ENANTA PHARMACEUTICALS INC
Form 10-Q
May 08, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended March 31, 2015

OR

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

Commission File Number 001-35839

ENANTA PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	**2834**	**04-3205099**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

500 Arsenal Street

Watertown, Massachusetts 02472

(617) 607-0800

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

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 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 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	x
Non-accelerated filer	¨ (Do not check if a 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 x

The number of shares of the registrant s Common Stock, $0.01 par value, outstanding as of April 30, 2015, was 18,692,026 shares.

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ENANTA PHARMACEUTICALS, INC.

FORM 10-Q Quarterly Report

For the Quarterly Period Ended March 31, 2015

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PART I FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

ENANTA PHARMACEUTICALS, INC.

CONSOLIDATED BALANCE SHEETS

(unaudited)

(in thousands, except share and per share amounts)

	March 31, 2015	September 30, 2014
Assets		
Current assets:		
Cash and cash equivalents	$ 25,751	$ 30,699
Short-term marketable securities	139,721	60,065
Accounts receivable	7,081	1,724
Unbilled receivables	1,550	2,770
Deferred tax assets	1,451	11,123
Prepaid expenses and other current assets	2,230	1,594
Total current assets	177,784	107,975
Property and equipment, net	2,295	1,803
Long-term marketable securities	61,330	41,003
Deferred tax assets	3,867	4,198
Restricted cash	608	436
Total assets	$ 245,884	$ 155,415
Liabilities and Stockholders Equity		
Current liabilities:		
Accounts payable	$ 2,343	$ 1,874
Accrued expenses	2,910	2,872
Income taxes payable	14,537	
Total current liabilities	19,790	4,746
Warrant liability	1,442	1,584
Series 1 nonconvertible preferred stock	185	202
Other long-term liabilities	252	229
Total liabilities	21,669	6,761

Commitments and contingencies (Note 11)		
Stockholders equity:		
Common stock; $0.01 par value; 100,000,000 shares authorized at March 31, 2015 and September 30, 2014; 18,899,211 and 18,803,390 shares issued, and 18,690,395 and 18,594,574 shares outstanding, at March 31, 2015 and September 30, 2014, respectively	189	188
Additional paid-in capital	226,295	221,580
Treasury stock, at par value; 208,816 shares at March 31, 2015 and September 30, 2014, respectively	(2)	(2)
Accumulated other comprehensive loss	(17)	(100)
Accumulated deficit	(2,250)	(73,012)
Total stockholders equity	224,215	148,654
Total liabilities and stockholders equity	$ 245,884	$ 155,415

The accompanying notes are an integral part of these interim consolidated financial statements.

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ENANTA PHARMACEUTICALS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

(in thousands, except share and per share amounts)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2015	**2014**	**2015**	**2014**
Revenue	$ 57,367	$ 2,160	$ 134,865	$ 3,053
Operating expenses:				
Research and development	5,368	4,722	9,887	8,985
General and administrative	3,438	2,565	6,207	4,652
Total operating expenses	8,806	7,287	16,094	13,637
Income (loss) from operations	48,561	(5,127)	118,771	(10,584)
Other income (expense):				
Interest income	229	114	356	223
Interest expense	(2)	(4)	(4)	(9)
Change in fair value of warrant liability and Series 1 nonconvertible preferred stock	(17)	(186)	159	(203)
Total other income (expense), net	210	(76)	511	11
Net income (loss) before income taxes	48,771	(5,203)	119,282	(10,573)
Income tax expense	(20,018)		(48,520)	
Net income (loss)	$ 28,753	$ (5,203)	$ 70,762	$ (10,573)
Net income (loss) per share:				
Basic	$ 1.54	$ (0.28)	$ 3.80	$ (0.58)
Diluted	$ 1.49	$ (0.28)	$ 3.67	$ (0.58)
Weighted average common shares outstanding:				
Basic	18,679,898	18,353,628	18,641,060	18,149,330
Diluted	19,268,565	18,353,628	19,275,969	18,149,330

The accompanying notes are an integral part of these interim consolidated financial statements.

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ENANTA PHARMACEUTICALS, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(unaudited)

(in thousands)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2015	**2014**	**2015**	**2014**
Net income (loss)	$ 28,753	$ (5,203)	$ 70,762	$ (10,573)
Other comprehensive income:				
Net unrealized gains on marketable securities, net of tax of $55, $0, $58 and $0	78	29	83	63
Total other comprehensive income	78	29	83	63
Comprehensive income (loss)	$ 28,831	$ (5,174)	$ 70,845	$ (10,510)

The accompanying notes are an integral part of these interim consolidated financial statements.

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ENANTA PHARMACEUTICALS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

(in thousands)

	Six Months Ended March 31, 2015	Six Months Ended March 31, 2014
Cash flows from operating activities		
Net income (loss)	$ 70,762	$ (10,573)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	270	154
Non-cash interest expense	4	9
Change in fair value of warrant liability and Series 1 nonconvertible preferred stock	(159)	203
Stock-based compensation expense	2,457	1,111
Gain on sale of marketable securities	(1)	
Premium on marketable securities	(1,621)	(473)
Amortization of premium on marketable securities	1,032	1,202
Deferred income taxes	11,864	
Income tax benefit from exercise of stock options	(1,919)	
Changes in operating assets and liabilities:		
Accounts receivable	(5,357)	(190)
Unbilled receivables	1,220	(820)
Prepaid expenses and other current assets	42	(293)
Accounts payable	488	316
Accrued expenses	(391)	(718)
Income taxes payable	14,537	
Deferred revenue		41
Other long-term liabilities	23	30
Net cash provided by (used in) operating activities	93,251	(10,001)
Cash flows from investing activities		
Purchases of property and equipment	(356)	(165)
Increase in restricted cash	(172)	
Purchases of marketable securities	(135,832)	(24,572)
Sales of marketable securities	2,210	7,413
Maturities of marketable securities	33,692	35,921
Net cash provided by (used in) investing activities	(100,458)	18,597
Cash flows from financing activities		

Proceeds from exercise of stock options	340	646
Income tax benefit from exercise of stock options	1,919	
Net cash provided by financing activities	2,259	646
Net decrease in cash and cash equivalents	(4,948)	9,242
Cash and cash equivalents at beginning of period	30,699	8,859
Cash and cash equivalents at end of period	$ 25,751	$ 18,101
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ 22,066	$

The accompanying notes are an integral part of these interim consolidated financial statements.

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ENANTA PHARMACEUTICALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

(Amounts in thousands, except share and per share data)

1. Nature of the Business and Basis of Presentation

Enanta Pharmaceuticals, Inc. (the Company), incorporated in Delaware in 1995, is a research and development-focused biotechnology company that uses its chemistry-driven approach and drug discovery capabilities to create small molecule drugs for the treatment of viral infections and liver diseases. The Company has programs to develop novel protease, NS5A, cyclophilin and nucleotide polymerase inhibitors targeted against the hepatitis C virus (HCV) and also recently announced a new focus area in non-alcoholic steatohepatitis (NASH). Additionally, the Company has programs to discover new chemical entities for the treatment of other diseases.

The Company is subject to risks common to companies in the biotechnology industry including, but not limited to, the uncertainties of research and development, competition from technological innovations of others, dependence on collaborative arrangements, protection of proprietary technology, dependence on key personnel, compliance with government regulations and the need for financial resources to fund research and development activities. Product candidates currently under development will require significant additional research and development efforts, including extensive preclinical and clinical testing and regulatory approval, prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel infrastructure and extensive compliance reporting capabilities.

Unaudited Interim Financial Information

The consolidated balance sheet at September 30, 2014 was derived from the audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America (GAAP). The accompanying unaudited consolidated financial statements as of March 31, 2015 and for the three and six months ended March 31, 2015 and 2014 have been prepared by the Company, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC) for interim financial statements. Certain information and note disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. These financial statements should be read in conjunction with the Company s audited financial statements and the notes thereto for the fiscal year ended September 30, 2014 included in the Company s Annual Report on Form 10-K for that fiscal year.

In the opinion of management, all adjustments, consisting only of normal recurring adjustments necessary for a fair statement of the Company s financial position as of March 31, 2015 and results of operations for the three and six months ended March 31, 2015 and 2014 and cash flows for the six months ended March 31, 2015 and 2014 have been made. The results of operations for the three and six months ended March 31, 2015 are not necessarily indicative of the results of operations that may be expected for subsequent quarters or the year ending September 30, 2015.

The accompanying consolidated financial statements have been prepared in conformity with GAAP. All dollar amounts in the consolidated financial statements and in the notes to the consolidated financial statements, except share and per share amounts, are in thousands unless otherwise indicated.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions reflected in these consolidated financial statements include, but are not limited to, valuation of warrants, Series 1 nonconvertible preferred stock and stock-based awards; the useful lives of property and equipment; and the accounting for income taxes, including uncertain tax positions. Estimates are periodically reviewed in light of changes in circumstances, facts and experience. Actual results could differ from the Company s estimates.

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Revenue Recognition

The Company s revenue has been generated primarily through collaborative research and license agreements. The terms of these agreements contain multiple deliverables, which may include (i) licenses, (ii) research and development activities, and (iii) participation in joint research and development steering committees. The terms of these agreements may include nonrefundable upfront license fees, payments for research and development activities, payments based upon the achievement of certain milestones, and royalty payments based on product sales derived from the collaboration. In all instances, revenue is recognized only when the price is fixed or determinable, persuasive evidence of an arrangement exists, delivery has occurred or the services have been rendered, collectibility of the resulting receivable is reasonably assured, and the Company has fulfilled its performance obligations under the contract.

For agreements entered into prior to October 1, 2011, the Company evaluated license agreements with multiple deliverables to determine if the deliverable elements could be recognized separately by considering (i) if the delivered elements (typically the license) had standalone value to the customer, (ii) if the fair value of any undelivered elements (typically the research and development services and the steering committee activities) could be determined based on vendor-specific objective evidence (VSOE) or vendor objective evidence (VOE), and (iii) if the arrangement included a general right of return relative to the delivered item, the delivery or performance of the undelivered item was considered probable and substantially within the control of the Company. VSOE of fair value was based on the consistent price of a deliverable when the Company regularly sold it on a standalone basis. Alternatively, VOE was based upon third-party objective evidence of fair value. If the delivered elements had value on a standalone basis and the fair value of the undelivered elements could be determined based on VSOE or VOE, revenues of such elements were then accounted for separately as delivered with arrangement consideration allocated to the delivered elements based on the residual value method. If either (i) the delivered elements were considered to not have standalone value or (ii) VSOE or VOE of fair value for any of the undelivered elements could not be determined, the arrangement was accounted for as a single unit of accounting and all payments received were recognized as revenue over the estimated period of performance of the entire arrangement.

On October 1, 2011, the Company adopted Accounting Standards Update (ASU) No. 2009-13, *Multiple-Deliverable Revenue Arrangements* (ASU 2009-13). This guidance, which applies to multiple-element arrangements entered into or materially modified on or after October 1, 2011, amends the criteria for separating and allocating consideration in a multiple-element arrangement by modifying the fair value requirements for revenue recognition and eliminating the use of the residual value method. The selling prices of deliverables under the arrangement may be derived using third-party evidence (TPE) or a best estimate of selling price (BESP), if VSOE is not available. The objective of BESP is to determine the price at which the Company would transact a sale if the element within the license agreement was sold on a standalone basis. Establishing BESP involves management s judgment and considers multiple factors, including market conditions and company-specific factors including those factors contemplated in negotiating the agreements as well as internally developed models that include assumptions related to market opportunity, discounted cash flows, estimated development costs, probability of success, and the time needed to commercialize a product candidate pursuant to the license. In validating the Company s BESP, the Company considers whether changes in key assumptions used to determine the BESP will have a significant effect on the allocation of the arrangement consideration between the multiple deliverables. Deliverables under the arrangement are separate units of accounting if (i) the delivered item has value to the customer on a standalone basis, and (ii) if the arrangement includes a general right of return relative to the delivered item, delivery or performance of the undelivered item is considered probable and substantially within the control of the Company. The arrangement consideration that is fixed or determinable at the inception of the arrangement is allocated to the separate units of accounting based on their relative selling prices. The appropriate revenue recognition model is applied to each element, and revenue is accordingly recognized as each element is delivered. The Company may exercise significant judgment in determining whether a deliverable is a separate unit of accounting. The Company elected to adopt ASU 2009-13 prospectively as of October 1, 2011.

In determining the separate units of accounting, the Company evaluates whether the license has standalone value to the collaborator based on consideration of the relevant facts and circumstances for each arrangement. Factors considered in this determination include the research and development capabilities of the collaborator and the availability of relevant research expertise in the marketplace. In addition, the Company considers whether or not (i) the collaborator can use the license for its intended purpose without the receipt of the remaining deliverables, (ii) the value of the license is dependent on the undelivered items, and (iii) the collaborator or other vendors can provide the undelivered items.

Under a collaborative research and license agreement, a steering committee is typically responsible for overseeing the general working relationships, determining the protocols to be followed in the research and development performed, and evaluating the results from the continued development of the product in order to determine the clinical studies to be performed. The Company evaluates whether its participation in joint research and development steering committees is a substantive obligation or whether the services are considered inconsequential or perfunctory. The Company s participation on a steering committee is considered participatory and therefore accounted for as a separate element when the collaborator requires the participation of the Company to ensure all elements of an arrangement are maximized. Steering committee services that are considered participatory are combined with other research services or performance obligations required under an arrangement, if any, in determining the level of effort required in an arrangement and the period over which the Company expects to complete its aggregate performance obligations. Alternatively, the Company s participation on a steering committee is considered protective and therefore not accounted for as a separate element in a case where the Company can exercise or control when to be involved at its own discretion. Factors the Company considers in determining if its participation in a joint steering committee is participating or protective include: (i) which party negotiated or requested the steering committee, (ii) how frequently the steering committee meets, (iii) whether or not there are any penalties or other recourse if the Company does not attend the steering committee meetings, (iv) which party has decision making authority on the steering committee, and (v) whether or not the collaborator has the requisite experience and expertise associated with the research and development of the licensed intellectual property.

For all periods presented, whenever the Company determines that an element is delivered over a period of time, revenue is recognized using either a proportional performance model or a straight-line model over the period of performance, which is typically the research and development term. Full-time equivalents (FTEs) are typically used as the measure of performance. At each reporting period, the Company reassesses its cumulative measure of performance and makes appropriate adjustments, if necessary. The Company recognizes revenue using the proportional performance model whenever the Company can make reasonably reliable estimates of the level of effort required to complete its performance obligations under an arrangement. Revenue recognized under the proportional performance model at each reporting period is determined by multiplying the total expected payments under the contract (excluding royalties and payments contingent upon achievement of milestones) by the ratio of the level of effort incurred to date to the estimated total level of effort required to complete the performance obligations under the arrangement. Revenue is limited to the lesser of the cumulative amount of payments received or the cumulative amount of revenue earned, as determined using the proportional performance model as of each reporting period. Alternatively, if the Company cannot make reasonably reliable estimates of the level of effort required to complete its performance obligations under an arrangement, then revenue under the arrangement is recognized on a straight-line basis over the period expected to complete the Company s performance obligations. If and when a contingent milestone payment is earned, the additional consideration to be received is allocated to the separate units of accounting in the arrangement based on their relative selling prices at the inception of the arrangement. Revenue is limited to the lesser of the cumulative amount of payments received or the cumulative amount of revenue earned, as determined on a straight-line basis as of the period end date. If the Company cannot reasonably estimate when its performance obligation period ends, then revenue is deferred until the Company can reasonably estimate when the performance obligation period ends.

Royalty revenue is recognized based on contractual terms when reported sales are reliably measurable and collectibility is reasonably assured, provided that there are no performance obligations then remaining.

During the three and six months ended March 31, 2015 and 2014, the Company also generated revenue from a government contract, under which the Company is reimbursed for certain allowable costs for the funded project. Revenue from the government contract is recognized when the related service is performed. The related costs incurred by the Company under the government contract are included in research and development expenses in the statements of operations.

Amounts received prior to satisfying all revenue recognition criteria are recorded as deferred revenue in the accompanying consolidated balance sheets. Amounts not expected to be recognized as revenue within the next twelve months of the consolidated balance sheet date are classified as long-term deferred revenue.

In the event that a collaborative research and license agreement is terminated and the Company then has no further performance obligations, the Company recognizes as revenue any amounts that had not previously been recorded as revenue but were classified as deferred revenue at the date of such termination.

Recently Issued Accounting Pronouncements

In May, 2014, the Financial Accounting Standards Board (the FASB) issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which supersedes all existing revenue recognition requirements, including most industry-specific guidance. The new standard requires a company to recognize revenue when it transfers goods or services to customers in an amount that reflects the consideration that the company expects to receive for those goods or services. The new standard will be effective for the Company on October 1, 2017; however there is a pending proposal to delay the effective period by one year. The Company is currently evaluating the potential impact that Topic 606 may have on its financial position and results of operations.

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3. Fair Value of Financial Assets and Liabilities

The following tables present information about the Company s financial assets and liabilities that were subject to fair value measurement on a recurring basis as of March 31, 2015 and September 30, 2014 and indicate the fair value hierarchy of the valuation inputs utilized to determine such fair value:

Fair Value Measurements as of March 31, 2015 Using:

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
8		SHARED VOTING POWER 1,778,419
9		SOLE DISPOSITIVE POWER 0
10		SHARED DISPOSITIVE POWER 1,778,419
11		AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 1,778,419
12		CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions) o
13		PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0.5%**
14		TYPE OF REPORTING PERSON (See Instructions) CO

** The percentage reported in Row 13 is based on 341,510,429 shares of common stock, par value $0.10 per share, outstanding as of September 3, 2013, as reported by the Company in the September 2013 Form 10-Q.

Item 1. Security and Issuer.

This Amendment No. 10 to the Schedule 13D (this “Amendment No. 10”) relates to the common stock, par value $0.10 per share (the “Shares”), issued by Best Buy Co., Inc., a Minnesota corporation (the “Company”), and hereby amends the Schedule 13D filed with the Securities and Exchange Commission on January 15, 1996 (the “Initial Schedule”), as amended and supplemented by Amendment No. 1 filed on June 7, 2012, Amendment No. 2 filed on August 6, 2012, Amendment No. 3 filed on August 16, 2012, Amendment No. 4 filed on August 20, 2012, Amendment No. 5 filed on August 20, 2012, Amendment No. 6 filed on August 27, 2012, Amendment No. 7 filed on December 14, 2012, Amendment No. 8 filed on March 1, 2013, and Amendment No. 9 filed on March 25, 2013 (the “Amendments”, together with the Initial Schedule, the “Schedule 13D”) on behalf of the Reporting Persons. Capitalized terms used but not defined herein shall have the meanings attributed to them in the Schedule 13D. All items or responses not described herein remain as previously reported in the Schedule 13D.

Item 4. Purpose of Transaction.

Item 4 is hereby amended and supplemented to add the following:

On October 23, 2013, the Family Foundation sold 450,000 Shares in the open market. In addition, since October 1, 2013, Mr. Schulze has sold Shares into the open market pursuant to pre-arranged trading plans (the “Plan”), as disclosed in the Company’s Form 8-K, filed with the SEC on August 26, 2013, and which Mr. Schulze adopted on August 26, 2013. The Shares sold pursuant to the Plan are part of Mr. Schulze’s personal long-term strategy for asset diversification and liquidity. Shares may continue to be sold subject to the provisions of the Plan until the Plan expires in March 2014.

Item 5. Interests in Securities of the Company.

Item 5 is hereby amended as follows:

The first two paragraphs of Item 5(a) is hereby amended and restated as follows:

(a) The percentages used herein are calculated based upon 341,510,429 Shares outstanding at September 3, 2013, as set forth in the September 2013 Form 10-Q.

As of the date of this Amendment No. 10, the Reporting Persons beneficially owned in the aggregate 62,920,813 Shares, constituting approximately 18.5% of the outstanding Shares. As of the date of this Amendment No. 10, the Reporting Persons may be deemed to have direct beneficial ownership of the Shares as follows:

Item 5(a)(i) is hereby amended and restated in its entirety as follows:

(i) Mr. Schulze, individually and as trustee to the various trusts listed in Item 2(i), beneficially owns 62,920,813 Shares, constituting approximately 18.5% of the outstanding Shares. Mr. Schulze disclaims beneficial ownership of such Shares for all other purposes. This figure excludes (a) 1,465,735 Shares held in trusts for the benefit of Mr. Schulze’s spouse, Mr. Schulze’s children and grandchildren, and the children of Mr. Schulze’s spouse, and (b) 183,726 Shares in the Sandra J. Schulze Revocable Trust, in each case as to which Mr. Schulze disclaims beneficial ownership.

Item 5(a)(vi) is hereby amended and restated in its entirety as follows:

The Family Foundation may be deemed to own beneficially (as that term is defined in Rule 13-d under the Securities Exchange Act of 1934) 1,778,419 Shares, constituting approximately 0.5% of the outstanding Shares. The Family Foundation disclaims beneficial ownership of such Shares for all other purposes.

Item 5(b) is hereby amended and restated in its entirety as follows:

(b) Mr. Schulze has the sole power to vote or direct the vote of and to dispose of or direct the disposition of 59,908,241 Shares. Mr. Schulze has shared power to vote or direct the vote of and to dispose of or direct the disposition of 3,012,572 Shares. Olympus A may be deemed to share with Mr. Schulze the power to vote or direct the vote of and to dispose of or direct the disposition of 31,672 Shares. Olympus B may be deemed to share with Mr. Schulze the power to vote or direct the vote of and to dispose of or direct the disposition of 950,169 Shares. Olympus C may be deemed to share with Mr. Schulze the power to vote or direct the vote of and to dispose of or direct the disposition of 252,312 Shares. RMSJS may be deemed to share with Mr. Schulze the power to vote or direct the vote of and to dispose of or direct the disposition of 283,984 Shares beneficially owned by Olympus A and Olympus C. The Family Foundation may be deemed to share with Mr. Schulze the power to vote or direct the vote of and to dispose of or direct the disposition of 1,778,419 Shares.

Item 5(c) is hereby amended and restated in its entirety as follows:

(c) Mr. Schulze made the following transactions in the Shares that were effected during the past sixty days.

Identity	Transaction Type	Date	Number of Shares	Price per Share	Where and How the Transaction Was Effected
Richard M. Schulze	Sale	09/06/2013	158,392	$37.102	Open market
Richard M. Schulze	Sale	09/09/2013	629,271	$37.263	Open market
Richard M. Schulze	Sale	09/10/2013	462,337	$37.394	Open market
Richard M. Schulze	Sale	10/01/2013	372,000	$37.935	Pursuant to the Plan
Richard M. Schulze	Sale	10/01/2013	520,000	$37.946	Pursuant to the Plan
Richard M. Schulze	Sale	10/02/2013	236,334	$37.617	Pursuant to the Plan
Richard M. Schulze	Sale	10/02/2013	310,000	$37.628	Pursuant to the Plan
Richard M. Schulze	Sale	10/03/2013	100,000	$37.599	Pursuant to the Plan
Richard M. Schulze	Sale	10/03/2013	170,000	$37.6310	Pursuant to the Plan
		10/10/2013	363	N/A	N/A

Richard M. Schulze	Gift to a third party				
The Family Foundation	Sale	10/23/2013	450,000	$42.6211	Open market

2 The price reported is the weighted average price. These shares were sold in multiple transactions at prices ranging from $36.98 to $37.28, inclusive.

3 The price reported is the weighted average price. These shares were sold in multiple transactions at prices ranging from $37.02 to $37.68, inclusive.

4 The price reported is the weighted average price. These shares were sold in multiple transactions at prices ranging from $37.02 to $37.91, inclusive.

5 The price reported is the weighted average price. These shares were sold in multiple transactions at prices ranging from $37.58 to $38.23, inclusive.

6 The price reported is the weighted average price. These shares were sold in multiple transactions at prices ranging from $37.58 to $38.23, inclusive.

7 The price reported is the weighted average price. These shares were sold in multiple transactions at prices ranging from $37.20 to $37.86, inclusive.

8 The price reported is the weighted average price. These shares were sold in multiple transactions at prices ranging from $37.20 to $37.86, inclusive.

9 The price reported is the weighted average price. These shares were sold in multiple transactions at prices ranging from $37.12 to $37.90, inclusive.

10 The price reported is the weighted average price. These shares were sold in multiple transactions at prices ranging from $37.13 to $37.90, inclusive.

11 The price reported is the weighted average price. These shares were sold in multiple transactions at prices ranging from $42.32 to $43.01, inclusive.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Company.

Item 6 is hereby amended and supplemented to add the following:

Effective August 26, 2013, Mr. Schulze adopted the Plan, a discussion of which is contained in Item 4 hereof and is incorporated into this Item 6 by reference.

Item 7. Materials to be Filed as Exhibits.

Exhibit A:	Joint Filing Agreement, dated June 7, 2012, among the Reporting Persons (incorporated by reference to Exhibit 99.A to Amendment No. 1 filed with the SEC on June 7, 2012)

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

DATED: October 25, 2013

By: /s/ Richard M. Schulze
RICHARD M. SCHULZE

OLYMPUS INVESTMENTS LIMITED PARTNERSHIP A

By: /s/ Richard M. Schulze
RICHARD M. SCHULZE

OLYMPUS INVESTMENTS LIMITED PARTNERSHIP B

By: /s/ Richard M. Schulze
RICHARD M. SCHULZE

OLYMPUS INVESTMENTS LIMITED PARTNERSHIP C

By: /s/ Richard M. Schulze
RICHARD M. SCHULZE

RMSJS LLC

By: /s/ Richard M. Schulze
RICHARD M. SCHULZE

THE RICHARD M. SCHULZE FAMILY FOUNDATION

By: /s/ Richard M. Schulze
RICHARD M. SCHULZE

[Signature Page to Schedule 13D/A (Amendment No. 10)]