. For the three months ended March 31, 2011, Camco Title s operations resulted in net income of $15,000.

3. Critical Accounting Policies

Management s Discussion and Analysis of Financial Condition and Results of Operations, as well as disclosures found elsewhere in this quarterly report, are based upon Camco s consolidated financial statements, which are prepared in accordance with US GAAP. The preparation of these financial statements requires Camco to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Several factors are considered in determining whether or not a policy is critical in the preparation of financial statements. These factors include, among other things, whether the estimates are significant to the financial statements, the nature of the estimates, the ability to readily validate the estimates with other information including third parties or available prices, and sensitivity of the estimates to changes in economic conditions and whether alternative accounting methods may be utilized under US GAAP.

Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for loan losses, the valuation of mortgage servicing rights and the valuation of deferred tax assets. Actual results could differ from those estimates.

We believe the accounting estimates related to the allowance for loan losses, the capitalization, amortization, and valuation of mortgage servicing rights, deferred income taxes and other real estate are critical accounting estimates because: (1) the estimates are highly susceptible to change from period to period because they require us to make assumptions concerning the changes in the types and volumes of the portfolios, rates of future prepayments, and anticipated economic conditions, and (2) the impact of recognizing an impairment or loan loss could have a material effect on Camco s assets reported on the balance sheet as well as its net earnings.

Allowance for Loan Losses

The procedures for assessing the adequacy of the allowance for loan losses reflect management s evaluation of credit risk after careful consideration of all information available to management. In developing this assessment, management must rely on estimates and exercise judgment regarding matters where the ultimate outcome is unknown such as economic factors, developments affecting companies in specific industries and issues with respect to single borrowers. Depending on changes in circumstances, future assessments of credit risk may yield materially different results, which may require an increase or a decrease in the allowance for loan losses.

Table of Contents

Each quarter, management analyzes the adequacy of the allowance for loan losses based on review of the loans in the portfolio along with an analysis of external factors (including current economy, unemployment rates, housing price depreciation, etc.) and historical delinquency and loss trends. The allowance is developed through specific components: 1) the specific allowance for loans subject to individual analysis, 2) the allowance for classified loans not otherwise subject to individual analysis and 3) the allowance for non-classified loans (primarily homogenous).

Classified loans with indication or acknowledgment of deterioration are subject to individual analysis. Loan classifications are those used by regulators consisting of Special Mention, Substandard, Doubtful and Loss. In evaluating these loans for impairment, the measure of expected loss is based on the present value of the expected future cash flows discounted at the loan s effective interest rate, a loan s observable market price or the fair value of the collateral if the loan is collateral dependent. All other classified assets and non-classified assets are combined with the homogenous loan pools and segregated into collateral codes. Loss rate factors are developed for each collateral code which is used to estimate losses and determine an allowance. The loss factors for each code are derived from historical delinquency, classification, and charge-off rates and adjusted for economic factors and an estimated loss scenario. While the Corporation strives to reflect all known risk factors in its evaluations, these evaluations are by their nature imprecise and based in part on factors beyond the Bank s control.

The allowance is reviewed by management to determine whether the amount is considered adequate to absorb probable, incurred losses inherent in the loan portfolio. Management s evaluation of the adequacy of the allowance is an estimate based on management s current judgment about the credit quality of the loan portfolio. This evaluation includes specific loss estimates on certain individually reviewed loans, statistical loss estimates for collateral codes that are based on historical loss experience, and general loss estimates that are based upon the size, quality, and concentration characteristics of the various loan portfolios, adverse situations that may affect a borrower s ability to repay, and current economic and industry conditions. Also considered as part of that judgment is a review of the Bank s trends in delinquencies and loan losses, as well as trends in delinquencies and losses for the region and nationally, and economic factors. While the Corporation strives to reflect all known risk factors in its evaluations, these evaluations are by their nature imprecise and based in part on factors beyond the Bank s control.

Mortgage Servicing Rights

To determine the fair value of its mortgage servicing rights (MSRs) each reporting quarter, the Corporation provides information to a third party valuation firm, representing loan information in each pooling period accompanied by escrow amounts. The third party then evaluates the possible impairment of MSRs as described below.

MSRs are recognized as separate assets or liabilities when loans are sold with servicing retained. A pooling methodology, in which loans with similar characteristics are pooled together, is applied for valuation purposes. Once pooled, each grouping of loans is evaluated on a discounted earnings basis to determine the present value of future earnings that the Bank could expect to realize from the portfolio. Earnings are projected from a variety of sources including loan service fees, net interest earned on escrow balances, miscellaneous income and costs to service the loans. The present value of future earnings is the estimated fair value for the pool, calculated using consensus assumptions that a third party purchaser would utilize in evaluating a potential acquisition of the MSRs.

Events that may significantly affect the estimates used are changes in interest rates and the related impact on mortgage loan prepayment speeds and the payment performance of the underlying loans. The interest rate for net interest earned on escrow balances, which is supplied by management, takes into consideration the investment portfolio average yield as well as current short duration investment yields. Management believes this methodology provides a reasonable estimate. Mortgage loan prepayment speeds are calculated by the third party provider utilizing the Economic Outlook as published by the Office of Chief Economist of Freddie Mac in estimating prepayment speeds and provides a specific scenario with each evaluation. Based on the assumptions discussed, pre-tax projections are prepared for each pool of loans serviced. These earnings figures approximate the cash flow that could be received from the servicing portfolio. Valuation results are presented quarterly to management. At that time, management reviews the information and MSRs are marked to lower of amortized cost or fair value for the current quarter.

Table of Contents

Federal Income Taxes

Camco recognizes expense for federal income taxes currently payable as well as for deferred federal taxes for estimated future tax effects of temporary differences between the tax basis of assets and liabilities and amounts reported in the consolidated balance sheets. Realization of a deferred tax asset is dependent upon generating sufficient taxable income in the carry forward periods to cover net operating losses generated by the reversal of temporary differences. A valuation allowance is provided by way of a charge to income tax expense if it is determined that it is more likely than not that some or all of the deferred tax asset will not be realized. If different assumptions and conditions were to prevail, the valuation allowance may not be adequate to absorb unrealized deferred taxes and the amount of income taxes payable may need to be adjusted by way of a charge or credit to expense.

Income tax returns are subject to audit by the IRS. Income tax expense for current and prior periods is subject to adjustment based upon the outcome of such audits. During 2011, the IRS began an examination of the Company s tax returns for the year ended December 31, 2009. Accrual of income taxes payable and valuation allowances against deferred tax assets are estimates subject to change based upon the outcome of future events.

Other Real Estate

Assets acquired through or instead of foreclosure, primarily other real estate owned, are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. New real estate appraisals are generally obtained at the time of foreclosure and are used to establish fair value. If fair value declines, a valuation allowance is recorded through expense. Estimating the initial and ongoing fair value of these properties involves a number of factors and judgments including holding time, costs to complete, holding costs, discount rate, absorption and other factors.

4. Earnings Per Share

Basic earnings per common share is computed based upon the weighted-average number of common shares outstanding during the period. Diluted earnings per common share is computed including the dilutive effect of additional potential common shares issuable under outstanding stock options. The computations were as follows for the periods ending June 30, 2011 and 2010.

	September 30,	September 30,	September 30,	September 30,
	For the six months ended June 30,		For the three months ended June 30,	
	2011	2010	2011	2010
	(In thousands, except per share information)			
BASIC:				
Net Loss	$ (811)	$ (3,970)	$ (1,463)	$ (4,099)
Weighted average common shares outstanding	7,206	7,206	7,206	7,206
Basic loss per share	**$ (0.11)**	**$ (0.55)**	**$ (0.20)**	**$ (0.57)**
DILUTED:				
Net Loss	$ (811)	$ (3,970)	$ (1,463)	$ (4,099)
Weighted average common shares outstanding	7,206	7,206	7,206	7,206
Dilutive effect of stock options				
Total common shares and dilutive potential common shares	7,206	7,206	7,206	7,206
Diluted loss per share	**$ (0.11)**	**$ (0.55)**	**$ (0.20)**	**$ (0.57)**

Anti-dilutive options to purchase 604,583 and 480,092 shares of common stock with respective weighted-average exercise prices of $4.97 and $13.86 were outstanding at June 30, 2011 and 2010, respectively, but were excluded from the computation of common share equivalents for each of the six months ended, because the exercise prices were greater than the average market price of the common shares.

Table of Contents

Anti-dilutive options to purchase 609,583 and 480,092 shares of common stock with respective weighted-average exercise prices of $4.93 and $13.86 were outstanding at June 30, 2011 and 2010, respectively, but were excluded from the computation of common share equivalents for each of the three month periods, because the exercise prices were greater than the average market price of the common shares.

5. Stock Option Plans

The Corporation follows a fair-value based method for valuing stock-based compensation that measures compensation cost at the grant date based on the fair value of the award.

The fair value of each option grant is estimated on the date of grant using the modified Black-Scholes options-pricing model. The following table details the fair value and assumptions used to value stock options as of the grant date that were granted during the six months ended June 30, 2011 and 2010:

	September 30, 2011	September 30, 2010
Fair value, calculated	$ 1.49	$ 1.65
Exercise Price	$ 2.14	$ 2.51
Risk-free interest rate	3.58%	3.61%
Expected stock price volatility	57.30%	51.62%
Expected dividend yield		