GLOBAL PARTNERS LP
Form 8-K
August 24, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **August 18, 2010**

GLOBAL PARTNERS LP

(Exact name of registrant as specified in its charter)

Delaware	**001-32593**	**74-3140887**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

P.O. Box 9161

800 South Street

Waltham, Massachusetts 02454-9161

(Address of Principal Executive Offices)

(781) 894-8800
(Registrant s telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement

The description of the amendment to the Credit Agreement under Item 2.03 below is incorporated in this Item 1.01 by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

On August 18, 2010, Global Partners LP (the Partnership), its general partner, its operating company, its operating subsidiaries and GLP Finance Corp. entered into a First Amendment to Amended and Restated Credit Agreement (the First Amendment), which amended the Amended and Restated Credit Agreement dated May 14, 2010 (the Credit Agreement). The following is a description of the material provisions set forth in the First Amendment:

Proposed Acquisition - The First Amendment recognizes the contemplated acquisition from ExxonMobil Oil Corporation and Exxon Mobil Corporation (collectively, ExxonMobil) of certain service station properties and related assets in Massachusetts, New Hampshire and Rhode Island for an aggregate purchase price of not more than $205 million and the assumption of certain environmental liabilities (the Proposed Acquisition) pursuant to, and in accordance with, the terms of the Sale and Purchase Agreement dated as of May 14, 2010 by and between ExxonMobil and Global Companies LLC, a wholly owned subsidiary of the Partnership, as the same may be amended (the Purchase Agreement). The Purchase Agreement was filed on August 6, 2010 as Exhibit 10.1 to the Partnership s Quarterly Report on Form 10-Q. The Partnership s obligations under the Credit Agreement are secured by substantially all of the Partnership s assets and the assets of its operating company and operating subsidiaries. The Partnership s obligations under the Credit Agreement as amended will also be secured by the service station properties and related assets acquired upon consummation of the Proposed Acquisition.

The Partnership expects to consummate the Proposed Acquisition in multiple tranches, the first of which is the Initial Closing. The modifications and amendments contemplated by the First Amendment will become effective upon the consummation of the Initial Closing and the satisfaction of additional conditions set forth in the First Amendment (the First Amendment Effective Date).

Exercise of Existing Accordion In connection with the Proposed Acquisition and in accordance with Section 2.13 of the Credit Agreement, the borrowers requested an increase in the revolving credit facility in an amount equal to $200 million for a total credit facility of up to $1.15 billion, and certain lenders under the Credit Agreement have agreed to fund said increase.

Request for Increase (New Accordion) Provided there exists no Default (as defined in the Credit Agreement), the borrowers may request an additional increase to the revolving credit facility, the working capital revolving credit facility, or both, by up to another $200 million, for a total credit facility of up to $1.35 billion. Any such request for an increase must be in a minimum amount of $5 million and the revolving credit facility may not be increased by more than $50 million.

Interest Rates for Borrowings From May 14, 2010 and prior to the First Amendment Effective Date, borrowings under the revolving credit facility bear interest at (1) the Eurodollar rate plus 3.00% to 3.25%, (2) the cost of funds rate plus 3.00% to 3.25%, or (3) the base rate plus 2.00% to 2.25%, each depending on the pricing level provided in the Credit Agreement, which in turn depends upon the Combined Senior Secured Leverage Ratio (as defined in the First Amendment). From and after the First Amendment Effective Date, borrowings under the revolving credit facility bear interest at (1) the Eurodollar rate plus 3.00% to 3.875%, (2) the cost of funds rate plus 3.00% to 3.875%, or (3) the base rate plus 2.00% to 2.875%, each depending on the pricing level provided in the First Amendment, which in turn depends upon the Combined Total Leverage Ratio (as defined in the Credit Agreement).

Letter of Credit Commitment The ceiling for the Outstanding Amount (as such term is defined in the Credit Agreement) of the L/C Obligations for Product Under Contract LCs (as such term is defined in the Credit Agreement) increased from $20 million to $40 million.

Financial Covenants

(i) The minimum Combined EBITDA (as defined in the First Amendment) as at the end of each fiscal quarter increased from not less than $50 million to not less than $75 million for the four consecutive fiscal quarters most recently ended.

(ii) Prior to the First Amendment Effective Date, the Combined Senior Secured Leverage Ratio (as defined in the Credit Agreement) as at the end of any fiscal quarter shall not be greater than 2:50:1.00. From and after the First Amendment Effective Date, the Combined Senior Secured Leverage Ratio (as defined in the First Amendment) as at the end of any fiscal quarter shall not be greater than (a) 3.25:1.00 as at the end of each fiscal quarter to occur prior to the Reduction Date (defined as the earlier of (i) such time when the Partnership receives proceeds of not less than $75 million from any equity issuance or the issuance of Senior Unsecured Notes or unsecured Subordinated Debt or (ii) June 30, 2011); and (b) 2.50:1.00 on the Reduction Date and for each fiscal quarter ending thereafter.

Capital Expenditures The ceiling for Capital Expenditures (as defined in the Credit Agreement), in the aggregate, was increased from $20 million for any fiscal year to (a) $25 million for the fiscal year ending December 31, 2010; and (b) $30 million for any fiscal year ending December 31, 2011 and thereafter.

All other material terms remain the same as disclosed in the Partnership s Current Report on Form 8-K filed on May 18, 2010. The First Amendment is filed hereto as Exhibit 10.1 to this Current Report and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(d) <u>Exhibit</u>

10.1 First Amendment to Amended and Restated Credit Agreement, dated as of August 18, 2010, by and among Global Operating LLC, Global Companies LLC, Global Montello Group Corp., Glen Hes Corp., Chelsea Sandwich LLC, GLP Finance Corp. and Global Energy Marketing LLC as borrowers, Global Partners LP and Global GP LLC, as guarantors, each lender from time to time party thereto, Bank of America, N.A., as Administrative Agent and L/C Issuer, JPMorgan Chase Bank, N.A. as Syndication Agent, Societe Generale, Standard Chartered Bank, Wells Fargo Bank, N.A. and RBS Citizens, National Association as Co-Documentation Agents

SIGNATURES

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

	GLOBAL PARTNERS LP	
	By: Global GP LLC, its general partner	
Dated: August 24, 2010	By:	/s/ Edward J. Faneuil Executive Vice President, General Counsel and Secretary

EXHIBIT INDEX

Exhibit Number	Description
10.1	First Amendment to Amended and Restated Credit Agreement, dated as of August 18, 2010, by and among Global Operating LLC, Global Companies LLC, Global Montello Group Corp., Glen Hes Corp., Chelsea Sandwich LLC, GLP Finance Corp. and Global Energy Marketing LLC as borrowers, Global Partners LP and Global GP LLC, as guarantors, each lender from time to time party thereto, Bank of America, N.A., as Administrative Agent and L/C Issuer, JPMorgan Chase Bank, N.A. as Syndication Agent, Societe Generale, Standard Chartered Bank, Wells Fargo Bank, N.A. and RBS Citizens, National Association as Co-Documentation Agents

double" noWrap align=left width="1%" bgColor=#c0c0c0>$(1,141,858) Basic and diluted net loss per common share(0.07)(0.10)(0.02)(0.05) Weighted average number of common shares outstanding23,975,19723,337,16624,005,90923,554,685

See accompanying notes to consolidated financial statements.

RESEARCH FRONTIERS INCORPORATED

Consolidated Statements of Cash Flows

(Unaudited)

	Six months ended	
	June 30, 2015	June 30, 2014
Cash flows from operating activities:		
Net loss	$ (1,697,665)	$ (2,311,843)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	43,941	12,218
Stock-based compensation	125,930	329,067
Change in assets and liabilities:		
Royalty receivables	(552,064)	(175,015)
Prepaid expenses and other current assets	26,596	71,476
Deferred revenue	22,722	(2,500)
Accounts payable and accrued expenses and other	(116,590)	167,873
Net cash used in operating activities	(2,147,130)	(1,908,724)
Cash flows from investing activities:		
Purchases of fixed assets	(310,796)	(44,520)
Change in investments	(7,315)	(2,545)
Net cash used in investing activities	(318,111)	(47,065)
Cash flows from financing activities:		
Net proceeds from sale of common stock	-	3,278,250
Net proceeds from exercise of options and warrants	490,623	304,788
Net cash provided by financing activities	490,623	3,583,038
Net (decrease) increase in cash and cash equivalents	(1,974,618)	1,627,249
Cash and cash equivalents at beginning of year	7,569,537	5,866,123
Cash and cash equivalents at end of period	$ 5,594,919	$ 7,493,372

See accompanying notes to consolidated financial statements.

4

RESEARCH FRONTIERS INCORPORATED
Notes to Consolidated Financial Statements
June 30, 2015
(Unaudited)

Basis of Presentation

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information and with the instructions to Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All such adjustments are of a normal recurring nature. Operating results for the three and six months ended June 30, 2015 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2015. For further information, refer to the consolidated financial statements and footnotes thereto included in the Annual Report on Form 10-K relating to Research Frontiers Incorporated (the Company) for the fiscal year ended December 31, 2014.

Business

Research Frontiers Incorporated (Research Frontiers or the Company) operates in a single business segment which is engaged in the development and marketing of technology and devices to control the flow of light. Such devices, often referred to as light valves or suspended particle devices (SPDs), use colloidal particles that are either incorporated within a liquid suspension or a film, which is usually enclosed between two sheets of glass or plastic having transparent, electrically conductive coatings on the facing surfaces thereof. At least one of the two sheets is transparent. SPD technology, made possible by a flexible light-control film invented by Research Frontiers, allows the user to instantly and precisely control the shading of glass/plastic manually or automatically. SPD technology has numerous product applications, including: SPD-Smart windows, sunshades, skylights and interior partitions for homes and buildings; automotive windows; sunroofs, sun-visors, sunshades, rear-view mirrors, instrument panels and navigation systems; aircraft windows; eyewear products; frames, cases and partitions protecting light-sensitive artwork, documents and artifacts; and flat panel displays for electronic products. SPD-Smart light control film is now being developed for, or used in, architectural, automotive, marine, aerospace and appliance applications.

The Company has historically utilized its cash and the proceeds from the sale of its investments to fund its research and development of SPD light valves, for marketing initiatives, and for other working capital purposes. The Company s working capital and capital requirements depend upon numerous factors, including the results of research and development activities, competitive and technological developments, the timing and cost of patent filings, and the development of new licensees and changes in the Company s relationships with its existing licensees. The degree of dependence of the Company s working capital requirements on each of the forgoing factors cannot be quantified; increased research and development activities and related costs would increase such requirements; the addition of new licensees may provide additional working capital or working capital requirements, and changes in relationships with existing licensees would have a favorable or negative impact depending on the nature of such changes. There can be no assurance that expenditures will not exceed the anticipated amounts or that additional financing, if required, will be available when needed or, if available, that s its terms will be favorable or acceptable to the Company. Eventual success of the Company and generation of positive cash flow will be dependent upon the commercialization of products using the Company s technology by the Company s licensees and payments of continuing royalties on account thereof. To date, the Company has not generated sufficient revenue from its licensees to fully fund its operations.

Patent Costs

The Company expenses costs relating to the development or acquisition of patents due to the uncertainty of the recoverability of these items.

Revenue Recognition

The Company has entered into a number of license agreements covering its light-control technology. The Company receives minimum annual royalties under certain license agreements and records fee income on a ratable basis each quarter. In instances when sales of licensed products by its licensees exceed minimum annual royalties, the Company recognizes fee income as the amounts have been earned. Certain of the fees are accrued by, or paid to, the Company in advance of the period in which they are earned resulting in deferred revenue. Such excess amounts are recorded as deferred revenue and recognized into income in future periods as earned.

Fee Income

Fee income represents amounts earned by the Company under various license and other agreements relating to technology developed by the Company. During the first six months of 2015, two licensees accounted for 10% or more of fee income of the Company; these licensees accounted for approximately 30% and 14%, respectively of fee income recognized during this period. In addition, during the six months ended June 30, 2015, approximately 23% of revenues related to fees generated by a large architectural glass project. During the first six months of 2014, two licensees accounted for 10% or more of fee income of the Company; these licensees accounted for approximately 41% and 10%, respectively of fee income recognized during such period.

Stock-Based Compensation

During the quarter ended September 30, 2014, it was noted that the Company was applying the expected term of warrants granted in 2009 to certain consultants, rather than the contractual term, which is required by GAAP. The result of using contractual terms of the warrants was an increase to previously reported consultant compensation charges included in Operating Expenses in the Company s Consolidated Statement of Operations. The impact of this change to the prior period is not considered material to the period presented. As a consequence, the Company revised its financial presentation for the three and six months ended June 30, 2014 in which consultant compensation charges have been increased by $124,747 and $145,669, respectively. This adjustment had no impact on the Company s use of cash or cash flow.

GAAP requires that all stock-based compensation be recognized as an expense in the financial statements and that such costs be measured at the fair value of the award.

The Company has granted options/warrants to consultants. These awards generally vest ratably over 12 to 60 months from the date of grant and the Company charges to operations quarterly the current market value of the options using the Black-Scholes method. During the six months ended June 30, 2015 and 2014, a charge of $10,007 and $65,780, respectively, and during the three months ended June 30, 2015 and 2014, $0 and $124,167, respectively was recorded to operations reflecting the fair value of the options using the Black-Scholes method with the following weighted average assumptions:

	2015	2014
Risk free interest rate	1.7%	1.7%
Option Life	8.9 years	5.5 years
Volatility	65%	58%

The Company did not grant any stock options to employees and directors during the three and six months ended June 30, 2015 and 2014.

In connection with the restricted stock grants to employees and directors, the Company charged $57,967 and $131,644 to operations during the three months ended June 30, 2015 and 2014, respectively and $115,923 and $263,287 was charged to operations during the six months ended June 30, 2015 and 2014, respectively. As of June 30, 2015, remaining unamortized compensation costs in connection with these restricted stock grants was $116,000 which will be recognized over the next 6 month period.

Income Taxes

Since inception, the Company has incurred losses from operations and as a result has not recorded income tax expense. Benefits related to net operating loss carryforwards and deferred items have been fully reserved since it was not more likely than not that the Company would achieve profitable operations.

Equity

In May 2014, under an existing shelf registration statement, the Company sold 750,000 shares of common stock to a current institutional shareholder, Kevin Douglas and his related parties. Net proceeds from the offering were $3,278,250 which the Company has used for working capital and general corporate purposes. The Company did not sell any additional equity securities during the six months ended June 30, 2014.

The Company received proceeds of $490,623 and $304,788 during the six months ended June 30, 2015 and 2014, respectively, in connection with stock issued by the exercise of options and warrants.

Treasury Stock

The Company did not repurchase any of its stock during the six months ended June 30, 2015 and 2014.

Investments

The Company classifies investments in marketable securities as trading, available-for-sale or held-to-maturity at the time of purchase and periodically re-evaluates such classifications. Trading securities are carried at fair value, with unrealized holding gains and losses included in earnings. Held-to-maturity securities are recorded at cost and are adjusted for the amortization or accretion of premiums or discounts over the life of the related security. Unrealized holding gains and losses on available-for-sale securities are excluded from earnings and are reported as a separate component of accumulated other comprehensive income (loss) until realized. In determining realized gains and losses, the cost of securities sold is based on the specific identification method. Interest and dividends on the investments are accrued at the balance sheet date. At June 30, 2015 and December 31, 2014 all investments were classified as held to maturity and consisted of the following:

Certificates of Deposit Investment	Maturity Date	June 30, 2015 Value of Held to Muturity Investment (based on cost)	December 31, 2014 Value of Held to Muturity Investment (based on cost)
$ 1,501,554	August 27, 2015	$ 1,503,790	$ 1,501,554
1,503,525	August 27, 2016	1,508,604	1,503,525
		$ 3,012,394	$ 3,005,079

Fair Value Measurements

We value financial instruments using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than quoted prices for similar assets or liabilities in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Financial assets accounted for at fair value on a recurring basis at June 30, 2015 include cash, cash equivalents and short term investments of approximately $8.6 million. These assets are carried at fair value based on quoted market prices for identical securities (Level 1 inputs).

Management s Discussion and Analysis of Financial Condition and Results of Operations

Critical Accounting Policies

The following accounting policies are important to understanding our financial condition and results of operations and should be read as an integral part of the discussion and analysis of the results of our operations and financial position. For additional accounting policies, see note 2 to our consolidated financial statements, Summary of Significant Accounting Policies in our Form 10-K report for the period ending December 31, 2014.

The Company has entered into a number of license agreements covering products using the Company s SPD technology. The Company receives fees and minimum annual royalties under certain license agreements and records fee income on a ratable basis each quarter. In instances when sales of licensed products by its licensees exceed minimum annual royalties, the Company recognizes fee income as the amounts have been earned. Certain of the fees are accrued by, or paid to, the Company in advance of the period in which they are earned resulting in deferred revenue.

The Company expenses costs relating to the development or acquisition of patents due to the uncertainty of the recoverability of these items. All of our research and development costs are charged to operations as incurred. Our research and development expenses consist of costs incurred for internal and external research and development. These costs include direct and indirect overhead expenses.

The Company has historically used the Black-Scholes option-pricing model to determine the estimated fair value of each option grant. The Black-Scholes model includes assumptions regarding dividend yields, expected volatility, expected lives, and risk-free interest rates. These assumptions reflect our best estimates, but these items involve uncertainties based on market conditions generally outside of our control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Furthermore, if management uses different assumptions in future periods, stock-based compensation expense could be materially impacted in future years.

On occasion, the Company may issue consultants either options or warrants to purchase shares of common stock of the Company at specified share prices. These options or warrants may vest based upon specific services being performed or performance criteria being met. In accounting for equity instruments that are issued to other than employees for acquiring, or in conjunction with selling, goods or services, the Company would be required to record consulting expenses based upon the fair value of such options or warrants on the earlier of the service period or the period that such options or warrants vest as determined using a Black-Scholes option pricing model.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates. An example of a critical estimate is the full valuation allowance for deferred taxes that was recorded based on the uncertainty that such tax benefits would be realized in future periods.

Results of Operations

The majority of the Company s fee income comes from the activities of several licensees participating in the automotive market. The Company currently believes that the automotive market will be the largest source of its royalty income over the next several years. The Company s royalty income from this market may be influenced by numerous factors including various trends affecting demand in the automotive industry and the rate of introduction of new technology in OEM product lines. In addition to these macro factors, the Company s royalty income from the automotive market could also be influenced by specific factors such as whether the Company s SPD SmartGlass technology appears as standard equipment or as an option of a particular vehicle, the number of additional vehicle models that SPD-SmartGlass appears on, the size of each window on a vehicle and the number of windows on a vehicle that use SPD-SmartGlass, fluctuations in the total number of vehicles produced by a manufacturer, and in the percentage of cars within model like produced with SPD-SmartGlass, and changes in pricing or exchange rates. Certain license fees, which are paid to the Company in advance of the accounting period in which they are earned resulting in the recognition of deferred revenue for the current accounting period, which will be recognized as fee income in future periods. Also, licensees may offset some or all of their royalty payments on sales of licensed products for a given period by applying these advance payments towards such earned royalty payments. Because the Company s license agreements typically provide for the payment of royalties by a licensee on product sales within 45 days after the end of the quarter in which a sale of a licensed product occurs (with some of the Company s more recent license agreements providing for payments on a monthly basis), and because of the time period which typically will elapse between a customer order and the sale of the licensed product and installation in a home, office building, automobile, aircraft, boat or any other product, there could be a delay between when economic activity between a licensee and its customer occurs and when the Company gets paid its royalty resulting from such activity.

Six months ended June 30, 2015 Compared to the Six months ended June 30, 2014

The Company s fee income from licensing activities for the six months ended June 30, 2015 increased by $478,924 (68%) to $1,182,891 from $703,967 for the six months ended June 30, 2014. In the first quarter of 2015, the Company began receiving royalty revenues for fiscal 2015 from sales of the Magic Sky Control option on the S-Class in excess of minimum annual royalty levels for one of our licensees which therefore will be accretive to the Company s royalty revenue. Most of the increase in fee income during this period was a result of an increase in automotive fee income from the new Mercedes-Benz S-Class Coupe and Mercedes-Benz S-Class Maybach, both of which offer the Magic Sky Control panoramic roof option using the Company s SPD-SmartGlass technology. This increase in fee income is expected to continue as other higher unit volume car models become available using the Company s SPD-SmartGlass technology. Fee income for the first six months of fiscal year 2015 did not include any royalties relating to the production of the Mercedes-Benz S-Class long wheelbase sedan (V222). Production of the V222 roof using the Company s technology is expected to begin in the third quarter of fiscal 2015. The Company also received royalties from another one of our licensees in excess of minimum annual royalty levels from sales of the Magic Sky Control option on the SLK and SL vehicles which also are accretive to the Company s royalty revenues. Royalty activity from the SLK and SL vehicles, however, have been declining due to (A) lower productions levels of these roadsters which are typical for cars several years after their redesign, and (B) cost reductions in the price of SPD-SmartGlass due to production efficiencies and higher production volumes, and (C) exchange rate fluctuations. Production efficiencies are expected to continue and accelerate with the introduction of the higher vehicle production volumes for various car models going forward, and the Company expects that lower pricing per square foot of the Company s technology could expand the market opportunities, adoption rates, and revenues for its technology in automotive and non-automotive applications. In addition, during the six months ended June 30, 2015, the Company recorded revenues of $275,000 related to fees generated from a large architectural glass project.

Operating expenses decreased by $98,658 for the six months ended June 30, 2015 to $2,134,948 from $2,233,606 for the six months ended June 30, 2014. This decrease was principally the result of lower non-cash compensation charges related to common stock options to employees ($118,000) primarily due to timing of the Company s annual grant, as well as lower patent ($41,000) and stock listing/registration costs ($14,000) partially offset by higher investor relations/marketing costs ($85,000).

Research and development expenditures decreased by $30,468 to $768,972 for the six months ended June 30, 2015 from $799,440 for the six months ended June 30, 2014. This decrease was principally the result of lower non-cash compensation charges related to common stock and options granted to employees ($30,000) primarily due to timing of the Company s annual grant.

The Company s net investment income for the six months ended June 30, 2015 was $22,680 compared to $17,236 earned for the six months ended June 30, 2014.

As a consequence of the factors discussed above, the Company s net loss was $1,697,665 ($0.07 per common share) for the six months ended June 30, 2015 as compared to $2,311,843 ($0.10 per common share) for the six months ended June 30, 2014.

Three months ended June 30, 2015 Compared to the Three months ended June 30, 2014

The Company s fee income from licensing activities for the three months ended June 30, 2015 increased by $407,875 (103%) to $803,494 from $395,619 for the three months ended June 30, 2014. Fee income increased primarily due to revenue of $275,000 recorded from fees generated from a large architectural glass project as well as increased royalties from automotive products. Fee income for the second quarter of fiscal year 2015 did not include any royalties relating to the production of the Mercedes-Benz S-Class long wheelbase sedan (V222). Production of the V222 roof using the Company s technology is expected to begin in the third quarter of fiscal 2015.

Operating expenses decreased by $234,718 for the three months ended June 30, 2015 to $961,727 from $1,196,445 for the three months ended June 30, 2014. This decrease was principally the result of lower non-cash compensation charges related to common stock, option and warrant grants to consultants, directors and employees ($184,000) due to timing of the Company s annual grant to employees as well as lower charges related to grants consultants and lower patent costs ($51,000).

Research and development expenditures decreased by $15,109 to $334,518 for the three months ended June 30, 2015 from $349,627 for the three months ended June 30, 2014. This decrease was principally the result of lower non-cash compensation charges related to common stock and options granted to employees ($15,000) primarily due to timing of the Company s annual grant.

The Company s net investment income for the three months ended June 30, 2015 was $11,464 compared to $8,595 earned for the three months ended June 30, 2014.

As a consequence of the factors discussed above, the Company s net loss was $481,287 ($0.02 per common share) for the three months ended June 30, 2015 as compared to $1,141,858 ($0.05 per common share) for the three months ended June 30, 2014.

Financial Condition, Liquidity and Capital Resources

The Company has primarily utilized its cash, cash equivalents, short-term investments, and the proceeds from its investments to fund its research and development, for marketing initiatives, and for other working capital purposes. The Company s working capital and capital requirements depend upon numerous factors, including, but not limited to, the results of research and development activities, competitive and technological developments, the timing and costs of patent filings, and the development of new licensees and changes in the Company s relationship with existing licensees. The degree of dependence of the Company s working capital requirements on each of the foregoing factors cannot be quantified; increased research and development activities and related costs would increase such requirements; the addition of new licensees may provide additional working capital or working capital requirements, and changes in relationships with existing licensees would have a favorable or negative impact depending upon the nature of such changes.

During the six months ended June 30, 2015, the Company s cash and cash equivalents balance decreased by $1,974,618. The decrease was mainly due to cash used for operations of $2,147,130 and the purchase of fixed assets of $310,796 partially offset by proceeds of $490,623 from the exercise of options and warrants. As of June 30, 2015 the Company had working capital (total current assets less total current liabilities) of $8,531,831 and total shareholder s equity of $11,001,058.

The Company expects to use its cash to fund its research and development of SPD light valves, its expanded marketing initiatives, and for other working capital purposes. The Company s working capital and capital requirements depend upon numerous factors, including the results of research and development activities, competitive and technological developments, the timing and cost of patent filings, the development of new licensees and changes in the Company s relationships with its existing licensees. The degree of dependence of the Company s working capital requirements on each of the foregoing factors cannot be quantified; increased research and development activities and related costs would increase such requirements; the addition of new licensees may provide additional working capital or working capital requirements, and changes in relationships with existing licensees would have a favorable or negative impact depending upon the nature of such changes. Based upon existing levels of cash expenditures, existing cash reserves and budgeted revenues, the Company believes that it would not require additional funding for the foreseeable future. There can be no assurances that expenditures will not exceed the anticipated amounts or that additional financing, if required, will be available when needed or, if available, that its terms will be favorable or acceptable to the Company. Eventual success of the Company and generation of positive cash flow will be dependent upon the extent of commercialization of products using the Company s technology by the Company s licensees and payments of continuing royalties on account thereof. To date the Company has not generated sufficient revenue from licensees to fully fund its operations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The information required by Item 3 has been disclosed in Item 7A of the Company s Annual Report on Form 10-K for the year ended December 31, 2014. There has been no material change in the disclosure regarding market risk.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We designed our disclosure controls and procedures to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officer, to allow timely decisions regarding required disclosure. Our chief executive officer and chief financial officer, with assistance from other members of our management, have reviewed the effectiveness of our disclosure controls and procedures as of June 30, 2015, and, based on their evaluation, have concluded that our disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the six months ended June 30, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Forward-Looking Statements

The information set forth in this Report and in all publicly disseminated information about the Company, including the narrative contained in Management s Discussion and Analysis of Financial Condition and Results of Operations above, includes forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and is subject to the safe harbor created by that section. Readers are cautioned not to place undue reliance on these forward-looking statements as they speak only as of the date hereof and are not guaranteed.

PART II. OTHER INFORMATION

Item 6. Exhibits

31.1 Rule 13a-14(a)/15d-14(a) Certification of Joseph M. Harary - Filed herewith.
31.2 Rule 13a-14(a)/15d-14(a) Certification of Seth L. Van Voorhees - Filed herewith.
32.1 Section 1350 Certification of Joseph M. Harary - Filed herewith.
32.2 Section 1350 Certification of Seth L. Van Voorhees - Filed herewith.

SIGNATURES

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

RESEARCH FRONTIERS INCORPORATED
(Registrant)

/s/ Joseph M. Harary
Joseph M. Harary, President, CEO and Treasurer
(Principal Executive)

/s/ Seth L. Van Voorhees
Seth L. Van Voorhees, Vice President, CFO and Treasurer
(Principal Financial and Accounting Officer)

Date: August 4, 2015