

CARDINAL HEALTH INC
Form 10-Q
February 03, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q

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

For the quarterly period ended December 31, 2014

or

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

For the transition period from _____ to _____

Commission File Number: 1-11373

Cardinal Health, Inc.

(Exact name of registrant as specified in its charter)

Ohio

31-0958666

(State or other jurisdiction of
incorporation or organization)

(IRS Employer
Identification No.)

7000 Cardinal Place, Dublin, Ohio
(Address of principal executive offices)

43017
(Zip Code)

(614) 757-5000

(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 Website, 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 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

The number of the registrant's common shares, without par value, outstanding as of January 27, 2015, was the following: 330,130,751.

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* Items not listed are inapplicable.

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Cardinal Health, Inc. and Subsidiaries

Part I. Financial Information

Item 1: Financial Statements

Condensed Consolidated Statements of Earnings (Unaudited)

	Three Months Ended December		Six Months Ended December	
	31		31	
(in millions, except per common share amounts)	2014	2013	2014	2013
Revenue	\$25,537	\$22,240	\$49,607	\$46,763
Cost of products sold	24,083	20,895	46,813	44,155
Gross margin	1,454	1,345	2,794	2,608
Operating expenses:				
Distribution, selling, general and administrative expenses	815	766	1,590	1,497
Restructuring and employee severance	7	10	26	20
Amortization and other acquisition-related costs	60	56	112	105
Impairments and (gain)/loss on disposal of assets, net	(18)	9	(18)	9
Litigation (recoveries)/charges, net	44	(15)	72	(13)
Operating earnings	546	519	1,012	990
Other income, net	(1)	(6)	(4)	(10)
Interest expense, net	36	33	70	66
Loss on extinguishment of debt	60	—	60	—
Earnings before income taxes and discontinued operations	451	492	886	934
Provision for income taxes	162	217	331	320
Earnings from continuing operations	289	275	555	614
Earnings from discontinued operations, net of tax	—	3	—	3
Net earnings	\$289	\$278	\$555	\$617
Basic earnings per common share:				
Continuing operations	\$0.87	\$0.80	\$1.66	\$1.80
Discontinued operations	—	0.01	—	0.01
Net basic earnings per common share	\$0.87	\$0.81	\$1.66	\$1.81

Diluted earnings per common share:

Continuing operations	\$0.86	\$0.79	\$1.65	\$1.78		
Discontinued operations	—	0.01	—	0.01		
Net diluted earnings per common share	\$0.86	Contribution	Contribution	Other	Total	

Selwyn Joffe	\$25,894	\$59,939	\$4,650	\$	\$74,681	\$165,164
Mervyn McCulloch	\$ 1,634	\$19,431	\$3,647	\$	\$	\$ 24,712
David Lee	\$	\$35,423	\$3,396	\$	\$	\$ 38,819
Kevin Daly	\$	\$17,644	\$3,244	\$	\$	\$ 20,888
Steve Kratz	\$	\$17,644	\$	\$	\$	\$ 17,644
Michael Umansky	\$ 1,915	\$35,423	\$3,224	\$7,144	\$	\$ 47,706
Doug Schooner	\$ 95	\$50,481	\$	\$4,091	\$	\$ 54,667
Tom Stricker	\$ 3,012	\$17,644	\$3,813	\$	\$	\$ 24,469

2009 Grants of Plan-Based Awards

No options were granted to our named executive officers in fiscal 2009.

Table of Contents**Outstanding Equity Awards At Fiscal Year End
Option Awards**

The following table summarizes information regarding option awards granted to our named executive officers that remain outstanding as of March 31, 2009.

Name	Number of Securities Underlying Unexercised Options (#) Exercisable vested	Number of Securities Underlying Unexercised Options (#) Unexercisable unvested	Option Exercise Price (\$)	Option Expiration Date
Selwyn Joffe	40,000		\$ 2.200	1/11/2010
	1,500		\$ 1.210	4/30/2010
	1,500		\$ 1.130	4/30/2011
	43,750		\$ 3.150	11/15/2011
	1,500		\$ 3.600	4/29/2012
	100,000		\$ 2.160	3/2/2013
	1,500		\$ 1.800	4/29/2013
	100,000		\$ 6.345	1/13/2014
	200,000		\$ 9.270	7/20/2014
	150,000		\$10.010	11/2/2015
	225,000	25,000(1)	\$12.000	8/29/2016
Mervyn McCulloch	25,000		\$ 9.65	10/28/2015
	25,000		\$ 12.00	8/29/2016
David Lee	5,000		\$ 10.10	11/2/2015
	2,500		\$ 12.00	8/29/2016
Kevin Daly	5,000		\$ 10.15	1/3/2016
	2,500		\$ 12.00	8/29/2016
Steve Kratz	35,600		\$ 3.15	11/15/2011
	2,500		\$ 8.70	5/11/2014
	6,000		\$ 10.10	11/2/2015
	10,000		\$ 12.00	8/29/2016
Michael Umansky	25,000		\$ 10.01	11/2/2015
	20,000		\$ 12.00	8/29/2016

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Doug Schooner	5,000	\$ 1.10	4/12/2011
	19,000	\$ 3.15	11/15/2011
	12,000	\$ 8.70	5/11/2014
	12,000	\$ 10.01	11/2/2015
	20,000	\$ 12.00	8/29/2016
Tom Stricker	17,250	\$ 3.15	11/15/2011
	12,000	\$ 8.70	5/11/2014
	12,000	\$ 10.01	11/2/2015
	20,000	\$ 12.00	8/29/2016
Mel Marks	1,500	\$ 1.21	4/30/2010
	1,500	\$ 1.13	4/30/2011
	1,500	\$ 3.60	4/29/2012
	1,500	\$ 1.80	4/29/2013

- (1) This award vests 3/10th on each anniversary from grant date, August 30, 2006, with the remaining 1/10th vesting on the fourth anniversary from grant date, subject to continued employment.

Table of Contents**Option Exercises and Stock Vested**

None of our named executive officers exercised any stock options or had any shares of restricted stock vest during the 2009 fiscal year.

Nonqualified Deferred Compensation

The following table sets forth certain information regarding contributions, earnings and account balances under our Amended and Restated Executive Deferred Compensation Plan, our only defined contribution plan that provides for the deferral of compensation on a basis that is not-tax qualified, for each of the named executive officers as of fiscal year ended March 31, 2009. A description of the material terms and conditions of the Amended and Restated Executive Deferred Compensation Plan follows.

Name	Executive Contributions in Last FY(1)	Registrants contribution in last FY(2)	Aggregate Earnings in Last FY	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last FYE
Selwyn Joffe	\$	\$	\$	\$	\$
Mervyn McCulloch	\$	\$	\$	\$	\$
David Lee	\$	\$	\$	\$	\$
Kevin Daly	\$	\$	\$	\$	\$
Steve Kratz	\$	\$	\$	\$	\$
Michael Umansky	\$ 28,576	\$ 7,144	\$(32,305)	\$	\$ 152,096
Doug Schooner	\$ 16,363	\$ 4,091	\$(47,974)	\$	\$ 118,713
Tom Stricker	\$	\$	\$		\$

(1) The amounts set forth in this column are included in the Salary and Bonus columns, as applicable, in our Summary Compensation Table .

(2) See description of the Non-Qualified Deferred Compensation Plan in the Grants of Plan Based Awards section. The following table shows our contribution to each named executive

officer's account:

Name	Contribution	Interest (a)	Total
Selwyn Joffe	\$	\$	\$
Mervyn McCulloch	\$	\$	\$
David Lee	\$	\$	\$
Kevin Daly	\$	\$	\$
Steve Kratz	\$	\$	\$
Michael Umansky	\$ 7,144	\$	\$ 7,144
Doug Schooner	\$ 4,091	\$	\$ 4,091
Tom Sticker	\$	\$	\$

(a) No interest is paid by the registrant.

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We maintain the Motorcar Parts of America, Inc. Amended and Restated Executive Deferred Compensation Plan, an unfunded, non-qualified deferred compensation plan for a select group of management or highly compensated employees, including our named executive officers. Participants in the plan may elect to defer up to 100% of their gross W-2 compensation. We make matching contributions of 25% of each participant's elective contributions to the plan, up to 6% of the participant's compensation for the plan year. The plan is designed to defer taxation to the participant on contributions and notional earnings thereon until distribution thereof in accordance with a participant's previously made distribution elections. Insurance annuity contracts provide funding for the plan, however, the annuity contracts are owned by us and remain subject to claims of our general creditors.

Employment Agreements

On February 14, 2003, we entered into an employment agreement with Selwyn Joffe pursuant to which he is employed full-time as our President and Chief Executive Officer in addition to serving as our Chairman of the Board of Directors. This agreement, which was negotiated on our behalf by Mel Marks, the then Chairman of the Compensation Committee, and unanimously approved by our Board of Directors, was originally scheduled to expire on March 31, 2006. The February 14, 2003 agreement provided for an annual base salary of \$500,000, and participation in our executive bonus program. Mr. Joffe remains entitled to receive a transaction fee of 1.0% of the total consideration of any equity transaction, including any transaction resulting in a change of control, his efforts bring to us that we previously agreed to provide to him as part of a prior consulting agreement with Protea Group, Mr. Joffe's company. Mr. Joffe also participates in the stock option plans approved by the shareholders and also receives other benefits including those generally provided to other employees.

On April 22, 2005, we entered into an amendment to our employment agreement with Mr. Joffe. Under the amendment, Mr. Joffe's term of employment was extended from March 31, 2006 to March 31, 2008. His base salary, bonus arrangements, 1% transaction fee right and fringe benefits remained unchanged. This amendment was unanimously approved by our Board of Directors.

Before the amendment, Mr. Joffe had the right to terminate his employment upon a change of control and receive his salary and benefits through March 31, 2006. Under the amendment, upon a change of control (which has been redefined pursuant to the amendment), Mr. Joffe will be entitled to a sale bonus equal to the sum of (i) two times his base salary plus (ii) two times his average bonus earned for the two years immediately prior to the change of control. The amendment also grants Mr. Joffe the right to terminate his employment within one year of a change of control and to then receive salary and benefits for a one-year period following such termination plus a bonus equal to the average bonus Mr. Joffe earned during the two years immediately prior to his voluntary termination.

If Mr. Joffe is terminated without cause or resigns for good reason (as defined in the amendment), the registrant must pay Mr. Joffe (i) his base salary, (ii) his average bonus earned for the two years immediately prior to termination, and (iii) all other benefits payable to Mr. Joffe pursuant to the employment agreement, as amended, through the later of two years after the date of termination of employment or March 31, 2008. Under the amendment, Mr. Joffe is also entitled to an additional gross-up payment to offset the excise taxes (and related income taxes on the gross-up payment) that he may be obligated to pay with respect to the first \$3,000,000 of parachute payments (as defined in Section 280G of the Code) to be made to him upon a change of control. The amendment has redefined the term for cause to apply only to misconduct in connection with Mr. Joffe's performance of his duties. Pursuant to the amendment, any options that have been or may be granted to Mr. Joffe will fully vest upon a change of control and be exercisable for a two-year period following the change of control, and Mr. Joffe agreed to waive the right he previously had under the employment agreement to require the registrant to purchase his option shares and any underlying options if his employment were terminated for any reason. The amendment further provides that Mr. Joffe's agreement not to compete with us terminates at the end of his employment term.

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In December 2006, our employment agreement with Mr. Joffe was amended to extend the term of this agreement from March 31, 2008 to August 30, 2009. This amendment was unanimously approved by our Board of Directors.

On March 27, 2008, our employment agreement with Mr. Joffe was further amended to extend the term of this agreement from August 30, 2009 to August 31, 2012. All other terms and conditions of Mr. Joffe's employment remained unchanged. This amendment was unanimously approved by our Board of Directors.

On December 31, 2008, we entered into an amended and restated employment agreement with Mr. Joffe. Mr. Joffe's previous employment agreement was amended and restated primarily to add language that satisfies the requirements of the final treasury regulations issued pursuant to Section 409A of the Code with respect to certain of the payments that may be provided to Mr. Joffe pursuant to the employment agreement. The restated agreement does not increase the amounts payable to Mr. Joffe as salary, bonus, severance or other compensation, nor does it extend the term of employment, but it does clarify that if we terminate the restated agreement without cause, either directly or constructively, Mr. Joffe will be entitled to receive severance payments until the later of (i) that date which is two years after the termination date or (ii) the date upon which the restated agreement would otherwise have expired. All other substantive terms and conditions of Mr. Joffe's employment remain unchanged. The restated agreement was unanimously approved by our Board of Directors.

In February 2008, we entered into a letter agreement with Mr. McCulloch pursuant to which his current pay and benefits will remain unchanged, except that Mr. McCulloch will be entitled to: (i) a proportionate bonus for the fiscal year ended March 31, 2008 for his services as our Chief Financial Officer during that period so long as bonuses are generally paid to our other executives; (ii) the right to earn certain bonuses in his position as Chief Acquisitions Officer for the successful consummation of specified acquisitions, the amount and terms of which shall be agreed to in writing by our Chief Executive Officer; and (iii) six months' notice or the payment of six months of his then current pay (or combination thereof) in lieu of such notice in the event of termination of his employment with us for any reason. On February 16, 2009, we notified Mr. McCulloch that his right to six months' notice or salary (or a combination thereof) in the event of his termination shall terminate on August 18, 2009.

In conformity with our policy, all of our directors and officers execute confidentiality and nondisclosure agreements upon the commencement of employment. The agreements generally provide that all inventions or discoveries by the employee related to our business and all confidential information developed or made known to the employee during the term of employment shall be our exclusive property and shall not be disclosed to third parties without our prior approval.

Potential Payments Upon Termination or Change in Control Table

The following table provides an estimate of the inherent value of Mr. Joffe's employment agreement described above, assuming the agreements were terminated on March 31, 2009, the last day of fiscal 2009. Please refer to "Employment Agreements" for more information.

Termination	Before Change of Control: Voluntary	Termination by Mr. Joffe for Good Reason or Termination	After Change Control: Voluntary Termination
by Company for	by Company w/o	Change in	by Mr. Joffe for Good

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Benefit	Cause(1)	Death(2)	Disability(3)	Cause(4)	Control	Reason(5)
Salary Contribution	\$	\$	\$	\$ 1,000,000	\$	\$ 500,000
Bonus	\$ 500,100	\$ 500,100	\$ 500,100	\$ 1,000,000	\$	\$ 500,100
Stock Options(6)	\$	\$ 58,403	\$ 58,403	\$ 58,403	\$	\$ 58,403
Healthcare	\$	\$	\$ 24,000	\$ 48,000	\$	\$ 24,000
Transaction Fee(7)	\$	\$	\$	\$	\$	\$
Sale Bonus(8)	\$	\$	\$	\$	\$ 2,000,200	\$
Automobile Allowance(9)	\$	\$	\$	\$ 36,000	\$	\$ 18,000
Accrued Vacation Payments	\$ 82,175	\$ 82,175	\$ 82,175	\$ 164,350	\$	\$ 82,175

(1) Upon a termination for cause, Mr. Joffe will be entitled to his accrued salary, bonus and transaction fees (as described in footnote 7), if any, and benefits owing to him through the day of his termination.

(2) Mr. Joffe's employment term will end on the date of his death. Upon such event, Mr. Joffe's estate will be entitled to receive his accrued salary, bonus and transaction fees (as described in footnote 7), if any, and

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benefits,
including
accrued but
unused vacation
time, owing to
Mr. Joffe
through the date
of his death. In
addition,
Mr. Joffe's estate
will assume
Mr. Joffe's rights
under the 1994
Stock Option
Plan and the
related rights
under the
employment
agreement.

- (3) If during the
employment
term, Mr. Joffe
becomes
disabled and is
terminated by
us, Mr. Joffe
will be entitled
to receive his
accrued salary,
bonus, and
transaction fees
(as described in
footnote 7), if
any, and
benefits owing
to Mr. Joffe
through the date
of termination.
In addition,
Mr. Joffe will
be entitled to
receive the
benefits payable
pursuant to a
disability
insurance
policy, which
we pay

Mr. Joffe
\$24,000
annually to be
used by
Mr. Joffe to
purchase same
for his benefit.

(4) Upon a termination by Mr. Joffe for good reason or by us without cause, Mr. Joffe will be entitled to receive his base salary, his average bonus earned for the two years immediately preceding his termination, all vacation, healthcare and disability benefits, automobile allowance, and any accrued transaction fees (as described in footnote 7). The payments are to be paid to Mr. Joffe until March 31, 2010.

(5) If a change in control occurs, Mr. Joffe will have the right to voluntarily terminate the employment agreement with effect on or after the one year anniversary of the change in control upon

giving at least 90 days prior written notice. Upon Mr. Joffe's voluntary termination, one year after the change in control occurs, he will be entitled to receive for one year after his termination date, his base salary, his average bonus earned for the two years immediately preceding his termination, accrued vacation payments, healthcare and disability benefits, automobile allowance, and any accrued transaction fees (as described in footnote 7).

- (6) Upon the termination of the employment agreement, for any reason other than termination by us for cause or termination by Mr. Joffe without good reason, any options which are not fully vested will immediately vest and remain

exercisable by Mr. Joffe for a period of two years or, if shorter, until the ten year anniversary of the date of grant of each such option. The inherent value shown in the table is the additional compensation expense we would have recorded upon the immediate vesting of all options which were not fully vested at March 31, 2009.

- (7) In the event that one or more proposed transactions occur during the term of Mr. Joffe's employment agreement, Mr. Joffe will be entitled to receive a transaction fee, as additional compensation with respect to each proposed transaction. We will pay Mr. Joffe a transaction fee upon the closing of a proposed transaction in an amount equal to 1% of the total

consideration .
Since no
transaction fee
was accrued as
of March 31,
2009 and there
were no
proposed
transactions on
which to
estimate a 1%
fee as of
March 31, 2009,
zero amounts
were entered.

- (8) Upon a change
in control,
Mr. Joffe will
be entitled to
receive a sale
bonus equal to
the sum of
(i) two times
Mr. Joffe's
salary, plus
(ii) two times
Mr. Joffe's
average bonus
earned for the
two years
immediately
prior to the year
in which the
change in
control occurs.
The sale bonus
will be paid to
Mr. Joffe in a
lump sum on the
closing date of
the change in
control
transaction. If
Mr. Joffe
terminates his
employment
after this change
of control, he
will also be
entitled to the

compensation
and other
benefits
described in
footnote 5
above.

- (9) Mr. Joffe is entitled to receive an automobile allowance until March 31, 2010 in the amount of \$1,500 per month, payable monthly. In addition, all costs of operating the automobile, including fuel, oil, insurance, repairs, maintenance and other expenses, are our responsibility.

Equity Based Employee Benefit Plans

2003 Long-Term Incentive Plan. On October 31, 2003, our Board of Directors adopted our 2003 Long-Term Incentive Plan. The purpose of the 2003 Long-Term Incentive Plan is to foster and promote our long-term financial success and interests and to materially increase the value of the equity interests in the Company by: (a) encouraging the long-term commitment of selected key employees, (b) motivating superior performance of key employees by means of long-term performance related incentives, (c) encouraging and providing key employees with a formal program for obtaining an ownership interest in the Company, (d) attracting and retaining outstanding key employees by providing incentive compensation opportunities competitive with other major companies, and (e) enabling participation by key employees in our long-term growth and financial success. The plan is administered by our Compensation Committee. Our Compensation Committee has the full power and authority to construe and interpret the 2003 Long-Term Incentive Plan and may, from time to time, adopt such rules and regulations of carrying out the 2003 Long-Term Incentive Plan as it may deem appropriate. The decisions of the Compensation Committee are final, conclusive and binding upon all parties.

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Under the 2003 Long-Term Incentive Plan, the Compensation Committee has the authority to grant to our key employees and consultants the following types of awards (Incentive Awards): (i) stock options in the form of incentive stock options qualified under section 422 of the Code (Incentive Options), or nonqualified stock options (Nonqualified Options), or both (Options); (ii) stock appreciation rights (SARs); (iii) restricted stock (Restricted Stock); (iv) performance-based awards; and (v) supplemental payments dedicated to payment of any income taxes that may be payable in conjunction with the 2003 Long-Term Incentive Plan. All of our employees are eligible to participate in the 2003 Long-Term Incentive Plan. A total of 1,200,000 shares of common stock have been reserved for grants of Incentive Awards under the 2003 Long-Term Incentive Plan. The 2003 Long-Term Incentive Plan will terminate on October 31, 2013, unless terminated earlier by our Board of Directors.

The Compensation Committee may limit an optionee's right to exercise all or any portion of an Option until one or more dates subsequent to the date of grant. The Compensation Committee also has the right, in its sole discretion, to accelerate the date on which all or any portion of an Option may be exercised. The 2003 Long-Term Incentive Plan also provides that, under certain circumstances, if any employee is terminated within two years after a Change of Control (as defined in the 2003 Long-Term Incentive Plan), each Option or SAR then outstanding shall immediately become vested and immediately exercisable in full, all restrictions and conditions of all Restricted Stock then outstanding shall be deemed satisfied and the restriction period to have expired, and all Performance Shares and Performance Units shall become vested, deemed earned in full and properly paid. In the event of a change of control, however, our Board of Directors may, after notice to the participant, require the participant to cash-out his or her rights by transferring them to the Company in exchange for their equivalent cash value.

If we terminate an employee's employment for any reason other than death, disability, retirement, involuntary termination or termination for good reason, any Incentive Award outstanding at the time and all rights there under will terminate, and unless otherwise established by the Compensation Committee, no further vesting shall occur and the participant shall be entitled to exercise his or her rights (if any) with respect to the portion of the Incentive Award vested as of the date of termination for a period of 30 calendar days after such termination date; provided, however, that if an Employee is terminated for cause, this employee's right to exercise his or her rights (if any) with respect to the vested portion of his or her Incentive Award shall terminate as of the date of termination of employment. In the event of termination for death, disability, retirement, or in connection with a change in control, an Incentive Award may be only exercised as provided in an individual's incentive agreement, or as determined by the Compensation Committee.

Options. No Incentive Option may be granted with an exercise price per share less than the fair market value of the common stock at the date of grant. Nonqualified Options may be granted at any exercise price. The exercise price of an Option may be paid in cash, by an equivalent method acceptable to the Compensation Committee, or, at the Compensation Committee's discretion, by delivery of already owned shares of common stock having a fair market value equal to the exercise price, or, at the Compensation Committee's discretion, by delivery of a combination of cash and already owned shares of common stock. However, if the optionee acquired the stock to be surrendered directly or indirectly from us, he or she must have owned the stock to be surrendered for at least six months prior to tendering such stock for the exercise of an Option.

An eligible employee may receive more than one Incentive Option, but the maximum aggregate fair market value of the common stock (determined when the Incentive Option is granted) with respect to which Incentive Options are first exercisable by such employee in any calendar year cannot exceed \$100,000. In addition, no Incentive Option may be granted to an employee owning directly or indirectly stock possessing more than 10% of the total combined voting power of all classes of our stock (a 10% shareholder), unless the exercise price is not less than 110% of the fair market value of the shares subject to such Incentive Option on the date of grant. Awards of Nonqualified Options are not subject to these special limitations.

Except as otherwise provided by the Compensation Committee, awards under the 2003 Long-Term Incentive Plan are not transferable other than as designated by the participant by will or by the laws of descent and distribution. The expiration date of an Incentive Option is determined by the Compensation Committee at the time of the grant, but in no event may an Incentive Option be exercisable after the expiration of 10 years from the date of grant of the Incentive Option (five years in the case of an Incentive Option granted to a 10% shareholder).

SARs. SARs may be granted under the 2003 Long-Term Incentive Plan in conjunction with all or part of an Option, or separately. The exercise price of the SAR shall not be less than the fair market value of the common stock on the date of the grant of the option to which it relates. The SAR granted in conjunction with an Option will be exercisable

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only when the underlying Option is exercisable and once an SAR has been exercised, the related portion of the Option underlying the SAR will terminate. Upon the exercise of an SAR, the Company will pay to the participant in cash, common stock, or a combination thereof (the method of payment to be at the discretion of the Compensation Committee), an amount equal to the excess of the fair market value of the common stock on the exercise date over the option price, multiplied by the number of SARs being exercised.

The Compensation Committee, either at the time of grant or at the time of exercise of any Nonqualified Option or SAR, may provide for a supplemental payment (Supplemental Payment) by the Company to the participant with respect to the exercise of any Nonqualified Option or SAR, in an amount specified by the Compensation Committee, but which shall not exceed the amount necessary to pay the federal income tax payable with respect to both the exercise of the Nonqualified Option and/or SAR and the receipt of the Supplemental Payment, based on the assumption that the participant is taxed at the maximum effective federal income tax rate on such amounts. The Compensation Committee shall have the discretion to grant Supplemental Payments that are payable in cash, common stock, or a combination of both, as determined by the Compensation Committee at the time of payment.

Restricted Stock. Restricted Stock awards may be granted under the 2003 Long-Term Incentive Plan, and the provisions applicable to a grant of Restricted Stock may vary among participants. In making an award of Restricted Stock, the Compensation Committee will determine the periods during which the Restricted Stock is subject to forfeiture. During the restriction period, the Participant may not sell, transfer, pledge or assign the Restricted Stock, but will be entitled to vote the Restricted Stock. The Compensation Committee, at the time of vesting of Restricted Stock, may provide for a Supplemental Payment by the Company to the participant in an amount specified by the Compensation Committee that shall not exceed the amount necessary to pay the federal income tax payable with respect to both the vesting of the Restricted Stock and receipt of the Supplemental Payment, based on the assumption that the participant is taxed at the maximum effective federal income tax rate on such amount.

Performance Units. The Compensation Committee may grant Incentive Awards representing a contingent right to receive cash (Performance Units) or shares of common stock (Performance Shares) at the end of a performance period. The Compensation Committee may grant Performance Units and Performance Shares in such a manner that more than one performance period is in progress concurrently. For each performance period, the Compensation Committee shall establish the number of Performance Units or Performance Shares and the contingent value of any Performance Units or Performance Shares, which may vary depending on the degree to which performance objectives established by the Compensation Committee are met. The Compensation Committee may modify the performance measures and objectives as it deems appropriate.

The basis for payment of Performance Units or Performance Shares for a given performance period shall be the achievement of those financial and non-financial performance objectives determined by the Compensation Committee at the beginning of the performance period. If minimum performance is not achieved for a performance period, no payment shall be made and all contingent rights shall cease. If minimum performance is achieved or exceeded, the value of a Performance Unit or Performance Share shall be based on the degree to which actual performance exceeded the pre-established minimum performance standards, as determined by the Compensation Committee. The amount of payment shall be determined by multiplying the number of Performance Units or Performance Shares granted at the beginning of the performance period by the final Performance Unit or Performance Share value. Payments shall be made, in the discretion of the Compensation Committee, solely in cash or common stock, or a combination of cash and common stock, following the close of the applicable performance period.

The Compensation Committee, at the date of payment with respect to such Performance Units or Performance Shares, may provide for a Supplemental Payment by us to the participant in an amount specified by the Compensation Committee, which shall not exceed the amount necessary to pay the federal income tax payable with respect to the amount of payment made with respect to such Performance Units or Performance Shares and receipt of the Supplemental Payment, based on the assumption that the participant is taxed at the maximum effective federal income tax rate on such amount.

Non-Employee Director Option Plan. The purpose of our Non-Employee Director Stock Option Plan is to foster and promote our long-term financial success and interests and to materially increase the value of the equity interests in the Company by: (a) increasing our ability to attract and retain talented men and women to serve on our Board of

Directors, (b) increasing the incentives that these non-employee directors have to help us succeed and (c) providing our non-employee directors with an increased opportunity to share in our long-term growth and financial success.

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Under the Non-Employee Director Stock Option Plan, each non-employee director will be granted options to purchase 25,000 shares of our common stock upon their election to our Board of Directors. In addition, each non-employee director will be awarded an option to purchase an additional 3,000 shares of our common stock for each full year of service on our Board of Directors. The exercise price for each of these options will be equal to the fair market value of our common stock on the date the option is granted. The exercise price of an option is payable only in cash. Options awarded under the Plan are not transferable other than as designated by the participant by will or by the laws of descent and distribution.

Each of these options will have a ten-year term. One-third of the options will be exercisable immediately upon grant, and one-half of the remaining portion of each option grant will vest and become exercisable on the first and second anniversary dates of the date of grant, assuming that the non-employee director remains on our Board of Directors on each such anniversary date. In the event of a change of control, we may, after notice to the participant, require the participant to cash-out his rights by transferring them to us in exchange for their equivalent cash value.

The Board of Directors shall not have the right to modify the number of options granted to a non-employee director or the terms of the option grants.

A total of 175,000 shares of common stock have been reserved for grants of stock options under the Non-Employee Director Stock Option Plan. The Plan will terminate ten years from its adoption by our shareholders unless terminated earlier by our Board of Directors.

Tax Consequences. Under current tax laws, the grant of an option generally will not be a taxable event to the optionee, and we will not be entitled to a deduction with respect to such grant. Upon the exercise of an option, the non-employee director optionee will recognize ordinary income at the time of exercise equal to the excess of the then fair market value of the shares of common stock received over the exercise price. The taxable income recognized upon exercise of a nonqualified option will be treated as compensation income subject to withholding, and we will be entitled to deduct as a compensation expense an amount equal to the ordinary income an optionee recognizes with respect to such exercise. When common stock received upon the exercise of a nonqualified option subsequently is sold or exchanged in a taxable transaction, the holder thereof generally will recognize capital gain (or loss) equal to the difference between the total amount realized and the fair market value of the common stock on the date of exercise; the character of such gain or loss as long-term or short-term capital gain or loss will depend upon the holding period of the shares following exercise.

Amendment and Termination. The Board of Directors may from time to time amend, and the Board of Directors may terminate, the Non-Employee Director Incentive Plan, provided that no such action shall modify the number of options granted to a non-employee director or change the terms of any option grants, in each case as summarized in the preceding discussion, or adversely affect option rights already granted there under without the consent of the impacted non-employee director. In addition, no amendment may be made without the approval of our shareholders if shareholder approval is necessary in order to comply with applicable law.

Table of Contents**2009 Director Compensation**

We use a combination of cash and equity incentives to compensate our non-employee directors. Directors who are also our employees received no compensation for their service on our Board of Directors in fiscal 2009. To determine the appropriate level of compensation for our non-employee directors, we take into consideration the significant amount of time and dedication required by the directors to fulfill their duties on our Board of Directors and Board of Directors committees as well as the need to continue to attract highly qualified candidates to serve on our Board of Directors. In addition, our compensation arrangement with Mel Marks reflects his 47 years of relevant experience in the industry and our company. The information provided in the following table reflects the compensation received by our directors for their service on our Board of Directors in fiscal 2009.

Name	Fees Earned or		Option Awards	All Other	Total
	Paid in Cash	Stock Awards	(1)	Compensation	
Philip Gay	\$ 90,000	\$	\$ 8,957	\$	\$ 98,957
Rudolph Borneo	\$ 47,500	\$	\$ 8,957	\$	\$ 56,457
Irv Siegel (2)	\$ 27,082	\$	\$ 8,987	\$	\$ 36,069
Scott J. Adelson	\$ 33,400	\$	\$ 26,296	\$	\$ 59,696
Duane Miller	\$ 35,400	\$	\$ 29,005	\$	\$ 64,405
Jeffrey Mirvis	\$ 5,100	\$	\$ 13,145	\$	\$ 18,245
Mel Marks	\$	\$	\$	\$ 350,000	\$ 350,000

(1) Option award amounts represent our non-employee director's portion of our reported share-based payment expense for fiscal 2009 in accordance with SFAS No. 123(R).

(2) Effective November 17, 2008, Irv Siegel resigned from our Board of Directors and as the Chairman of the Compensation Committee and as a member of

our Audit,
Ethics, and
Nominating and
Corporate
Governance
Committees.

We have supplemental compensatory arrangements with Mel Marks, our founder, largest shareholder and member of our Board of Directors. In August 2000, our Board of Directors agreed to engage Mel Marks to provide consulting services to our company. Mr. Marks is paid an annual consulting fee of \$350,000 per year. We can terminate our consulting arrangement with Mr. Marks at any time.

We pay Mr. Gay \$90,000 per year for serving on our Board of Directors, as well as assuming the responsibility for being Chairman of our Audit and Ethics Committees.

In addition, each of our non-employee directors, other than Messrs. Marks and Gay, receives annual compensation of \$20,000 and is paid a fee of \$2,000 for attending each Board of Directors meeting, \$2,000 for attending each Audit Committee meeting and \$500 for any other Board of Directors committee meeting attended. Each director is also reimbursed for reasonable out-of-pocket expenses incurred to attend Board of Directors or Board of Directors committee meetings.

Under our Non-Employee Director Stock Option Plan, each non-employee director is granted options to purchase 25,000 shares of our common stock upon their election to our Board of Directors. In addition, each non-employee director is awarded an option to purchase an additional 3,000 shares of our common stock for each full year of service on our Board of Directors.

Indemnification of Executive Officers and Directors

Article Seven of our Restated Certificate of Incorporation provides, in part, that to the extent required by New York Business Corporation Law, or NYBCL, no director shall have any personal liability to us or our shareholders for damage for any breach of duty as such director, provided that each such director shall be liable under the following circumstances: (a) in the event that a judgment or other final adjudication adverse to such director establishes that his acts or omissions were in bad faith, involved intentional misconduct or a knowing violation of law or that such

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director personally gained in fact a financial profit or other advantage to which such director was not legally entitled or that such director's acts violated Section 719 of the NYBCL or (b) for any act or omission prior to the adoption of Article Seven of our Restated Certificate of Incorporation.

Article Nine of our Bylaws provide that we shall indemnify any person, by reason of the fact that such person is or was a director or officer of our company or served any other corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise in any capacity at our request, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorney's fees incurred as a result of an action or proceeding, or any appeal therefrom, provided, however, that no indemnification shall be made to, or on behalf of, any director or officer if a judgment or other final adjudication adverse to such director or officer establishes that (a) his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated, or (b) he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

We may purchase and maintain insurance for our own indemnification and for that of our directors and officers and other proper persons as described in Article Nine of our Bylaws. We maintain and pay premiums for directors' and officers' liability insurance policies.

We are incorporated under the laws of the State of New York and Sections 721-726 of Article 7 of the NYBCL provide for the indemnification and advancement of expenses to directors and officers. Section 721 of the NYBCL provides that indemnification and advancement of expenses provisions contained in the NYBCL shall not be deemed exclusive of any rights which a director or officer seeking indemnification or advancement of expenses may be entitled, provided no indemnification may be made on behalf of any director or officer if a judgment or other final adjudication adverse to the director or officer establishes that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

Section 722 of the NYBCL permits, in general, a New York corporation to indemnify any person made, or threatened to be made, a party to an action or proceeding by reason of the fact that he or she was a director or officer of that corporation, or served another entity in any capacity at the request of that corporation, against any judgment, fines, amounts paid in settlement and reasonable expenses, including attorney's fees actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, if such person acted in good faith, for a purpose he or she reasonably believed to be in, or, in the case of service of another entity, not opposed to, the best interests of that corporation and, in criminal actions or proceedings, who in addition had no reasonable cause to believe that his or her conduct was unlawful. However, no indemnification may be made to, or on behalf of, any director or officer in a derivative suit in respect of (a) a threatened action or a pending action that is settled or otherwise disposed of or (b) any claim, issue or matter for which the person has been adjudged to be liable to the corporation, unless and only to the extent that a court in which the action was brought, or, if no action was brought, any court of competent jurisdiction, determines upon application that the person is fairly and reasonably entitled to indemnify for that portion of settlement and expenses as the court deems proper.

Section 723 of the NYBCL permits a New York corporation to pay in advance of a final disposition of such action or proceeding the expenses incurred in defending such action or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay such amount as, and to the extent, required by statute. Section 724 of the NYBCL permits a court to award the indemnification required by Section 722.

Section 725 provides for repayment of such expenses when the recipient is ultimately found not to be entitled to indemnification. Section 726 provides that a corporation may obtain indemnification insurance indemnifying itself and its directors and officers.

The foregoing is only a summary of the described sections of the NYBCL and our Restated Certificate of Incorporation, as amended, and Bylaws and is qualified in its entirety by the reference to such sections and charter documents.

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Compensation Committee Interlocks and Insider Participation

The Compensation Committee of our Board of Directors determines the compensation of our officers and directors. None of our executive officers currently serves on the compensation committee or board of directors of any other company of which any members of our Board of Directors or our Compensation Committee is an executive officer.

Table of Contents**Item 12. Security Ownership of Certain Beneficial Owners And Management and Related Stockholder Matters**

The following table sets forth, as of July 24, 2009, certain information as to the common stock ownership of each of our named executive officers, directors, all executive officers and directors as a group and all persons known by us to be the beneficial owners of more than five percent of our common stock. The percentage of common stock beneficially owned is based on 11,962,021 shares of common stock outstanding as of July 24, 2009.

Beneficial ownership is determined in accordance with the rules of the SEC. In computing the number of shares beneficially owned by a person and the percentage of ownership held by that person, shares of common stock subject to options held by that person that are currently exercisable or will become exercisable within 60 days of July 24, 2009 are deemed outstanding, while these shares are not deemed outstanding for determining the percentage ownership of any other person. Unless otherwise indicated in the footnotes below, the persons and entities named in the table have sole voting and investment power with respect to all shares beneficially owned, subject to community property laws where applicable. Unless otherwise indicated in the footnotes below, the address of the stockholder is c/o Motorcar Parts of America, Inc. 2929 California Street, Torrance, CA 90503.

Name and Address of Beneficial Shareholder	Amount and Nature of Beneficial Ownership (1)	Percent of Class
Mel Marks (2)	1,320,235	11.0%
Costa Brava Partnerships (3)	951,608	7.9%
William Blair & Company, L.L.C (4)	815,683	6.8%
Janus Capital Management LLC (5)	746,670	5.9%
Selwyn Joffe (6)	899,750	7.0%
Scott Adelson (7)	17,666	*
Rudolph Borneo (8)	54,000	*
Philip Gay (9)	34,000	*
Duane Miller (10)	17,666	*
Jeffrey Mirvis (11)	13,333	*
Doug Schooner (12)	68,000	*
Tom Stricker (13)	61,250	*
Steve Kratz (14)	54,100	*
Michael Umansky (15)	45,000	*
Mervyn McCulloch (16)	45,000	*
David Lee (17)	7,500	*
Kevin Daly (18)	12,500	*
Directors and executive officers as a group 14 persons (19)	2,650,000	21.6%

* Less than 1% of the outstanding common stock.

(1) The listed shareholders, unless otherwise indicated in the footnotes below, have direct ownership over the amount of

shares indicated
in the table.

- (2) Includes 6,000 shares issuable upon exercise of currently exercisable options under the 1994 Stock Option Plan.
- (3) Includes 13,650 shares issuable upon the exercise of currently exercisable warrants. Based on a schedule 13G/A filed with the SEC on February 12, 2008, Seth W. Hamot as the president of Roark, Rearden & Hamot LLP, which is the general partner of Costa Brava Partnership III L.P., has the power to vote and dispose of the shares of our common stock held of record by Costa Brava Partnership III L.P. The business address of each of Costa Brava Partnership II L.P., Seth W. Hamot and Roark, Rearden & Hamot, LLC is 420 Boylston Street, Boston,

MA 02116.

- (4) Includes 111,575 shares issuable upon the exercise of currently exercisable warrants. Based on a Schedule 13G filed with the SEC on January 12, 2009, William Blair & Company LLC was the beneficial owner with sole power to vote and dispose of the shares of our common stock. The business address of William Blair & Company LLC is 222 W Adams, Chicago, IL 60606.

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- (5) Includes 96,000 shares issuable upon the exercise of currently exercisable warrants. Based on a Schedule 13G/A filed with the SEC on March 11, 2008, Janus Capital Management LLC, which is the investment advisor of Janus Venture Fund, has the power to vote and dispose of the shares of our common stock held of record by Janus Capital Management LLC and Janus Venture Fund. The business address of Janus Capital Management LLC and Janus Venture Fund is 151 Detroit Street, Denver, Colorado 80206.
- (6) Represents 30,000 shares issuable upon exercise of options exercisable under the 1996 Stock Option Plan (the 1996 Stock Option Plan); 255,250

shares issuable upon exercise of currently exercisable options under the 1994 Stock Option Plan; and 4,500 shares issuable upon exercise of currently exercisable options granted under the Non-Employee Director Plan and 600,000 shares issuable upon exercise of options under the 2003 Long Term Incentive Plan.

(7) Represents 17,666 shares issuable upon exercise of currently exercisable options granted under the 2004 Non-Employee Director Stock Option Plan.

(8) Represents 34,000 shares issuable upon exercise of currently exercisable options granted under the 2004 Non-Employee Director Stock Option Plan.

(9) Represents 34,000 shares issuable upon exercise of

currently
exercisable
options granted
under the 2004
Non-Employee
Director Stock
Option Plan.

- (10) Represents
17,666 shares
issuable upon
exercise of
currently
exercisable
options granted
under the 2004
Non-Employee
Director Stock
Option Plan.
- (11) Represents 8,333
shares issuable
upon exercise of
currently
exercisable
options granted
under the 2004
Non-Employee
Director Stock
Option Plan.
- (12) Includes 24,000
shares issuable
upon exercise of
currently
exercisable
options under the
1994 Stock
Option Plan and
44,000 shares
issuable upon
exercise of
currently
exercisable
options under the
2003 Long Term
Incentive Plan,
and includes 92
shares of
common stock
held by The

Schooner 2003
Family Trust.
Mr. Schooner
expressly
disclaims
ownership of the
shares held by
The Schooner
2003 Family
Trust.

- (13) Includes 17,250
shares issuable
upon exercise of
currently
exercisable
options under the
1994 Stock
Option Plan and
44,000 shares
issuable upon
exercise of
currently
exercisable
options under the
2003 Long Term
Incentive Plan.
- (14) Includes 38,100
shares issuable
upon exercise of
currently
exercisable
options under the
1994 Stock
Option Plan and
16,000 shares
issuable upon
exercise of
currently
exercisable
options under the
2003 Long Term
Incentive Plan.
- (15) Includes 45,000
shares issuable
upon exercise of
currently
exercisable
options under the

2003 Long Term
Incentive Plan.

- (16) Includes 45,000 shares issuable upon exercise of currently exercisable options under the 2003 Long Term Incentive Plan.
- (17) Includes 7,500 shares issuable upon exercise of currently exercisable options under the 2003 Long Term Incentive Plan.
- (18) Includes 7,500 shares issuable upon exercise of currently exercisable options under the 2003 Long Term Incentive Plan.
- (19) Includes 340,600 shares issuable upon exercise of currently exercisable options granted under the 1994 Stock Option Plan; 30,000 shares issuable upon exercise of currently exercisable options granted under the 1996 Stock Option Plan; 4,500 shares issuable upon exercise of currently exercisable

options granted
under the
Non-Employee
Director Plan;
809,000 shares
issuable upon
exercise of
currently
exercisable
options granted
under the 2003
Long Term
Incentive Plan;
and 111,665
shares issuable
upon exercise of
currently
exercisable
options granted
under the 2004
Non-Employee
Director Stock
Option Plan.

Information regarding our securities authorized for issuance under our equity compensation plan is found in Item 5
Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities ,
Equity Compensation Plan Information.

Table of Contents**Item 13. Certain Relationships and Related Transactions, and Director Independence**

We have entered into a consulting agreement with Mel Marks, our founder, member of our Board of Directors and largest shareholder. We currently pay Mel Marks a consulting fee of \$350,000 per year under this arrangement. We have also agreed to pay Mr. Gay, a member of our Board of Directors, \$90,000 per year for his service as a member of our Board of Directors and Chairman of our Audit Committee. For additional information, see the discussion under the caption **Executive Compensation** **2009 Director Compensation** .

On July 22, 2008, we retired 108,534 shares of our common stock which had been pledged by Mr. Richard Marks in satisfaction of a \$682,000 shareholder note receivable we recorded in connection with the reimbursement amount owed to us by Mr. Marks for certain previously advanced legal fees and costs, plus interest accrued from January 15, 2008 through July 22, 2008, and the remaining shares pledged as collateral for this amount were released to Mr. Marks.

During fiscal 2009, we paid Houlihan Lokey Howard & Zukin Capital, Inc. a \$110,000 retainer for services and reimbursement of other out-of-pocket expenses. Scott J. Adelson, a member of our board of directors, is a Senior Managing Director for Houlihan Lokey Howard & Zukin Capital, Inc.

We do not have a written policy applicable to any transaction, arrangement or relationship between us and a related party. Our practice with regards to related party transactions has been for our Board of Directors, or a committee thereof, to review, approve and/or ratify such transactions as they arise. In making its determination to approve or ratify a transaction, our Board of Directors, or a committee thereof, would consider such factors as (i) the extent of the related party's interest in the transaction, (ii) if applicable, the availability of other sources of comparable products or services, (iii) whether the terms of the related party transaction are no less favorable than terms generally available in unaffiliated transactions under like circumstances, (iv) the benefit to us, and (v) the aggregate value of the transaction.

Director Independence

Information regarding the independence of our directors can be found in Item 10 **Directors, Executives Officers and Corporate Governance** **Corporate Governance, Board of Directors and Committees of the Board of Directors**.

Item 14. Principal Accountant Fees and Services

The following table summarizes the total fees we paid to our current independent certified public accountants, Ernst & Young LLP, effective December 4, 2007, and our prior independent certified public accountants, Grant Thornton LLP, for professional services provided during the following fiscal years ended March 31:

	2009	2008	2007
Audit Fees	\$ 1,410,000	\$ 2,638,000	\$ 1,769,000
Audit Related Fees			
Tax Fees	52,000		
All Other Fees	188,000	199,000	67,000
Total	\$ 1,650,000	\$ 2,837,000	\$ 1,836,000

Audit fees in fiscal 2009, 2008 and 2007 consisted of (i) the audit of our annual financial statements, (ii) the reviews of our quarterly financial statements, (iii) the review of our compliance with SOX 404 requirements, (iv) the review of SEC letters (v) the review of restated financial statements and related Forms 10-K/A and 10-Q/A, and (vi) services associated with SEC registration statements.

Tax fees in fiscal 2009 related primarily to professional services for transfer pricing and tax accounting method changes.

Other fees in fiscal 2009 related primarily to professional services for due diligence work related to our acquisitions. In fiscal 2008, other fees billed consisted of professional services for due diligence work related to a potential acquisition and the adoption of FIN 48. Other fees billed in fiscal 2007 relate primarily to professional services related to our POS unwind transaction and SFAS No. 123(R).

Our Audit Committee must pre-approve all audit and non-audit services to be performed by our independent auditors and will not approve any services that are not permitted by SEC rules. All of the audit and non-audit related fees in

fiscal 2009, 2008 and 2007 were pre-approved by the Audit Committee.

Table of Contents**PART IV****Item 15. Exhibits, Financial Statement Schedules.****Exhibits.**

The following exhibits are filed with this Amendment:

Number	Description of Exhibit	Method of Filing
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002	Filed herewith.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002	Filed herewith.
31.3	Certification of Chief Accounting Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002	Filed herewith.
32.1	Certifications of Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer pursuant to Section 906 of the Sarbanes Oxley Act of 2002	Filed herewith.

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SIGNATURES

Pursuant to the requirements of Section 15(d) 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.

MOTORCAR PARTS OF AMERICA, INC.

Dated: July 29, 2009

By: /s/ David Lee
David Lee
Chief Financial Officer

Dated: July 29, 2009

By: /s/ Kevin Daly
Kevin Daly
Chief Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report on Form 10-K/A has been signed by the following persons on behalf of the Registrant in the capacities and on the dates indicated:

/s/ Selwyn Joffe	Chief Executive Officer and Director (Principal Executive Officer)	July 29, 2009
Selwyn Joffe		
/s/ David Lee	Chief Financial Officer (Principal Financial Officer)	July 29, 2009
David Lee		
/s/ Kevin Daly	Chief Accounting Officer (Principal Accounting Officer)	July 29, 2009
Kevin Daly		
/s/ Mel Marks	Director	July 29, 2009
Mel Marks		
/s/ Scott Adelson	Director	July 29, 2009
Scott Adelson		
/s/ Rudolph Borneo	Director	July 29, 2009
Rudolph Borneo		
/s/ Philip Gay	Director	July 29, 2009
Philip Gay		
/s/ Duane Miller	Director	July 29, 2009
Duane Miller		

/s/ Jeffrey Mirvis

Director

July 29, 2009

Jeffrey Mirvis

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