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| 10-Q | bfc_10q-071009.htm Form 10-Q |
| EX-31.1 | ex31-1.htm Certification CEO |
| EX-31.2 | ex31-2.htm Certification CFO |
| EX-32.1 | ex32-1.htm Certification CEO |
| EX-32.2 | ex32-2.htm Certification CFO |

Module and Segment References

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
(Mark one)
 QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES AND EXCHANGE ACT OF 1934

For the quarterly period ended July 10, 2009

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 0-2396

BRIDGFORD FOODS CORPORATION
(Exact name of Registrant as specified in its charter)

California
(State or other jurisdiction of
incorporation or organization)

95-1778176
(I.R.S. Employer
identification number)

1308 N. Patt Street, Anaheim, CA 92801
(Address of principal executive offices-Zip code)

714-526-5533
(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 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 No

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.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if smaller reporting company)

Smaller reporting company

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

Yes No

As of August 20, 2009 the registrant had 9,376,194 shares of common stock outstanding.

BRIDGFORD FOODS CORPORATION
FORM 10-Q QUARTERLY REPORT
INDEX

References to "Bridgford Foods" or the "Company" contained in this Quarterly Report on Form 10-Q refer to Bridgford Foods Corporation.

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Part I. Financial Information

Item 1. a.

BRIDGFORD FOODS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)

| ASSETS | July 10, 2009 | October 31, 2008 |
|---|----------------------|-------------------------|
| | (Unaudited) | |
| Current assets: | | |
| Cash and cash equivalents | \$ 12,407 | \$ 6,092 |
| Accounts receivable, less allowance for doubtful accounts of \$378 and \$397, respectively, and promotional allowances of \$2,108 and \$2,015, respectively | 7,242 | 8,867 |
| Inventories (Note 2) | 15,047 | 16,052 |
| Prepaid expenses and other current assets | 1,235 | 906 |
| Total current assets | 35,931 | 31,917 |
| Property, plant and equipment, less accumulated depreciation of \$55,295 and \$53,740, respectively | 8,751 | 9,775 |
| Other non-current assets | 10,267 | 10,263 |
| | <u>\$ 54,949</u> | <u>\$ 51,955</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 3,604 | \$ 3,073 |
| Accrued payroll, advertising and other expenses | 7,843 | 8,405 |
| Total current liabilities | 11,447 | 11,478 |
| Non-current liabilities | 13,322 | 7,942 |
| Total liabilities | 24,769 | 19,420 |
| Commitments and Contingencies (Note 5) | | |
| Shareholders' equity: | | |
| Preferred stock, without par value | | |
| Authorized - 1,000 shares | | |
| Issued and outstanding - none | - | - |
| Common stock, \$1.00 par value | | |
| Authorized - 20,000 shares | | |
| Issued and outstanding - 9,396 and 9,435 shares | 9,453 | 9,492 |
| Capital in excess of par value | 10,973 | 11,204 |
| Retained earnings | 17,926 | 14,298 |
| Accumulated other comprehensive loss | (8,172) | (2,459) |
| | <u>30,180</u> | <u>32,535</u> |
| | <u>\$ 54,949</u> | <u>\$ 51,955</u> |

See accompanying notes to condensed consolidated financial statements.

Item 1. b.

BRIDGFORD FOODS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(in thousands, except per share amounts)

| | 12 weeks ended | | 36 weeks ended | |
|--|-----------------|-------------------|-----------------|-------------------|
| | July 10, 2009 | July 11, 2008 | July 10, 2009 | July 11, 2008 |
| Net sales | \$ 26,281 | \$ 26,584 | \$ 83,435 | \$ 82,802 |
| Cost of products sold, excluding depreciation | 15,089 | 17,546 | 49,105 | 54,872 |
| Selling, general and administrative expenses | 9,393 | 10,218 | 28,532 | 29,311 |
| Depreciation | 531 | 753 | 1,962 | 2,249 |
| | <u>25,013</u> | <u>28,517</u> | <u>79,599</u> | <u>86,432</u> |
| Income (loss) before taxes | 1,268 | (1,933) | 3,836 | (3,630) |
| Income tax provision | 208 | 4,339 | 208 | 3,690 |
| Net income (loss) | <u>\$ 1,060</u> | <u>\$ (6,272)</u> | <u>\$ 3,628</u> | <u>\$ (7,320)</u> |
| Basic income (loss) per share (Note 3) | <u>\$ 0.11</u> | <u>\$ (0.66)</u> | <u>\$ 0.38</u> | <u>\$ (0.76)</u> |
| Diluted income (loss) per share (Note 3) | <u>\$ 0.11</u> | <u>\$ (0.66)</u> | <u>\$ 0.38</u> | <u>\$ (0.76)</u> |
| Weighted average common shares - Basic shares computed | <u>9,419</u> | <u>9,445</u> | <u>9,429</u> | <u>9,669</u> |
| Weighted average common shares - Diluted shares computed | <u>9,419</u> | <u>9,445</u> | <u>9,429</u> | <u>9,669</u> |

See accompanying notes to condensed consolidated financial statements.

Item 1. c.

CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE LOSS

(Unaudited)

(in thousands)

| | Common Stock | | Capital in excess of par | Retained earnings | Accumulated other comprehensive loss | Total |
|--------------------------------------|--------------|-----------------|--------------------------------|----------------------|---|------------------|
| | Shares | Amount | | | | |
| October 31, 2008 | 9,435 | \$ 9,492 | \$ 11,204 | \$ 14,298 | \$ (2,459) | \$ 32,535 |
| Shares repurchased | (39) | (39) | (231) | | | (270) |
| Net income | | | | 3,628 | | 3,628 |
| Other comprehensive loss: | | | | | | |
| Unrealized loss on investments | | | | | (8) | (8) |
| Change in pension liability (Note 4) | | | | | (5,705) | (5,705) |
| Comprehensive loss | | | | | | (2,085) |
| July 10, 2009 | <u>9,396</u> | <u>\$ 9,453</u> | <u>\$ 10,973</u> | <u>\$ 17,926</u> | <u>\$ (8,172)</u> | <u>\$ 30,180</u> |

See accompanying notes to condensed consolidated financial statements.

Item 1. d.

BRIDGFORD FOODS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands)

| | 36 weeks ended | |
|---|----------------|---------------|
| | July 10, 2009 | July 11, 2008 |
| Cash flows from operating activities: | | |
| Net income (loss) | \$ 3,628 | \$ (7,320) |
| Income or charges not affecting cash and cash equivalents: | | |
| Depreciation | 1,962 | 2,249 |
| Provision for losses on accounts receivable | 6 | 26 |
| Gain on sale of property, plant and equipment | (10) | (35) |
| Tax valuation allowance on deferred tax assets | - | 4,940 |
| Effect on cash and cash equivalents of changes in operating assets and liabilities: | | |
| Accounts receivable, net | 1,619 | 740 |
| Inventories | 1,005 | (91) |
| Prepaid expenses and other current assets | (337) | (839) |
| Other non-current assets | (4) | 376 |
| Accounts payable | 531 | 838 |
| Accrued payroll, advertising and other expenses | (562) | (1,062) |
| Non-current liabilities | (325) | (360) |
| Net cash provided by (used in) operating activities | 7,513 | (538) |
| Cash used in investing activities: | | |
| Proceeds from sale of property, plant and equipment | 56 | 40 |
| Additions to property, plant and equipment | (984) | (1,586) |
| Net cash used in investing activities | (928) | (1,546) |
| Cash used in financing activities: | | |
| Shares repurchased | (270) | (3,018) |
| Net cash used in financing activities | (270) | (3,018) |
| Net increase (decrease) in cash and cash equivalents | 6,315 | (5,102) |
| Cash and cash equivalents at beginning of period | 6,092 | 11,336 |
| Cash and cash equivalents at end of period | \$ 12,407 | \$ 6,234 |
| Cash paid for income taxes | \$ 0 | \$ 0 |

See accompanying notes to condensed consolidated financial statements.

BRIDGFORD FOODS CORPORATION**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

(in thousands, except percentages, share and per share amounts)

Note 1 - Summary of Significant Accounting Policies:

The unaudited consolidated condensed financial statements of Bridgford Foods Corporation (the "Company", "we", "our", "us") for the twelve and thirty-six weeks ended July 10, 2009 and July 11, 2008 have been prepared in conformity with the accounting principles described in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2008 (the "Annual Report") and include all adjustments considered necessary by management for a fair presentation of the interim periods. Such adjustments consist only of normal recurring items. This report should be read in conjunction with the Annual Report. Due to seasonality and other factors, interim results are not necessarily indicative of the results for the full year. New accounting pronouncements and their effect on the Company are discussed in Management's Discussion and Analysis of Financial Condition and Results of Operations in this Form 10-Q.

The October 31, 2008 balance sheet within these interim condensed consolidated financial statements were derived from the audited fiscal 2008 financial statements.

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported revenues and expenses during the reporting periods.

Actual results may vary from these estimates. Some of the estimates needed to be made by management include the allowance for doubtful accounts, inventory reserves and the estimated useful lives of property and equipment, and the valuation allowance for the Company's deferred tax asset. Actual results could materially differ from these estimates. Amounts estimated related to liabilities for self-insured workers' compensation, employee healthcare and pension benefits are especially subject to inherent uncertainties and these estimated liabilities may ultimately settle at amounts which vary from our current estimates.

Financial instruments that subject the Company to credit risk consist primarily of cash and cash equivalents, accounts and other receivables, accounts payable and accrued liabilities. The carrying amount of these instruments approximate fair market value due to the short maturity of these instruments. At July 10, 2009, the Company had accounts in excess of the Federal Deposit Insurance Corporation insurance coverage limit. The Company has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. The Company issues credit to a significant number of customers that are diversified over a wide geographic area. The Company monitors the payment histories of its customers and maintains an allowance for doubtful accounts which is reviewed for adequacy on a quarterly basis. The Company does not require collateral from its customers.

For the thirty-six weeks ended July 10, 2009 and July 11, 2008, Wal-Mart® accounted for 11.7% and 13.1%, respectively of consolidated revenues or 15.2% and 16.4% of consolidated accounts receivable. For the twelve weeks ended July 10, 2009 and July 11, 2008, Wal-Mart® accounted for 17.3% and 13.6%, respectively of consolidated revenues or 15.2% and 16.4% of consolidated accounts receivable.

Note 2 - Inventories:

Inventories are comprised of the following at the respective periods:

| | <u>July 10, 2009</u> | <u>October 31, 2008</u> |
|--------------------------------|----------------------|-------------------------|
| Meat, ingredients and supplies | \$ 4,599 | \$ 4,086 |
| Work in progress | 1,988 | 2,322 |
| Finished goods | 8,460 | 9,644 |
| | <u>\$ 15,047</u> | <u>\$ 16,052</u> |

Inventories are valued at the lower of cost (which approximates actual cost on a first-in, first-out basis) or market. Costs related to warehousing, transportation and distribution to customers are considered when computing market value. Inventories include the cost of raw materials, labor and manufacturing overhead. We regularly review inventory quantities on hand and write down any excess or obsolete inventories to estimated net realizable value. An inventory reserve is created when potentially slow-moving or obsolete inventories are identified in order to reflect the appropriate inventory value. Changes in economic conditions, production requirements, and lower than expected customer demand could result in additional obsolete or slow-moving inventory that cannot be sold or may need to be sold at reduced prices and could result in additional reserve provisions.

Note 3 - Basic and Diluted Earnings Per Share:

The employee stock option plan expired by its terms on April 29, 2009 and no further stock options are available for grant under the plan. The Company had 250,000 employee stock options outstanding through April 29, 2009 and the thirty-six week periods ended July 11, 2008. The effect of the employee stock options outstanding for the thirty-six weeks ended July 10, 2009 and July 11, 2008 was not included in the calculation of diluted shares and diluted earnings per share as to do so would be anti-dilutive. No stock options were granted during the first thirty-six weeks ended July 10, 2009 and July 11, 2008.

Note 4 - Retirement and Other Benefit Plans:

The Company has noncontributory-trusteed defined benefit retirement plans for sales, administrative, supervisory and certain other employees. The benefits under these plans are primarily based on years of service and compensation levels. Our general funding policy is to make contributions which are at least equal to the minimum required contributions needed to avoid a funding deficiency for our funding plans in accordance with the Employee Retirement Income Security Act. The measurement date for the plans is the Company's fiscal year end.

Net pension cost consisted of the following:

| | 36 weeks ended | |
|--|----------------|---------------|
| | July 10, 2009 | July 11, 2008 |
| Service cost | \$ 71 | \$ 103 |
| Interest cost | 1,396 | 1,356 |
| Expected return on plan assets | (1,175) | (1,601) |
| Amortization of unrecognized prior service cost | 1 | 1 |
| Amortization of net (gain) loss from earlier periods | 61 | — |
| Net pension cost | \$ 354 | \$ (141) |

The expected Company contribution to the plans within the next twelve months is \$1,260. We have funded the plans in the amount of \$361 through the third quarter of fiscal 2009.

The pension liability increased significantly during the first thirty-six weeks of fiscal 2009 primarily due to a decrease in the discount rate to 6.27% as of July 10, 2009 from 8.00% as of October 31, 2008. Statement of Financial Accounting Standards ("SFAS") No. 158 "Employers Accounting for Defined Benefit Pension and Other Postretirement Plans" amended paragraph 44 of SFAS No. 87 "Employers' Accounting for Pensions" to require that an internal rate of return analysis be included in the discount rate selection process. The discount rate was based on the Citigroup Pension Liability Index as of the end of the reporting period.

Note 5 - Commitments and Contingencies:

The Company leases certain transportation equipment under operating leases. The terms of the transportation leases provide for annual renewal options and contingent rental payments based upon mileage and adjustments of rental payments based on the Consumer Price Index. No material changes have been made to these contracts during the first thirty-six weeks of fiscal 2009.

The Company is involved in various other claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters is not expected to have a material adverse effect on the Company's consolidated financial position or results of operations.

The Company purchases bulk flour under short-term fixed price contracts during the normal course of business. Under these arrangements, the Company is obligated to purchase specific quantities at fixed prices, within the specified contract period. These contracts provide for automatic price increases if agreed quantities are not purchased within the specified contract period. No significant contracts remained unfulfilled at July 10, 2009.

Note 6 - Segment Information:

The Company has two reportable operating segments, Frozen Food Products (the processing and distribution of frozen products) and Refrigerated and Snack Food Products (the processing and distribution of refrigerated meat and other convenience foods).

We evaluate each segment's performance based on revenues and operating income. Selling, general and administrative expenses include corporate accounting, information systems, human resource management and marketing, which are managed at the corporate level. These activities are allocated to each operating segment based on revenues and/or actual usage.

The following segment information is presented for the twelve and thirty-six weeks ended July 10, 2009 and July 11, 2008.

| Twelve Weeks Ended July 10, 2009 | Refrigerated and | | | | Totals |
|---|-------------------------|------------------------|-----------|-------------|-----------|
| | Frozen Food Products | Snack Food Products | Other | Elimination | |
| Sales from external customers | \$ 11,186 | \$ 15,095 | \$ - | \$ - | \$ 26,281 |
| Intersegment sales | - | 123 | - | 123 | - |
| Net sales | 11,186 | 15,218 | - | 123 | 26,281 |
| Cost of products sold, excluding depreciation | 6,419 | 8,793 | - | 123 | 15,089 |
| Selling, general and administrative expenses | 3,676 | 5,717 | - | - | 9,393 |
| Depreciation | 148 | 351 | 32 | - | 531 |
| | 10,243 | 14,861 | 32 | 123 | 25,013 |
| Income (loss) before taxes | 943 | 357 | (32) | - | 1,268 |
| Income tax provision | 68 | 140 | - | - | 208 |
| Net income (loss) | \$ 875 | \$ 217 | \$ (32) | \$ - | \$ 1,060 |
| Total assets | \$ 10,100 | \$ 21,374 | \$ 23,475 | \$ - | \$ 54,949 |
| Additions to property, plant and equipment | \$ 143 | \$ 37 | \$ 30 | \$ - | \$ 210 |

| Twelve Weeks Ended July 11, 2008 | Refrigerated and | | | | Totals |
|---|-------------------------|------------------------|------------|-------------|------------|
| | Frozen Food Products | Snack Food Products | Other | Elimination | |
| Sales from external customers | \$ 11,469 | \$ 15,115 | \$ - | \$ - | \$ 26,584 |
| Intersegment sales | - | 317 | - | 317 | - |
| Net sales | 11,469 | 15,432 | - | 317 | 26,584 |
| Cost of products sold, excluding depreciation | 8,477 | 9,386 | - | 317 | 17,546 |
| Selling, general and administrative expenses | 3,599 | 6,619 | - | - | 10,218 |
| Depreciation | 181 | 498 | 74 | - | 753 |
| | 12,257 | 16,503 | 74 | 317 | 28,517 |
| Loss before taxes | (788) | (1,071) | (74) | - | (1,933) |
| Income tax benefit | (265) | (337) | 4,940 | - | 4,339 |
| Net loss | \$ (523) | \$ (734) | \$ (5,014) | \$ - | \$ (6,272) |
| Total assets | \$ 10,934 | \$ 26,113 | \$ 21,395 | \$ - | \$ 58,442 |
| Additions to property, plant and equipment | \$ 82 | \$ 588 | \$ 36 | \$ - | \$ 706 |

| Thirty-six Weeks Ended July 10, 2009 | Refrigerated and | | | | Totals |
|---|-------------------------|------------------------|-----------|-------------|-----------|
| | Frozen Food Products | Snack Food Products | Other | Elimination | |
| Sales from external customers | \$ 36,899 | \$ 46,536 | \$ - | \$ - | \$ 83,435 |
| Intersegment sales | - | 481 | - | 481 | - |
| Net sales | 36,899 | 47,017 | - | 481 | 83,435 |
| Cost of products sold, excluding depreciation | 21,370 | 28,216 | - | 481 | 49,105 |
| Selling, general and administrative expenses | 11,444 | 17,088 | - | - | 28,532 |
| Depreciation | 481 | 1,368 | 113 | - | 1,962 |
| | 33,295 | 46,672 | 113 | 481 | 79,599 |
| Income (loss) before taxes | 3,604 | 345 | (113) | - | 3,836 |
| Income tax provision | 68 | 140 | - | - | 208 |
| Net income (loss) | \$ 3,536 | \$ 205 | \$ (113) | \$ - | \$ 3,628 |
| Total assets | \$ 10,100 | \$ 21,374 | \$ 23,475 | \$ - | \$ 54,949 |
| Additions to property, plant and equipment | \$ 677 | \$ 185 | \$ 122 | \$ - | \$ 984 |

| Thirty-six Weeks Ended July 11, 2008 | Refrigerated and | | Other | Elimination | Totals |
|---|-------------------------|------------------------|------------|-------------|------------|
| | Frozen Food Products | Snack Food Products | | | |
| Sales from external customers | \$ 36,028 | \$ 46,774 | \$ - | \$ - | \$ 82,802 |
| Intersegment sales | - | 1,065 | - | 1,065 | - |
| Net sales | 36,028 | 47,839 | - | 1,065 | 82,802 |
| Cost of products sold, excluding depreciation | 24,738 | 31,199 | - | 1,065 | 54,872 |
| Selling, general and administrative expenses | 10,641 | 18,670 | - | - | 29,311 |
| Depreciation | 538 | 1,489 | 222 | - | 2,249 |
| | 35,917 | 51,358 | 222 | 1,065 | 86,432 |
| Income (loss) before taxes | 111 | (3,519) | (222) | - | (3,630) |
| Income tax provision (benefit) | 58 | (1,308) | 4,940 | - | 3,690 |
| Net income (loss) | \$ 53 | \$ (2,211) | \$ (5,162) | \$ - | \$ (7,320) |
| Total assets | \$ 10,934 | \$ 26,113 | \$ 21,395 | \$ - | \$ 58,442 |
| Additions to property, plant and equipment | \$ 139 | \$ 1,300 | \$ 147 | \$ - | \$ 1,586 |

Note 7 - Income Taxes:

The Company expects its effective tax rate for the fiscal year to be minimal (giving consideration to net operating loss carryforwards and other available tax deductions). We recorded a provision for income taxes in the amount of \$208 for the twelve and thirty-six week periods ended July 10, 2009 related to alternative minimum tax and state taxes.

In accordance with the provisions of SFAS No. 109, "Accounting for Income Taxes", the Company assesses, on a quarterly basis the realizability of its deferred tax assets. A valuation allowance must be established when, based upon the evaluation of all available evidence, it is more likely than not that all or a portion of the deferred tax assets will not be realized. Realization of deferred tax assets is dependent upon taxable income in prior carryback years, estimates of future taxable income, tax planning strategies and reversals of existing taxable temporary differences. SFAS No. 109 provides that forming a conclusion that a valuation allowance is not needed is difficult when there is negative evidence such as cumulative losses in recent years or losses expected in early future years.

Due to three years of cumulative losses, management has recorded a full valuation allowance on all deferred tax assets through the third quarter of fiscal 2009. The Company's future realization of its deferred tax assets ultimately depends on the existence of sufficient taxable income in the carryforward periods (both federal and state). Changes in existing laws could affect the valuation of deferred tax assets for future periods.

In July 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes," ("FIN 48"), an interpretation of SFAS No. 109, "Accounting for Income Taxes". FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109. This Interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006.

We have provided a liability of \$97 for unrecognized tax benefits related to various federal and state income tax matters. As of November 1, 2008, the cumulative effect of adopting this interpretation was recorded as a decrease of \$92 to opening retained earnings with an offsetting increase in the accrued FIN 48 liability. This entire amount would reduce the Company's effective income tax rate if an asset is recognized in future reporting periods. As of July 10, 2009, the Company has not identified any new unrecognized tax benefits or losses.

We will recognize any future accrued interest and penalties related to unrecognized tax benefits in income tax expense. As of July 10, 2009, we had approximately \$7 in accrued interest and penalties which is included as a component of the \$97 unrecognized tax benefit noted above.

We are subject to U.S. federal income tax, and are currently under audit by the Internal Revenue Service for the years ended November 1, 2002 through October 28, 2005. Our federal income tax returns are open to audit under the statute of limitations for the years ended October 29, 2004 through November 2, 2007. The Company's statute of limitations for its years ended November 1, 2002 and October 31, 2003 have been extended to September 30, 2009. We believe the appropriate provisions for all outstanding issues have been made for all years under audit.

We are subject to income tax in California and various other state taxing jurisdictions. Our state income tax returns are open to audit under the statute of limitations for the years ended October 29, 2004 through October 31, 2008.

We do not anticipate a significant change to the total amount of unrecognized tax benefits within the next twelve months.

Note 8 - Fair Value Measurements:

Effective November 1, 2008, we adopted SFAS No. 157, Fair Value Measurements ("SFAS No. 157"). The purpose of SFAS No. 157 is to define fair value, establish a framework for measuring fair value and enhance disclosures about fair value measurements. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1 inputs: Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2 inputs: Level 2 inputs are from other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs: Level 3 inputs are unobservable and should be used to measure fair value to the extent that observable inputs are not available.

The hierarchy noted above requires us to minimize the use of unobservable inputs and to use observable market data, if available, when determining fair value.

Financial assets carried at fair value as of July 10, 2009 are classified below:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--------------------------------------|-----------------|----------------|----------------|-----------------|
| Money market funds | \$ 6,036 | \$ - | \$ - | \$ 6,036 |
| Equity securities available for sale | 241 | - | - | 241 |
| Total | \$ 6,277 | \$ - | \$ - | \$ 6,277 |

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations
(dollars in thousands)

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this report constitute "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934 (the "Exchange Act"). Such forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of Bridgford Foods Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions; the impact of competitive products and pricing; success of operating initiatives; development and operating costs; advertising and promotional efforts; adverse publicity; acceptance of new product offerings; consumer trial and frequency; changes in business strategy or development plans; availability, terms and deployment of capital; availability of qualified personnel; commodity, labor, and employee benefit costs; changes in, or failure to comply with, government regulations; weather conditions; construction schedules; and other factors referenced in this Quarterly Report on Form 10-Q. Assumptions relating to budgeting, marketing, and other management decisions are subjective in many respects and thus susceptible to interpretations and periodic revisions based on actual experience and business developments, the impact of which may cause us to alter our marketing, capital expenditure or other budgets, which may in turn affect our business, financial position, results of operations and cash flows. The reader is therefore cautioned not to place undue reliance on forward-looking statements contained herein and to consider other risks detailed more fully in our Annual Report on Form 10-K for the fiscal year ended October 31, 2008. We undertake no obligation to publicly release the result of any revisions to these forward-looking statements which may be made to reflect events or circumstances after the date hereof, or to reflect the occurrence of unanticipated events.

Critical Accounting Policies and Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the respective reporting periods. Actual results could differ from those estimates. Amounts estimated related to liabilities for self-insured workers' compensation, employee healthcare and pension benefits are especially subject to inherent uncertainties and these estimated liabilities may ultimately settle at amounts which vary from our current estimates. We record promotional and returns allowances based on recent and historical trends. Management believes its current estimates are reasonable and based on the best information available at the time.

Our credit risk is diversified across a broad range of customers and geographic regions. Losses due to credit risk have recently been immaterial. The provision for doubtful accounts receivable is based on historical trends and current collection risk. We have significant amounts receivable with a few large, well known customers which, although historically secure, could be subject to material risk should these customers' operations suddenly deteriorate. We monitor these customers closely to minimize the risk of loss. Sales to Wal-Mart® comprised 11.7% of revenues in the first thirty-six weeks of fiscal year 2009 and 15.2% of accounts receivable was due from Wal-Mart® at July 10, 2009. In comparison, Wal-Mart® comprised 13.1% of revenues for the first thirty-six weeks of fiscal year 2008 and 16.4% of accounts receivable at the end of the third quarter of fiscal year 2008. A portion of deliveries to Wal-Mart and other major customers are now handled by independent third-party food distributors who pay us with the sales invoices of Bridgford products sold to these customers.

Revenues are recognized upon passage of title to the customer, typically upon product pick-up, shipment or delivery to customers. Products are delivered to customers primarily through our own long-haul fleet or through our own direct store delivery system. The Company also uses independent distributors to deliver products in remote geographic areas of the country.

We record the cash surrender or contract value for life insurance policies as an adjustment of premiums paid in determining the expense or income to be recognized under the contract for the period.

Deferred taxes are provided for items whose financial and tax bases differ. A valuation allowance is provided against deferred tax assets when it is expected that it is more likely than not that the related asset will not be fully realized.

We provide tax reserves for federal, state, local and international exposures relating to audit results, tax planning initiatives and compliance responsibilities. The development of these reserves requires judgments about tax issues, potential outcomes and timing, and is a subjective estimate. Although the outcome of these tax audits is uncertain, in management's opinion adequate provisions for income taxes have been made for potential liabilities emanating from these reviews. Actual outcomes may differ materially from these estimates.

We assess the recoverability of our long-lived assets on an annual basis or whenever adverse events or changes in circumstances or business climate indicate that expected undiscounted future cash flows related to such long-lived assets may not be sufficient to support the net book value of such assets. If undiscounted cash flows are not sufficient to support the recorded assets, we recognize an impairment to reduce the carrying value of the applicable long-lived assets to their estimated fair value.

Overview of Reporting Segments

We operate in two business segments -- the processing and distribution of frozen products (the Frozen Food Products Segment), and the processing and distribution of refrigerated and snack food products, (the Refrigerated and Snack Food Products Segment). For information regarding the separate financial performance of the business segments refer to Note 6 of the Notes to the Consolidated Condensed Financial Statements included in this Quarterly Report on Form 10-Q. We manufacture and distribute products consisting of an extensive line of food products, including biscuits, bread dough items, roll dough items, dry sausage products, beef jerky and a variety of sandwiches and sliced luncheon meats. We purchase products for resale including a variety of jerky, cheeses, salads, party dips, Mexican foods, nuts and other delicatessen type food products.

Frozen Food Products Segment

In our Frozen Food Products Segment, we manufacture and distribute an extensive line of food products, including biscuits, bread dough items, roll dough items and sandwiches. All items within this Segment are considered similar products and have been aggregated at this level. Our frozen food division serves both food service and retail customers. We sell approximately 190 unique frozen food products through wholesalers, cooperatives and distributors to approximately 21,000 retail outlets and 22,000 restaurants and institutions.

Refrigerated and Snack Food Products Segment

In our Refrigerated and Snack Food Products Segment, we distribute both products manufactured by us and products manufactured or processed by third parties. All items within this Segment are considered similar products and have been aggregated at this level. The dry sausage division includes products such as jerky, meat snacks, sausage and pepperoni products. The deli division includes products such as ham, sandwiches, cheese, Mexican food, pastries and other delicatessen type food products. Our Refrigerated and Snack Food Products Segment sells approximately 270 different items through a direct store delivery network serving approximately 36,000 supermarkets, mass merchandise and convenience retail stores located in 49 states and Canada. These customers are comprised of large retail chains and smaller "independent" operators. Independent distributors serve approximately 1,000 stores of all types in areas impractical to serve by our Company-owned vehicles and personnel.

Results of Operations for the Twelve Weeks ended July 10, 2009 and Twelve Weeks ended July 11, 2008 (in thousands, except percentages)

Net Sales-Consolidated

Net sales decreased by \$303 (1.1%) to \$26,281 in the third twelve weeks of the 2009 fiscal year compared to the same twelve-week period last year. Average selling prices per pound decreased 1.0%. The selling price decreases were partially offset by increased unit sales volume in the amount of 0.7%. Promotional allowances increased 0.7%, as a percent of sales, compared to the same twelve-week period last year. Product return levels decreased 0.6% as a percent of sales compared to the same twelve-week period last year.

Compared to the prior twelve-week period ended April 17, 2009 (not shown), average weekly net sales increased \$54 (2.5%). The average selling price per pound decreased 0.5% during the third twelve weeks of the 2009 fiscal year compared to the previous twelve-week period while unit sales volume increased 2.6%.

Net Sales-Frozen Food Products Segment

Net sales in the Frozen Food Products Segment, excluding inter-segment sales, decreased by \$283 (2.5%) to \$11,186 in the third twelve weeks of the 2009 fiscal year compared to the same twelve-week period last year. Unit sales volume decreased 3.8% offset by selling price per pound increase of 1.9% when compared to the comparative twelve-week period last year. Promotional allowances increased by approximately 0.9%, as a percent of sales, compared to the same twelve-week period last year.

Net Sales-Refrigerated and Snack Food Segment

Net sales in the Refrigerated and Snack Food Products Segment, excluding inter-segment sales, decreased by \$20 (0.1%) to \$15,095 in the third twelve weeks of the 2009 fiscal year compared to the same twelve-week period last year. Unit sales volume increased by 4.3% and was partially offset by a selling price per pound decrease of 3.3% compared to the same twelve-week period in the prior year.

Cost of Products Sold and Gross Margin-Consolidated

Cost of products sold decreased by \$2,457 (14.0%) to \$15,089 in the third twelve weeks of the 2009 fiscal year compared to the same twelve-week period in fiscal 2008. The gross margin before depreciation increased from 32.8% to 42.1% in the third twelve weeks of the 2009 fiscal year due to higher selling prices, lower commodity costs and slight increases in the proportion of goods processed in Company facilities when compared to the same twelve-week period in fiscal year 2008.

Compared to the prior twelve-week period ended April 17, 2009 (not shown), the average weekly cost of products sold during the third twelve weeks of fiscal year 2009 increased \$35 (2.9%). This increase is consistent with the overall sales volume increase compared to the prior twelve-week period.

Cost of Products Sold-Frozen Food Products Segment

Cost of products sold in the Frozen Food Products Segment decreased by \$2,058 (24.3%) to \$6,419 in the third twelve weeks of the 2009 fiscal year compared to the same twelve-week period in fiscal year 2008. Lower flour costs contributed significantly to this decrease in the current year period.

Cost of Products Sold-Refrigerated and Snack Food Segment

Cost of products sold in the Refrigerated and Snack Food Products Segment decreased by \$593 (6.3%) to \$8,793 in the third twelve weeks of the 2009 fiscal year compared to the same twelve-week period in fiscal year 2008. This decrease corresponds to lower sales levels and a reduction in meat commodity costs and increased in-sourcing of products previously purchased from outside suppliers.

Selling, General and Administrative Expenses-Consolidated

Selling, general and administrative ("SG&A") expenses decreased by \$825 (8.1%) to \$9,393 in the third twelve weeks of fiscal year 2009 compared to the same twelve-week period in the prior fiscal year. The decrease in this category for the twelve-week period ended July 10, 2009 did not directly correspond to the sales decrease. The table below summarizes the primary expense increases and decreases included in this category:

| | 12 Weeks Ended | | Expense/Loss Increase (Decrease) |
|----------------------------------|----------------|---------------|-------------------------------------|
| | July 10, 2009 | July 11, 2008 | |
| Fuel | \$ 580 | \$ 1,001 | \$ (421) |
| Benefits-Health/Life | 484 | 677 | (193) |
| Benefits-Workers Compensation | 35 | 401 | (366) |
| Bad Debt Expense / Provision | 33 | 1 | 32 |
| Cash Surrender Value (Gain)/Loss | (76) | 186 | (262) |
| Interest Income | (4) | (37) | 33 |
| Other SG&A | 8,341 | 7,989 | 352 |
| Total | \$ 9,393 | \$ 10,218 | \$ (825) |

When comparing the third twelve weeks of fiscal year 2009 to the prior twelve-week period ended April 17, 2009 (not shown), average weekly SG&A increased by \$20 (2.6%).

Selling, General and Administrative Expenses-Frozen Food Products Segment

SG&A expenses in the Frozen Food Products Segment increased by \$77 (2.1%) to \$3,676 in the third twelve weeks of fiscal year 2009 compared to the same twelve week period in the prior fiscal year. Increased advertising expenses were the primary contributor to this variance.

Selling, General and Administrative Expenses-Refrigerated and Snack Food Segment

SG&A in the Refrigerated and Snack Food Products Segment decreased by \$902 (13.6%) to \$5,717 in the third twelve weeks of fiscal year 2009 compared to the same twelve-week period in the prior fiscal year. Significant decreases in fuel cost, healthcare and workers' compensation contributed to the decrease in SG&A expenses when compared to the same twelve-week period in the prior fiscal year. This decline was partially offset by higher pension costs in fiscal year 2009.

Depreciation Expense-Consolidated

Depreciation expense decreased by \$222 (29.5%) to \$531 in the third twelve weeks of the 2009 fiscal year compared to the same twelve-week period in fiscal year 2008. The decrease in depreciation expense reflects a decline in current capital expenditure projects and routine asset disposals during the third twelve weeks of fiscal year 2009. Compared to the prior twelve-week period ended April 17, 2009 (not shown), average weekly depreciation decreased \$16 (26.0%).

Depreciation Expense-Frozen Food Products Segment

Depreciation expense in the Frozen Food Products Segment decreased by \$33 (18.2%) to \$148 in the third twelve weeks of the 2009 fiscal year compared to the same twelve-week period in fiscal year 2008. This decrease reflects lower capital spending activity in the current year period.

Depreciation Expense-Refrigerated and Snack Food Segment

Depreciation expense in the Refrigerated and Snack Food Products Segment decreased by \$147 (29.5%) to \$351 in the third twelve weeks of the 2009 fiscal year compared to the same twelve-week period in fiscal year 2008. This decrease reflects lower capital spending in the third twelve weeks of fiscal year 2009.

Income Taxes-Consolidated

Our income tax benefits for the third twelve weeks ended July 10, 2009 and July 11, 2008 are as follows:

| | July 10, 2009 | July 11, 2008 |
|--|---------------|---------------|
| Tax provision (benefit) at regular annual effective tax rate | \$ 208 | \$ (601) |
| Tax valuation allowance | --- | 4,940 |
| Total income tax provision | \$ 208 | \$ 4,339 |
| Regular effective tax rate | 16.4% | 31.1% |

We previously recorded a full income tax valuation allowance as of October 31, 2008. As a result, the estimated annual effective tax rate is 16.4% in the third twelve weeks of fiscal year 2009 as compared to 31.1% in the prior fiscal year and 0% for the prior twelve-week period.

Net Income (Loss)-Consolidated

The net income of \$1,060 in the twelve weeks ended July 10, 2009 includes a non-taxable gain on life insurance policies in the amount of \$76. Gains and losses on life insurance policies are dependent upon the performance of the underlying equities and future results may vary considerably. Taxable investment income decreased on a comparative basis due to lower short-term interest rates.

After considering the effect of these transactions, our results for the twelve week periods ended July 10, 2009 and July 11, 2008 are as follows:

| | 12 Weeks Ended | |
|---|-----------------|-------------------|
| | July 10, 2009 | July 11, 2008 |
| Income (loss) before taxes, life insurance gains (losses) and investment income | \$ 1,188 | \$ (1,784) |
| Life insurance gains (losses) and investment income | 80 | (149) |
| Income (loss) before taxes | 1,268 | (1,933) |
| Income taxes | 208 | 4,339 |
| Net income (loss) | <u>\$ 1,060</u> | <u>\$ (6,272)</u> |

We present net income or loss before taxes, life insurance gains (losses) and investment income because we believe it is an important measure for investors to use in understanding our underlying operations.

Results of Operations for the Thirty-six weeks ended July 10, 2009 and July 11, 2008 (in thousands, except percentages)

Net Sales-Consolidated

Net sales increased by \$633 (0.8%) to \$83,435 in the first thirty-six weeks of the 2009 fiscal year compared to the same period last year. Average selling prices per pound increased 3.3%. The selling price increases were partially offset by decreased unit sales volume in the amount of 1.2%. Promotional allowances increased 0.3%, as a percent of sales, compared to the same thirty-six week period last year. Product return levels decreased 0.2% as a percent of sales compared to the same thirty-six week period last year.

Net Sales-Frozen Food Products Segment

Net sales in the Frozen Food Products Segment, excluding inter-segment sales, increased by \$871 (2.4%) to \$36,899 in the first thirty-six weeks of the 2009 fiscal year compared to the same thirty-six week period last year. Unit sales volume decreased 6.8% offset by selling price per pound increase of 9.8% when compared to the comparative thirty-six week period last year. Promotional allowances remained flat, as a percent of sales, compared to the same thirty-six week period last year.

Net Sales-Refrigerated and Snack Food Segment

Net sales in the Refrigerated and Snack Food Products Segment, excluding inter-segment sales, decreased by \$238 (0.5%) to \$46,536 in the first thirty-six weeks of the 2009 fiscal year compared to the same thirty-six week period last year. Unit sales volume increased by 0.3% compared to the same thirty-six week period last year. The selling price per pound increased 1.0% compared to the same thirty-six week period in the prior year.

Cost of Products Sold and Gross Margin-Consolidated

Cost of products sold decreased by \$5,767 (10.5%) to \$49,105 in the first thirty-six weeks of the 2009 fiscal year compared to the same thirty-six week period in fiscal 2008. The gross margin before depreciation increased from 32.4% to 40.6% in the first thirty-six weeks of the 2009 year fiscal year primarily due to lower commodity costs when compared to the same thirty-six week period in fiscal year 2008.

Cost of Products Sold-Frozen Food Products Segment

Cost of products sold in the Frozen Food Products Segment decreased by \$3,368 (13.6%) to \$21,370 in the first thirty-six weeks of the 2009 fiscal year compared to the same thirty-six week period in fiscal year 2008. Lower flour costs contributed significantly to this decrease.

Cost of Products Sold-Refrigerated and Snack Food Segment

Cost of products sold in the Refrigerated and Snack Food Products Segment decreased by \$2,983 (9.6%) to \$28,216 in the first thirty-six weeks of the 2009 fiscal year compared to the same thirty-six week period in fiscal year 2008. This decrease corresponds to the reduction in sales and increased in-sourcing of products previously purchased from outside suppliers.

Selling, General and Administrative Expenses-Consolidated

SG&A expenses decreased by \$779 (2.7%) to \$28,532 in the first thirty-six weeks of fiscal year 2009 compared to the same thirty-six week period in the prior fiscal year. The table below summarizes the primary expenses included in this category:

| | 36 Weeks Ended | | Expense/Loss Increase (Decrease) |
|----------------------------------|----------------|---------------|-------------------------------------|
| | July 10, 2009 | July 11, 2008 | |
| Fuel | \$ 1,537 | \$ 2,713 | \$ (1,176) |
| Benefits-Health/Life | 1,651 | 1,916 | (265) |
| Benefits-Workers Compensation | 341 | 690 | (349) |
| Bad Debt Expense / Provision | (27) | (95) | 68 |
| Cash Surrender Value Loss (Gain) | (3) | 376 | (379) |
| Interest Income | (29) | (231) | 202 |
| Other SG&A | 25,064 | 23,942 | 1,122 |
| Total | \$ 28,532 | \$ 29,311 | \$ (777) |

Selling, General and Administrative Expenses-Frozen Food Products Segment

SG&A expenses in the Frozen Food Products Segment increased by \$803 (7.5%) to \$11,444 in the first thirty-six weeks of fiscal year 2009 compared to the same thirty-six week period in the prior fiscal year. Increases in pension, wages and advertising expense were the primary contributors to this variance.

Selling, General and Administrative Expenses-Refrigerated and Snack Food Segment

SG&A expenses in the Refrigerated and Snack Food Products Segment decreased by \$1,582 (8.5%) to \$17,088 in the first thirty-six weeks of fiscal year 2009 compared to the same thirty-six week period in the prior fiscal year. Significant decreases in fuel cost and workers' compensation expenses contributed to the decrease in SG&A expenses when compared to the same thirty-six week period in the prior fiscal year. This decline was partially offset by higher advertising expense.

Depreciation Expense-Consolidated

Depreciation expense decreased by \$287 (12.8%) to \$1,962 in the first thirty-six weeks of the 2009 fiscal year compared to the same thirty-six week period in fiscal year 2008. The decrease in depreciation expense reflects a decline in current capital expenditure projects and routine asset disposals during the first thirty-six weeks of fiscal year 2009.

Depreciation Expense-Frozen Food Products Segment

Depreciation expense in the Frozen Food Products Segment decreased by \$57 (10.6%) to \$481 in the first thirty-six weeks of the 2009 fiscal year compared to the same thirty-six week period in fiscal year 2008. This decrease reflects lower capital spending activity during the first thirty-six weeks of fiscal year 2009.

Depreciation Expense-Refrigerated and Snack Food Segment

Depreciation expense in the Refrigerated and Snack Food Products Segment decreased by \$121 (8.1%) to \$1,368 in the first thirty-six weeks of the 2009 fiscal year compared to the same thirty-six week period in fiscal year 2008. This decrease reflects lower capital spending activity during the first thirty-six weeks of fiscal year 2009.

Income Taxes-Consolidated

Our income tax provision for the first thirty-six weeks ended July 10, 2009 and July 11, 2008 is as follows:

| | July 10, 2009 | July 11, 2008 |
|--|---------------|---------------|
| Tax provision (benefit) at regular annual effective tax rate | \$ 208 | \$ (1,250) |
| Tax valuation allowance | - | 4,940 |
| Total income tax provision | \$ 208 | \$ 3,690 |
| Effective tax rate before valuation allowance | 5.4% | 34.4% |

We previously recorded a full income tax valuation allowance as of October 31, 2008. As a result, the estimated annual effective tax rate is 5.4% in the first thirty-six weeks of fiscal 2009 as compared to 34.4% in the prior fiscal year.

Net Income (Loss)-Consolidated

The net income of \$3,628 in the thirty-six weeks ended July 10, 2009 includes a non-taxable gain on life insurance policies in the amount of \$3. Gains and losses on life insurance policies are dependent upon the performance of the underlying equities and future results may vary considerably. Taxable investment income also decreased on a comparative basis due to lower short-term interest rates.

After considering the effect of these transactions, our results for the thirty-six week periods ended July 10, 2009 and July 11, 2008 are as follows:

| | 36 Weeks Ended | |
|---|----------------|---------------|
| | July 10, 2009 | July 11, 2008 |
| Income (loss) before taxes, life insurance gains (losses) and investment income | \$ 3,804 | \$ (3,485) |
| Life insurance gains (losses) and investment income | 32 | (145) |
| Income (loss) before taxes | 3,836 | (3,630) |
| Income taxes | 208 | 3,690 |
| Net income (loss) | \$ 3,628 | \$ (7,320) |

We present net income or loss before taxes, life insurance gains (losses) and investment income because we believe it is an important measure for investors to use in understanding our underlying operations.

Liquidity and Capital Resources (in thousands)

Our need for operations' growth, capital expenses and share repurchases are expected to be met with cash flows provided by future operating activities.

Cash flows from operating activities for the thirty-six weeks ended:

| | <u>July 10, 2009</u> | <u>July 11, 2008</u> |
|--|----------------------|----------------------|
| Net income (loss) | \$ 3,628 | \$ (7,320) |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: | | |
| Depreciation | 1,962 | 2,249 |
| Provision on losses on accounts receivable | 6 | 26 |
| Gain on sale of property, plant and equipment | (10) | (35) |
| Tax valuation allowance | - | 4,940 |
| Changes in operating working capital | 1,927 | (398) |
| Net cash provided (used in) by operating activities | <u>\$ 7,513</u> | <u>\$ (538)</u> |

Significant changes in working capital for the thirty-six weeks ended:

July 10, 2009 – Sources of cash included reductions in accounts receivable of \$1,619 and inventory of \$1,005. The increase in operating cash flows for the period ended July 10, 2009 included an increase in accounts payable of \$531 and a decrease in accrued payroll, advertising and other expenses of \$562. During the period we funded \$361 towards our defined benefit pension plan.

July 11, 2008- Reductions in operating cash flows for the period ended July 11, 2008 included an increase in prepaid expenses and other current assets in the amount of \$839 as well as a reduction in accrued payroll, advertising and other expenses in the amount of \$1,062. These uses of cash were offset by reductions in accounts receivable of \$740 and increases in accounts payable and accrued expenses of \$838.

Cash used in investing activities for the thirty-six weeks ended:

| | <u>July 10, 2009</u> | <u>July 11, 2008</u> |
|---|----------------------|----------------------|
| Proceeds from sale of property, plant and equipment | \$ 56 | \$ 40 |
| Additions to property, plant and equipment | (984) | (1,586) |
| Net cash used in investing activities | <u>\$ (928)</u> | <u>\$ (1,546)</u> |

Expenditures for property, plant and equipment include the acquisition of new equipment, upgrading of facilities to maintain operating efficiency and investments in cost effective technologies to lower costs. Overall capital spending has declined in recent years as we carefully scrutinize capital investments for short term pay-back of investment.

Cash used in financing activities for the thirty-six weeks ended:

| | <u>July 10, 2009</u> | <u>July 11, 2008</u> |
|---------------------------------------|----------------------|----------------------|
| Shares repurchased | \$ (270) | \$ (3,018) |
| Net cash used in financing activities | <u>\$ (270)</u> | <u>\$ (3,018)</u> |

Our stock repurchase program was approved by the Board of Directors in November 1999 and was expanded in June 2005. Under the stock repurchase program, we are authorized, at the discretion of management and the Board of Directors, to purchase up to an aggregate of 2,000 shares of our common stock on the open market. As of July 10, 2009, up to approximately 439 shares were still authorized for repurchase under the program. No cash dividends were paid during the first thirty-six weeks of the 2009 fiscal year. The Board of Directors suspended the quarterly cash dividend at its May 2004 meeting in recognition of lower profitability levels in recent periods.

Fluctuations in the discount rate used to value our pension liability resulted in significant changes in net worth between comparative quarters and year end.

We remained free of interest bearing debt during the first thirty-six weeks of fiscal year 2009. We have remained free of interest-bearing debt for twenty-two consecutive years. We maintain a line of credit with Bank of America that expires April 30, 2010. Under the terms of this line of credit, we may borrow up to \$2,000 at an interest rate equal to the bank's reference rate, unless we elect an optional interest rate. The borrowing agreement contains various covenants, the more significant of which require us to maintain certain levels of shareholders' equity and working capital. We were in compliance with all loan covenants as of July 10, 2009. There were no borrowings under this line of credit during the year. Management believes that our strong financial position and our capital resources are sufficient to provide for our operating needs and capital expenditures for fiscal 2009.

Recent Accounting Pronouncements

During the last three years, various accounting standard-setting bodies have been active in soliciting comments and issuing statements, interpretations and exposure drafts. For information on new accounting pronouncements and the impact, if any, on our financial position or results of operations, see Note 1 of the Notes to the Consolidated Financial Statements on Form 10-K for fiscal year ended October 31, 2008.

In April 2009, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") FAS 107-1/APB 28-1 ("FSP 107-1"), which is entitled "Interim Disclosures about Fair Value of Financial Instruments." This pronouncement amended SFAS No 107, Disclosures about Fair Value of Financial Instruments, to require disclosure of the carrying amount and the fair value of all financial instruments for interim reporting periods and annual financial statements of publicly traded companies (even if the financial instrument is not recognized in the balance sheet), including the methods and significant assumptions used to estimate the fair values and any changes in such methods and assumptions. FSP 107-1 also amended APB Opinion No. 28, Interim Financial Reporting, to require disclosures in summarized financial information at interim reporting periods. FSP 107-1 is effective for interim reporting periods ending after June 15, 2009, with early adoption permitted for periods ended after March 15, 2009 if a company also elects to early adopt FSP FAS 157-4, Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly, and FSP FAS 115-2/FAS 124-2, Recognition and Presentation of Other-Than-Temporary Impairments. The adoption of this standard did not have a significant impact on our consolidated financial statements.

In April 2009, the FASB also issued FSP FAS 157-4, which generally applies to all assets and liabilities within the scope of any accounting pronouncements that require or permit fair value measurements. This pronouncement, which does not change SFAS No. 157's guidance regarding Level 1 inputs, requires the entity to (i) evaluate certain factors to determine whether there has been a significant decrease in the volume and level of activity for the asset or liability when compared with normal market activity, (ii) consider whether the preceding indicates that transactions or quoted prices are not determinative of fair value and, if so, whether a significant adjustment thereof is necessary to estimate fair value in accordance with SFAS No. 157, and (iii) ignore the intent to hold the asset or liability when estimating fair value. FSP FAS 157-4 also provides guidance to consider in determining whether a transaction is orderly (or not orderly) when there has been a significant decrease in the volume and level of activity for the asset or liability, based on the weight of available evidence. This pronouncement is effective for interim and annual reporting periods ending after June 15, 2009, and shall be applied prospectively. Early adoption of FSP FAS 157-4 also requires early adoption of the pronouncement described in the following paragraph. However, early adoption for periods ended before March 15, 2009 is not permitted. The adoption of this standard did not have a significant impact on our consolidated financial statements.

In April 2009, the FASB issued FSP FAS 115-2 and 124-2 (hereinafter referred to as "FAS 115-2/124-2"), which amends the other-than-temporary impairment ("OTTI") recognition guidance in certain existing U.S. GAAP (including SFAS No. 115 and 130, FSP FAS 115-1/FAS 124-1, and EITF Issue 99-20) for debt securities classified as available-for-sale and held-to-maturity. FAS 115-2/124-2 requires the entity to consider (i) whether the entire amortized cost basis of the security will be recovered (based on the present value of expected cash flows), and (ii) its intent to sell the security. Based on the factors described in the preceding sentence, this pronouncement also explains the process for determining the OTTI to be recognized in "other comprehensive income" (generally, the impairment charge for other than a credit loss) and in earnings. FAS 115-2/124-2 does not change existing recognition or measurement guidance related to OTTI of equity securities. This pronouncement is effective as described in the preceding paragraph. Certain transition rules apply to debt securities held at the beginning of the interim period of adoption when an OTTI was previously recognized. If an entity early adopts either FSP 107-1 or FSP FAS 157-4, the entity is also required to early adopt this pronouncement. In addition, if an entity early adopts FAS 115-2/124-2, it is also required to early adopt FSP FAS 157-4. The adoption of this standard did not have a significant impact on our consolidated financial statements.

The pronouncements described in the immediately preceding three paragraphs do not require any of the new disclosures for earlier periods (ended before initial adoption) that are presented for comparative purposes.

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events" ("SFAS 165"). SFAS 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before the date the financial statements are issued or available to be issued. SFAS 165 requires companies to disclose in their financial statements the effects of subsequent events that would cause the financial statements to be misleading by providing additional evidence about conditions at the balance-sheet date including evidence about conditions that arose after the balance-sheet date. Disclosures should include the nature of the event and either an estimate of its financial effect or a statement that an estimate cannot be made. SFAS 165 is effective for interim and annual financial periods ending after June 15, 2009, and should be applied prospectively. As the requirements under SFAS 165 are consistent with our current practice, the adoption of this standard did not have a significant impact on our consolidated financial statements. We have evaluated subsequent events through August 24, 2009 for purposes of this Quarterly Report.

In June 2009, the FASB issued SFAS No. 166, "Accounting for Transfers of Financial Assets" ("SFAS 166"). SFAS 166 removes the concept of a qualifying special-purpose entity ("QSPE") from SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities" ("SFAS 140") and removes the exception from applying FASB Interpretation No. 46 (revised December 2003), "Consolidation of Variable Interest Entities" ("FIN 46R"). This statement also clarifies the requirements for isolation and limitations on portions of financial assets that are eligible for sale accounting. This statement is effective for fiscal years beginning after November 15, 2009. Accordingly, we will adopt SFAS 166 in fiscal 2011. The adoption of this standard is not expected to have a significant impact on our consolidated financial statements.

In June 2009, the FASB issued SFAS No. 167, "Amendments to FASB Interpretation No. 46R" ("SFAS 167"). SFAS 167 amends FIN 46R to require an analysis to determine whether a variable interest gives a company a controlling financial interest in a variable interest entity. This statement requires an ongoing reassessment of and eliminates the quantitative approach previously required for determining whether a company is the primary beneficiary. This statement is effective for fiscal years beginning after November 15, 2009. Accordingly, we will adopt SFAS 167 in fiscal 2011. The adoption of this standard is not expected to have a significant impact on our consolidated financial statements.

In June 2009, the FASB issued SFAS No. 168, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles; SFAS No. 168 designates the FASB Accounting Standards Codification, officially launched July 1, 2009, as the authoritative source of generally accepted accounting principles in the United States. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under federal securities laws are also sources of authoritative GAAP for SEC registrants. SFAS No. 168 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. We do not expect adoption to have a material impact on our consolidated financial position, results of operations or cash flows.

In August 2009, the SEC issued Interpretive Release No. 33-9062, "Commission Guidance Regarding the Financial Accounting Standards Board's Accounting Standards Codification" regarding the impact of the FASB Codification on certain SEC rules, regulations, interpretive releases and staff accounting bulletins. The SEC advised that references to FASB standards in current SEC text should correspond to the rules in the Codification. The Codification does not supersede any SEC rules or regulations. The Codification should not be considered the authoritative source for SEC guidance.

Off-Balance Sheet Arrangements

We are not engaged in any "off-balance sheet arrangements" within the meaning of Item 303(a)(4)(ii) of Regulation S-K.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable to smaller reporting company.

Item 4T. Controls and Procedures

Our management, with the participation and under the supervision of our Chairman and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, the Chairman and Chief Financial Officer have concluded that our disclosure controls and procedures are effective as of the end of the period covered by this report to provide reasonable assurance that material information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission's rules and forms. There has been no change in our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Our management, including our Chairman and Chief Financial Officer, does not expect that our disclosure controls and internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control.

The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, a control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Section 404 of the Sarbanes-Oxley Act of 2002:

In order to comply with the Sarbanes-Oxley Act of 2002 (the "Act"), we have undertaken and continue a comprehensive effort, which includes the documentation and review of our internal controls. In order to comply with the Act, we have centralized most accounting and many administrative functions at our corporate headquarters in an effort to control the cost of maintaining our control systems. On July 11, 2006, The Committee of Sponsoring Organizations ("COSO") issued guidance on how small companies should implement an effective internal control framework over financial reporting and other risks. This guidance is considered a key tool to help smaller public companies to confront the challenges of the Act. As a result, we may incur substantial additional expenses and diversion of management's time. During the course of these activities, we may identify certain internal control issues which management believes should be improved. These improvements, if necessary, will likely include further formalization of policies and procedures, improved segregation of duties, additional information technology system controls and additional monitoring controls. Although management does not believe that any of these matters will result in material weaknesses being identified in our internal controls as defined by the Public Company Accounting Oversight Board Auditing Standard No. 5, no assurances can be given regarding the outcome of these efforts. Additionally, control weaknesses may not be identified in a timely enough manner to allow remediation prior to the issuance of the auditor's report on internal controls over financial reporting. Any failure to adequately comply could result in sanctions or investigations by regulatory authorities, which could harm our business or investors' confidence in us.

The Securities and Exchange Commission, on December 15, 2006, as amended on June 26, 2008, adopted new measures to grant relief to smaller public companies by extending the date of compliance with Section 404 of the Act. Under these new measures, we will be required to comply with the Act in two phases. The first phase was completed by us for the fiscal year ended October 31, 2008 and required us to issue a management report on internal control over financial reporting. The second phase will require us to obtain an auditor's attestation report on internal control over financial reporting beginning with the fiscal year ending October 30, 2010. There have been no changes in our internal controls over financial reporting that occurred during our third quarter ended July 10, 2009 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Part II. Other Information

Item 1A. Risk Factors

The risk factors listed in Part I “Item 1A. Risk Factors” in the Annual Report on Form 10-K for the fiscal year ended October 31, 2008, should be considered with the information provided elsewhere in this Quarterly Report on Form 10-Q, which could materially adversely affect our business, financial condition or results of operations. There have been no material changes to the risk factors as previously disclosed in such Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

We have not sold any equity securities during the period covered by this report.

The following table provides information regarding repurchases by us of our common stock, for each of the three four-week periods included in the interim twelve-week period ended July 10, 2009.

ISSUER PURCHASES OF EQUITY SECURITIES

| Period ⁽¹⁾ | Total Number of Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽²⁾ | Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs ⁽²⁾ |
|-------------------------------|-------------------------------------|---------------------------------|---|---|
| April 18, 2009 – May 15, 2009 | 4,842 | \$ 4.83 | 4,842 | 470,234 |
| May 16, 2009 – June 12, 2009 | 11,410 | \$ 6.40 | 11,410 | 458,824 |
| June 13, 2009 – July 10, 2009 | 19,906 | \$ 8.14 | 19,906 | 438,918 |
| Total | 36,158 | \$ 7.15 | 36,158 | |

(1) The periods shown are the fiscal periods during the twelve-week quarter ended July 10, 2009.

(2) Repurchases reflected in the foregoing table were made on the open market. Our stock repurchase program was approved by the Board of Directors in November 1999 (1,500,000 shares authorized, disclosed in a Form 10-K filed on January 26, 2000) and was expanded in June 2005 (500,000 additional shares authorized, disclosed in a press release and Form 8-K filed on June 17, 2005). Under the stock repurchase program, we are authorized, at the discretion of our management and the Board of Directors, to purchase up to an aggregate of 2,000,000 shares of our common stock on the open market. Our Stock Purchase Plan (“Purchase Plan”) is administered by Citigroup Global Markets Inc. (“CGM”) for purchase of shares of our common stock in compliance with the requirements of Rule 10b5-1 under the Exchange Act. Commencing on October 14, 2008 and continuing through and including October 13, 2009, CGM shall act as our exclusive agent to purchase shares of our common stock under the Purchase Plan. This Purchase Plan supplements any purchases of stock by us “outside” of the Purchase Plan, which may occur from time to time, in open market transactions pursuant to Rule 10b-18 of the Exchange Act or in privately-negotiated transactions. As of July 10, 2009, the total maximum number of shares that may be purchased under the Purchase Plan is 438,918 at a total maximum aggregate price (exclusive of commission) of \$4,389,180.

Item 6.

Exhibits

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| 31.1 | Certification of Chairman (Principal Executive Officer), as required by Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2 | Certification of Chief Financial Officer (Principal Financial Officer), as required by Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certification of Chairman (Principal Executive Officer), as required by Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification of Chief Financial Officer (Principal Financial Officer), as required by Section 906 of the Sarbanes-Oxley Act of 2002. |

SIGNATURES

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

BRIDGFORD FOODS CORPORATION
(Registrant)

Dated: August 24, 2009

By: /s/ Raymond F. Lancy
Raymond F. Lancy
Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

SECTION 302 CERTIFICATION

I, William L. Bridgford, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bridgford Foods Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 24, 2009

/s/ William L. Bridgford

William L. Bridgford, Chairman
(Principal Executive Officer)

SECTION 302 CERTIFICATION (continued)

I, Raymond F. Lancy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bridgford Foods Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 24, 2009

/s/ Raymond F. Lancy

Raymond F. Lancy, Chief Financial Officer
(Principal Financial Officer)

Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of
the Sarbanes-Oxley Act of 2002

I, William L. Bridgford, Chairman of Bridgford Foods Corporation (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. the Quarterly Report on Form 10-Q of the Company for the quarterly period ended July 10, 2009 (the "Report") fully complies with the requirements of Section 13 (a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 780(d)); and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 24, 2009

/s/ William L. Bridgford

William L. Bridgford, Chairman
(Principal Executive Officer)

Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of
the Sarbanes-Oxley Act of 2002

I, Raymond F. Lancy, Chief Financial Officer of Bridgford Foods Corporation (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. the Quarterly Report on Form 10-Q of the Company for the quarterly period ended July 10, 2009 (the "Report") fully complies with the requirements of Section 13 (a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 780(d)); and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 24, 2009

/s/ Raymond F. Lancy

Raymond F. Lancy, Chief Financial Officer
(Principal Financial Officer)