VILLAGE SUPER MARKET INC
Form 4
March 02, 2015

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
OMB Number: 3235-0287
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Estate of Perry Sumas

(Last) (First) (Middle)

C/O PATRICIA ANAGNOSTIS, 148 KENT PLACE BLVD.

(Street)

SUMMIT, NJ 07901

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
VILLAGE SUPER MARKET INC [VLGEA]

3. Date of Earliest Transaction (Month/Day/Year)
02/27/2015

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director __X__ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Class A Common Stock	02/27/2015		S		2,600	D	$ 28.1928	1,114,837	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
								Date Exercisable	Expiration Date	Title	Amount or Number of Shares		
				Code	V	(A)	(D)						

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Estate of Perry Sumas C/O PATRICIA ANAGNOSTIS 148 KENT PLACE BLVD. SUMMIT, NJ 07901		X		

Signatures

/s/Patricia Sumas-Anagnostis, Executrix	03/02/2015
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. the term loan ($316.0 million), revolving credit loan ($35.0 million) and senior subordinated notes due March 15, 2016 ($134.3 million).

Earnings before interest, taxes, depreciation and amortization, or EBITDA, is a non-GAAP financial measure used to determine Serena s compliance with certain covenants contained in the Credit Agreement. Adjusted EBITDA represents EBITDA further adjusted to exclude certain defined unusual items and other adjustments permitted in calculating covenant compliance under the Credit Agreement. Serena believes that the presentation of Adjusted EBITDA is appropriate to provide additional information to investors regarding its compliance with the financial covenants under the Credit Agreement.

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Adjusted EBITDA does not represent net income (loss) or cash flow from operations as those terms are defined by GAAP and does not necessarily indicate whether cash flows will be sufficient to fund cash needs. While Adjusted EBITDA and similar measures are frequently used as measures of operations and the ability to meet debt service requirements, these terms are not necessarily comparable to other similarly titled captions of other companies due to the potential inconsistencies in the method of calculation. Adjusted EBITDA does not reflect the impact of earnings or charges resulting from matters that Serena may consider not to be indicative of its ongoing operations. In particular, the definition of Adjusted EBITDA in the Credit Agreement allows it to add back certain defined non-cash, extraordinary, unusual or non-recurring charges that are deducted in calculating GAAP net income (loss). The Credit Agreement requires that Adjusted EBITDA be calculated for the most recent four fiscal quarters. As a result, Adjusted EBITDA can be disproportionately affected by a particularly strong or weak quarter and may not be comparable to Adjusted EBITDA for any subsequent four-quarter period or any complete fiscal year.

The following is a reconciliation of net income (loss), a GAAP measure of our operating results, to Adjusted EBITDA as defined in the Credit Agreement.

	Fiscal Quarter Ended January 31,		**Fiscal Year Ended January 31,**	
	2010	**2011**	**2010**	**2011**
	(Audited)	**(Estimated, Unaudited)**	**(Audited)**	**(Estimated, Unaudited)**
	(in millions)			
Net income (loss)	$ (1.0)	$(0.3) to $0.2	$ (13.0)	$(9.1) to $(8.1)
Interest expense (income), net (1)	6.9	6.0	25.9	24.9
Income tax benefit	(7.6)	(1.9)	(18.7)	(13.8)
Depreciation and amortization expense (2)	28.2	19.0	86.4	77.2
Goodwill impairment				1.4
EBITDA	26.5	22.8 to 23.3	80.6	80.6 to 81.6
Restructuring, acquisition and other charges (3)	0.6	1.8	7.9	5.4
Adjusted EBITDA	$ 27.1	$24.6 to $25.1	$ 88.5	$86.0 to $87.0

(1) Interest expense (income), net includes interest income, interest expense, the change in the fair value of derivative instruments, amortization and write-off of debt issuance costs and gains and losses on early extinguishment of debt.

(2) Depreciation and amortization expense includes depreciation of fixed assets, amortization of leasehold improvements, amortization of acquired technologies, amortization and impairment of other intangible assets, and amortization of stock-based compensation. In the fiscal year ended January 31, 2010, stock-based compensation includes unusual and non-recurring charges associated with the repurchase of stock options in connection with the tender offer that we completed during the quarter ended October 31, 2009.

(3) Restructuring, acquisition and other charges include employee payroll, severance and other employee related costs associated with transitional activities that are not expected to be part of our ongoing operations, and travel and other direct costs associated with our merger in March 2006.

The foregoing information related to Serena s financial results for the fiscal quarter and fiscal year ended January 31, 2011 is estimated, unaudited and subject to adjustment. Accordingly, this information should be considered forward-looking statements based on management s current expectations of Serena s financial results for the fiscal quarter and fiscal year ended January 31, 2011. While Serena believes these expectations are reasonable, these forward-looking statements are inherently subject to risks and uncertainties, including, but not limited to, further review by Serena s management and audit committee of its board of directors and the results of a financial audit to be conducted by Serena s independent registered public accounting firm. During the course of the preparation of the financial statements and related notes to the financial statements, additional items that would require material adjustments to the

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preliminary financial information presented above may be identified. Given these risks and uncertainties, Serena s actual results may differ materially from those suggested by the forward-looking statements, and you are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are made only as of the date hereof, and Serena does not undertake and specifically declines any obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or developments, changed circumstances or otherwise.

Serena is furnishing the information under this Item 7.01 in this Current Report on Form 8-K to comply with Regulation FD. Such information shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), or otherwise subject to the liabilities of that section and shall not be deemed to be incorporated by reference into any of Serena s filings under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing.

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SIGNATURE

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 hereunto duly authorized.

SERENA SOFTWARE, INC.

By: /s/ Edward F. Malysz
Name: Edward F. Malysz
Title: Senior Vice President, General Counsel

Date: February 14, 2011

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PROPERTY AND EQUIPMENT, net of accumulated depreciation and amortization of $322,034 and $305,584 respectively

158,253

165,587

OTHER ASSETS:

Goodwill, net

15,499

15,499

Patents, net of accumulated amortization of $99,126 and $92,486, respectively

301,110

295,603

Loans receivable

137

Deposits

1,385

1,385

Deferred financing costs, net of accumulated amortization of $132,379 and $106,303, respectively

180,514

206,590

Total assets

$

1,239,966

$

2,118,599

The accompanying notes are an integral part of these consolidated balance sheets

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UNITED ENERGY CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

JUNE 30, 2005 AND MARCH 31, 2005

	June 30, 2005	March 31, 2005
	(Unaudited)	
LIABILITIES AND STOCKHOLDERS EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 145,870	$ 258,940
Accrued expenses	92,132	96,106
Convertible term note payable, net of discount	12,529	583,330
Due to related parties	244,141	377,741
Total current liabilities	494,672	1,316,117
LONG TERM LIABILITIES:		
Convertible term note payable, net of discount	540,565	672,268
Total liabilities	1,035,237	1,988,385
STOCKHOLDERS EQUITY:		
Common stock: $0.01 par value 100,000,000 shares authorized; 24,187,517 and 23,255,267 shares issued and outstanding as of June 30, 2005 and March 31, 2005	241,875	232,552
Additional paid-in capital	13,175,160	12,308,963
Stock subscription receivable		(13,333)
Accumulated deficit	(13,212,306)	(12,397,968)
Total stockholders equity	204,729	130,214
Total liabilities and stockholders equity	$ 1,239,966	$ 2,118,599

The accompanying notes are an integral part of these consolidated balance sheets

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UNITED ENERGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE MONTHS ENDED JUNE 30, 2005 AND 2004

	For the Three Months Ended June 30, 2005	2004
	(Unaudited)	
REVENUES, net	$ 76,610	$ 268,637
COST OF GOODS SOLD	61,717	113,035
Gross profit	14,893	155,602
OPERATING EXPENSES:		
Selling, general and administrative	721,422	668,316
Depreciation and amortization	17,245	19,611
Total operating expenses	738,667	687,927
Loss from operations	(723,774)	(532,325)
OTHER INCOME (EXPENSE), net:		
Interest income	10	5,698
Interest expense	(90,574)	(69,392)
Total other expense, net	(90,564)	(63,694)
Net loss	$ (814,338)	$ (596,019)
BASIC AND DILUTED LOSS PER SHARE:		
Total basic and diluted loss per share	$ (0.03)	$ (0.03)
WEIGHTED AVERAGE NUMBER OF SHARES, OUTSTANDING, basic and diluted	23,529,472	22,216,534

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

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UNITED ENERGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

FOR THE THREE MONTHS ENDED JUNE 30, 2005 (UNAUDITED)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Stock Subscription Receivable	Total
	Shares	**Amount**				
BALANCE, April 1, 2005	23,255,267	232,552	12,308,963	(12,397,968)	(13,333)	130,214
Common stock issued in conversion of note payable	932,250	9,323	736,477			745,800
Proceeds from stock subscription receivable					13,333	13,333
Warrants granted in consideration for consulting services			129,720			129,720
Net loss				(814,338)		(814,338)
BALANCE, June 30, 2005	24,187,517	241,875	13,175,160	(13,212,306)		204,729

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

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UNITED ENERGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED JUNE 30, 2005 AND 2004

	2005	**2004**
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (814,338)	$ (596,019)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	92,460	77,585
Stock granted in consideration for services		55,500
Warrants granted in consideration for services	129,720	48,240
Changes in operating assets and liabilities		
Decrease in accounts receivable, net	637,071	192,503
Increase in inventory, net	(3,410)	(67,520)
Decrease in note receivable, net	10,000	10,000
Decrease (increase) in prepaid expenses	56,532	(52,441)
Decrease in deposits		75,000
Decrease in accounts payable and accrued expenses	(117,044)	(277,504)
Net cash used in operating activities	(9,009)	(534,656)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Receipts from loans receivable-net	137	276
Proceeds from the sale of fixed assets		15,000
Payments for acquisition of property and equipment	(9,116)	(7,787)
Payments for patents	(12,147)	(755)
Net cash (used in) provided by investing activities	(21,126)	6,734
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of related party payable	(133,600)	
Proceeds from stock subscription receivable	13,333	
Net cash used in financing activities	(120,267)	
Net decrease in cash and cash equivalents	(150,402)	(527,922)
CASH AND CASH EQUIVALENTS, beginning of period	365,610	1,518,025
CASH AND CASH EQUIVALENTS, end of period	$ 215,208	$ 990,103

The accompanying notes are an intergral part of these consolidated statements

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UNITED ENERGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED JUNE 30, 2005 AND 2004

	2005	2004
	(Unaudited)	
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period		
Interest	$ 705	$ 14,011
Income taxes	$ 1,006	$ 1,110
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Conversion of accrued expenses due to former employee into warrants	$	$ 75,000
Conversion of note payable into common stock	$ 745,800	$

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

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UNITED ENERGY CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2005 (Unaudited)

1. BASIS OF PRESENTATION AND GOING CONCERN

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB of Regulation S-B. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the unaudited interim financial statements furnished herein include all adjustments necessary for a fair presentation of the Company s financial position at June 30, 2005 (unaudited) and the results of its operations for the three months ended June 30, 2005 and 2004 (unaudited) and cash flows for the three months ended June 30, 2005 and 2004(unaudited). All such adjustments are of a normal and recurring nature. Interim financial statements are prepared on a basis consistent with the Company s annual financial statements. Results of operations for the three months ended June 30, 2005 are not necessarily indicative of the operating results that may be expected for the year ending March 31, 2006.

The consolidated balance sheet as of March 31, 2005 has been derived from the audited financial statements at that date but does not include all of the information and notes required by accounting principles generally accepted in the United States for complete financial statements.

For further information, refer to the consolidated financial statements and notes thereto included in the Company s Annual Report on Form 10-KSB.

Going Concern - During the past two fiscal years ended March 31, 2005 and 2004, the Company has recorded aggregate losses from operations of $4,423,974 and has incurred total negative cash flow from operations of $3,801,148 for the same two-year period. During the three months ended June 30, 2005 the Company experienced a net loss from operations of $814,338 and negative cash flow from operating activities of $9,009. These matters raise substantial doubt about the Company s ability to continue as a going concern. The Company s consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Liquidity The Company s continued existence is dependent upon several factors, including increased sales volume, collection of existing receivables and the ability to achieve profitability from the sale of the Company s product lines. In order to increase its cash flow, the Company is continuing its efforts to stimulate sales and cut back expenses not directly supporting its sales and marketing efforts.

2. CONVERTIBLE DEBT

On March 24, 2004, the Company issued a secured convertible term note in the amount of $1,750,000, which has a term of three years and accrues interest at the greater of the prime rate of interest, currently 6.25% per year (as published in the Wall Street Journal), or 4% per year. Interest is payable monthly in arrears commencing on May 1, 2004, and on the first day of each consecutive calendar month after that date. Monthly amortization payments commenced on October 1, 2004, at the rate of $58,333.

The holder of the Term Note has the option to convert all or a portion of the note (including principal, interest and penalties) into shares of common stock at any time, subject to specified limitations, at a fixed conversion price of $1.00 per share. The conversion price is subject to adjustment for stock splits, stock dividends and similar events. On March 18, 2005, in connection with the financing, the fixed conversion price was adjusted to $0.80. The Company s obligations under the Term Note are secured by a first priority security interest in the Company s assets. During the quarter ended June 30, 2005, the holder of the Term Note converted $745,800 in principal into 932,250 shares of common stock. Between July 1 and August 12, 2005, the holder of the Term Note converted $687,631 in principal and $369 in interest into 860,000 shares of common stock.

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UNITED ENERGY CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

3. SEGMENT INFORMATION

Under the provision of SFAS No. 131, the Company s activities fall within two operating segments: Graphic Arts and Specialty Chemicals. The following tables set forth the Company s industry segment information for the three months and three months ended June 30, 2005 and 2004.

The Company s total revenues and net loss by segment for the three month period ended June 30, 2005 and identifiable assets as of June 30, 2005 are as follows:

	Graphic Arts	Specialty Chemicals	Corporate	Total
Revenues	$ 271	$ 76,339	$	$ 76,610
Gross profit	$ 271	$ 14,622	$	$ 14,893
General and administrative	34,332	466,444	220,646	721,422
Depreciation, amortization and depletion		14,917	2,328	17,245
Interest income			10	10
Interest expense			90,574	90,574
Net loss	$ (34,061)	$ (466,739)	$ (313,538)	$ (814,338)
Cash and cash equivalents	$	$	$ 215,208	$ 215,208
Accounts receivable, net	74,295	71,639		145,934
Inventory, net	20,025	119,345		139,370
Note receivable, net	18,650			18,650
Prepaid expenses			64,043	64,043
Property and equipment, net		132,176	26,077	158,253
Goodwill, net		15,499		15,499
Patents, net		301,110		301,110
Deferred note costs			180,514	180,514
Deposits			1,385	1,385
Total assets	$ 112,970	$ 639,769	$ 487,227	$ 1,239,966
Capital Expenditures	$	$ 9,116	$	$ 9,116

UNITED ENERGY CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

The Company s total revenues and net income (loss) by segment for the three month period ended June 30, 2004 and identifiable assets as of June 30, 2004 are as follows:

	Graphic Arts	Specialty Chemicals	Corporate	Total
Revenues	$ 70,699	$ 197,938	$	$ 268,637
Gross profit	$ 31,801	$ 123,801	$	$ 155,602
General and administrative	23,110	361,660	283,546	668,316
Depreciation, amortization and depletion		17,556	2,055	19,611
Interest income			5,698	5,698
Interest expense			69,392	69,392
Net income (loss)	$ 8,691	$ (255,415)	$ (349,295)	$ (596,019)
Cash and cash equivalents	$	$	$ 990,103	$ 990,103
Accounts receivable, net	73,464	127,974		201,438
Inventory, net	107,070	136,937		244,007
Note receivable, net	53,650			53,650
Prepaid expenses		45,700	87,037	132,737
Property and equipment, net		184,580	29,766	214,346
Goodwill, net		17,509		17,509
Patents, net		303,896		303,896
Loan receivable, net			1,262	1,262
Deferred note costs			284,818	284,818
Deposits			1,385	1,385
Total assets	$ 234,184	$ 816,596	$ 1,394,371	$ 2,445,151
Capital Expenditures	$	$ 7,787	$	$ 7,787

GEOGRAPHICAL INFORMATION	REVENUE 2005	2004
U.S.	$ 76,610	$ 127,649
Non U.S.		140,988
Total revenue	$ 76,610	$ 268,637

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Explanation of Responses:

UNITED ENERGY CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

4. SALE OF OIL WELL LEASES

In April 2004, the Company sold their oil well leases located in Laramie County, Wyoming for $15,000 and a 4.5% royalty on all future oil sales from these wells. The Company recognized no gain or loss on the sale of the oil well leases. In May 2004, the state of Wyoming returned the $75,000 deposit made by the company at the time the oil leases were purchased.

5. RELATED-PARTY TRANSACTIONS

The Company has an amount due to Robert Seaman, a major shareholder and former director of the Company. Amount due to the related party as of June 30, 2005 and 2004 is $244,141. This amount is unsecured, non-interest bearing and due upon demand.

Martin Rappaport, a major shareholder and director of the Company, owns the property from which United Energy leases the 9,600 square foot facility it occupies in Secaucus, New Jersey. The Company pays approximately $108,000 per year under the lease, excluding real estate taxes. The Company believes that the lease is at fair market value with leases for similar facilities.

During January and February 2005, the Companies Chairman of the Board, Ron Wilen, loaned the Company $133,600. The loan was unsecured, non interest bearing and due upon demand. The loan was repaid in April 2005.

6. STOCK-BASED COMPENSATION

At June 30, 2005, the Company has stock-based compensation plans. As permitted by SFAS No.123, Accounting for Stock Based Compensation , as amended by SFAS No. 148, the Company accounts for stock-based compensation arrangements with employees in accordance with provisions of Account Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees. The Company accounts for equity instruments issued to non-employees in accordance with the provisions of SFAS No.123 and Emerging Issues Task Force (EITF) Issue No. 96-18, Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. In December 2004, the Financial Accounting Standards Board issued SFAS 123R Share Based Payments. SFAS 123R requires public companies to record non-cash compensation expense related to payment for employee services by an equity award, such as stock options, in their financial statements over the requisite service period. The Company will adopt SFAS 123R during the fourth quarter. Stock-based compensation for non-employees was $129,720 and $67,100 for the three months ended June 30, 2005 and 2004, respectively. The following table illustrates the effect on net loss and loss per share if the Company had applied the fair value recognition provisions of SFAS No. 123 to all stock-based compensation:

UNITED ENERGY CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

	For the Three Months Ended June 30,	
	2005	2004
Net loss as reported	$ (814,338)	$ (596,019)
Deduct:		
Total stock based employee compensation expense determined under fair value based method for all awards	(163,756)	(45,954)
Pro forma loss	$ (978,094)	$ (641,973)
Basic and diluted loss per common share		
As reported	$ (0.03)	$ (0.03)
Pro forma	$ (0.04)	$ (0.03)

7. COMMITMENTS AND CONTINGENCIES

Sales Commission Claim

In July 2002, an action was commenced against us in the Court of Common Pleas of South Carolina, Pickens County, brought by Quantum International Technology, LLC and Richard J. Barrett. Plaintiffs allege that they were retained as a sales representative of ours and in that capacity made sales of our products to the United States government and to commercial entities. Plaintiffs further allege that we failed to pay to plaintiffs agreed commissions at the rate of 20% of gross sales of our products made by plaintiffs. The complaint seeks an accounting, compensatory damages in the amount of all unpaid commissions plus interest thereon, and punitive damages in an amount triple the compensatory damages, plus legal fees and costs. Plaintiffs maintain that they are entitled to receive an aggregate of approximately $350,000 in compensatory and punitive damages, interest and costs. In June 2003, the action was transferred from the court in Pickens County to a Master in Equity sitting in Greenville, South Carolina and was removed from the trial docket. The action, if tried, will be tried without a jury. No trial date has been scheduled. We believe, based on the advice of counsel, we have meritorious defenses to the claims asserted in the action and intend to vigorously to defend the case. The outcome of this matter cannot be determined at this time.

8. RECLASSIFICATION

Certain amounts from the prior period consolidated financial statements have been reclassed to conform to current period presentation with no effect on the net income.

9. SUBSEQUENT EVENT

During July 2005, the Company issued one additional Series A unit or 100,000 shares of its common stock for a purchase price of $80,000 as per the securities purchase agreement dated March 18, 2005.

Item 2 ***Management s Discussion and Analysis or Plan of Operations***

CAUTIONARY STATEMENT RELATING TO FORWARD-LOOKING STATEMENTS

The matters discussed in this Form 10-QSB contain certain forward-looking statements and involve risks and uncertainties (including changing market conditions, competitive and regulatory matters, etc.) detailed in the disclosure contained in this Form 10-QSB and the other filings with the Securities and Exchange Commission made by the Company from time to time. The discussion of the Company s liquidity, capital resources and results of operations, including forward-looking statements pertaining to such matters, does not take into account the effects of any changes to the Company s operations. Accordingly, actual results could differ materially from those projected in the forward-looking statements as a result of a number of factors, including those identified herein. This item should be read in conjunction with the financial statements and other items contained elsewhere in the report.

Overview

We develop and distribute environmentally friendly specialty chemical products with applications in several industries and markets. Our current line of products includes:

KH-30 paraffin dispersant for the oil industry and related products;

Uniproof specialty-coated proofing paper for the printing industry; and

following additional testing, Slick Barrier underwater protective coatings for use in marine applications.

Through our wholly owned subsidiary, Green Globe Industries, Inc., we provide the U.S. military with a variety of environmentally friendly, non-hazardous, biodegradable solvents and cleaners under our trade name Qualchem. Green Globe is a qualified supplier for the U.S. military and has sales contracts currently in place.

We have developed and patented a system referred to as our S2 system, to work with our environmentally friendly paraffin dispersants products. This patented technology produces high volumes of steam and heat at variable pressures and temperatures to completely dissolve most deposits of paraffin and asphaltene within oil wells, pipelines or storage tanks. The S2 system apparatus is portable, compact and easy to use. We are further developing the process to enhance and support sales of KH-30 and its related products for the oil industry and for other potential applications.

A key component of our business strategy is to pursue collaborative joint working and marketing arrangements with established international oil and oil service companies. We intend to enter into these relationships to more rapidly and economically introduce our KH-30 product line to the worldwide marketplace for refinery, tank and pipeline cleaning services. We are currently negotiating potential working arrangements with several companies.

Business Operations and Principal Products

K-Product Line of Chemicals

KH-30 is a mixture of modified oils, dispersants and oil-based surfactants designed to control paraffin and asphaltene deposits in oil wells. When applied in accordance with our recommended procedures, KH-30 has resulted in substantial production increases of between two and five times in paraffin-affected oil and gas wells by allowing for a faster penetration of paraffin and asphaltene deposits. KH-30 disperses and suspends paraffin and asphaltene in a free-flowing state and prevents solids from sticking to each other or to oil well equipment. KH-30 is patented in the United States, Australia, Russia, Nigeria, Venezuela, Vietnam and the OAPI (the Africa Intellectual Property Organization, which includes the countries of Burkina-Faso, Benin, Central African Republic, Congo, Ivory Coast, Cameroon, Gabon, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, Chad and Togo). We have 12 additional country patent applications pending in most of the major oil-producing countries around the world (including the European Union and Canada).

Although we believe that the application of our K-Line of products on a continuous basis will result in higher production and lower lease operating costs in oil wells, the introduction of our K-Line of products into the oil and gas producing industry has been difficult. Many entrenched players such as the hot oilers and the major oil service companies who benefit from high mark-ups on their proprietary products have no incentive to promote the use of our K-Line of products. Moreover, oil production engineers are reluctant to risk damage to a well from a product that does not have the endorsement and backing of a major enterprise. Consequently, the pace of introduction of our K-line of products has been much slower than we initially anticipated. We believe that this situation has begun to change as a result of our marketing efforts with several oil service companies and well owners beginning to use our products after successful trials.

KX-91 is used for cleanup and stimulation of well bores. It works on all gravities of crudes. Penetrates and disperses faster than KH-30 and has a freeze point of 40F. KX-91 is good for tanks with buildup on the bottom and can be used on pipelines with paraffin and asphaltene blockages.

KH-30S is an outstanding flow enhancer. Used mainly on heavy crudes to reduce the viscosity and reduce drag and friction. It has been very successful in tanks with high bottoms and should be injected into the oil stream to help enhance flow.

KDR-75 is effective in reducing friction pressure of petroleum crude and related oil products due to turbulent flow through pipelines and helps restore laminar flow. As a result, an increase in flow rate and productivity with reduced energy consumption can be achieved.

KX-100 is a product where contact time is limited for removal of a plug. It is fast acting and an outstanding dispersant that can be used in temperatures as low as 25F. It can be used in nearly any application with great results.

KX-105DS-A Degreaser is a strong multi-functional, non-hazardous chemical cleaning compound designed to dissolve and remove tough heavy organic and sludge deposits. It possesses strong wetting, penetrating, dispersing and solvating properties. Hence, safe for use in oil field cleaning applications.

KX-104PDC is designed to reduce pour point, gel point, or cloud point of crude oil and improve its cold flow property and pumpability in oil field processing applications.

KX-200-A Pentrant is a proprietary chemical composition, specifically developed to handle problems with paraffin and asphaltene blockages and high viscosity crude with flow impairment.

KX-404 EB is specifically formulated to destabilize both, oil-in-water and water-in-oil type emulsions when used in low treatment dosages of 50-100 PPM with minimal contact time. It triggers kinetically and thermodynamically unstable, weaker, transient emulsion phase into a sharp clean break down of oil & water phase. The application of steam heat up to 150-200F will activate and speed up demulsification.

Additional Product Line of Chemicals

AS-12 is an acidic cleaner in liquid form, which has been formulated to aid in the removal of Iron Sulfide and mild depositions of Calcium Carbonate from down-hole equipment surfaces and any other locations where a low pH may be advisable. Due to its very low pH, it is recommended that general safety precautions be observed while handling the concentrated material, wearing suitable facial and skin precautions.

CI-95 is formulated around an oil-soluble, water-dispersible filming amine designed for use in sour gas and producing oil wells. It is a liquid compound, which has been formulated to give a very tenacious film with an extended persistency without undesirable gunking on the down-hole tubulars.

SCI-97 Quatemary Surfacant is designed for use in down-hole cleanups in producing oil wells. It is a quatemary ammonium chloride compound which has been successfully used to clean the down-hole surfaces in producing wells, as well as in salt water disposal and injections systems, while at the same time water-wetting the solids to assist in removing these from the produced crude oil.

SI-15 Scale Inhibitor is a broad based spectrum, high-calcium tolerant, water soluble scale inhibitor which has been formulated to inhibit the formation and deposition of Calcium Carbonate scale in oil field brines. SI-15 will complex well with the calcium cations, impeding crystal growth and subsequent scale formation and deposition.

HI-17 is an aqueous solution of an alkyl amine along with other proprietary ingredients, which is used to prevent precipitation of sodium chloride crystals from high chloride brines. It may be applied over the wide range of temperatures and pressures, which are typically found in producing oil and gas wells with little to no impact on performance.

Uniproof Proofing Paper

We have developed a photo-sensitive coating that is applied to paper to produce what is known in the printing industry as proofing paper or blue line paper. We developed this formulation over several years of testing. The formulation is technically in the public domain as being within the scope of an expired patent of duPont. However, other companies have not duplicated the exact formulation utilized by us, to the best of our knowledge, and we protect it as a trade secret.

Slick Barrier

Slick Barrier is an underwater protective coating, which prevents the adherence of barnacles to boat hulls. The product is environmentally friendly and biodegradable, which we believe to be particularly appealing in fresh water marine applications. The product is currently being tested on pleasure boats throughout the United States and Europe. A patent application for Slick Barrier was filed in 2003, and we are applying for trademark protection both nationally and internationally. We expect to release this product in 2005, although no specific date has been set.

GreenGlobe Industries

In November 1998, we acquired all of the outstanding shares of Green Globe in exchange for 30,000 shares of our common stock. Green Globe is operated as a separate subsidiary and sells its products under the trade name Qualchem. The acquisition of Green Globe has given us access to the chemistry and product lines of Green Globe which include environmentally friendly paint strippers and cleaners, many of which have been qualified for use by the U.S. military. Of particular note in the Green Globe line was the development of dual package cleaning and drying wipes which produce a clear, non-reflective coating on glasses, computer screens and instrument panels. The wipes were developed, and have received U.S. military approval, for the cleaning of the instrument panels of combat aircraft.

Proprietary Technologies

With respect to our formulations, which are proprietary, we have patented our KH-30 oil well cleaner in the United States, Australia, Russia, Nigeria, Venezuela, Vietnam and OAPI. We also have 12 additional country patent applications pending in most of the major oil-producing countries around the world (including the European Union and Canada). We believe our patent is strong and will help our competitive position. However, we are aware that others may try to imitate our product or invalidate our patents. We have in the past vigorously enforced our trade secrets such as the one relating to our Uniproof proofing paper, and intend to continue to do so in the future. However, we recognize that intellectual property rights provide less than complete protection. We believe that no other company is currently producing a product similar to KH-30.

In addition to applying for patent protection on our KH-30 product, we have also registered KH-30 as a trademark. Trademark protection has also been obtained for the Uniproof name for our proofing paper. We anticipate applying for both patent and trademark protection for our other products in those jurisdictions where we deem such protection to be beneficial.

RESULTS OF OPERATIONS

Three Months Ended June 30, 2005 Compared to the Three Months Ended June 30, 2004

Revenues. Revenues for the three months ended June 30, 2005 were $76,610, a $192,027, or 71% decrease from revenues of $268,637 in the comparable three months of 2004. The decrease in revenues was due to lower sales of Specialty Chemicals and Uniproof proofing paper. Specialty Chemicals, which include sales of our KH-30 products and Green Globe/Qualchem military sales, decreased by $121,599 to $76,339, or 61% compared to $197,938 in the comparable three months in the previous year. This decrease was due primarily to lower sales of our KH-30 family of oil dispersant products. Uniproof proofing paper sales decreased $70,428 due to no orders from our primary customer.

Cost of Goods Sold. Cost of goods sold decreased $51,318, or 45% to $61,717 or 81% of sales, for the three months ended June 30, 2005 from $113,035, or 42% of sales for the three months ended June 30, 2004. The decrease in cost of goods sold and the higher percentage of sales was due to the lower sales levels.

Gross Profit. Gross profit for the three months ended June 30, 2005, decreased by $140,709, or 90% to $14,893 or 19% of sales compared with $155,602 or 58% of sales in the prior period. The decrease in gross profit and gross profit percentage reflects the lower levels of sales of specialty chemicals and Uniproof proofing paper.

Operating Costs and Expenses

General and Administrative Expenses. General and administrative expenses increased $53,106 to $721,422 or 942% of sales for the three months ended June 30, 2005 compared with $668,316 or 249% of sales for the three months ended June 30, 2004. The increase in general and administrative expenses is primarily related to an increase in professional fees for consulting services partially offset by lower salaries and benefits due to the departure of certain executives, lower travel and entertainment expenses, marketing expense, insurance and office expenses.

Depreciation and Amortization. Depreciation and amortization remained relatively constant for the three months ended June 30, 2005 as compared to June 30, 2004.

Interest Expense. The Company had interest expense of $90,574 for the three months ended June 30, 2005 compared with interest expense of $69,392 in the corresponding period in 2004. The increase was due to the additional warrants issued to the holder of the convertible term note in February 2005.

Net Loss. The three months ended June 30, 2005 resulted in a net loss of $814,338 or $0.03 per share as compared to a net loss of $596,019 or $0.03 per share for the three months ended June 30, 2004. The average number of shares of common stock used in calculating earnings per share increased 1,312,938 shares to 23,529,472 as a result of 932,250 shares issued for the conversion of the note payable and 800,000 shares issued in connection with the private placement.

Liquidity and Capital Resources

As of June 30, 2005, the Company had $215,208 in cash and cash equivalents, as compared to $365,610 at March 31, 2005.

The $150,402 decrease in cash and cash equivalents was due to net cash used in operating activities of $9,009, net cash used in investing activities of $21,126 and net cash used in financing activities of $120,267. Cash used in investing activities consisted of payments of $12,147 related to patent applications for KH-30 and the purchase of production equipment and other fixed assets of $9,116, which was partially offset by receipt from loans of $137. Cash used in financing activities consisted of the payment of a related party payable of $133,600, partially offset by the receipt of stock subscription receivable of $13,333.

During July 2005, the Company issued one additional Series A Unit or 100,000 shares of its common stock for a purchase price of $80,000 as per the securities purchase agreement dated March 18, 2005

As of June 30, 2005 the Company had no backlog. Backlog represents products that the Company s customers have committed to purchase. The Company s backlog is subject to fluctuations and is not necessarily indicative of future sales.

During the past two fiscal years ended March 31, 2005 and 2004, the Company has recorded aggregate losses from operations of $4,423,974 and has incurred total negative cash flow from operations of $3,801,148 for the same two-year period. During the three months ended June 30, 2005, the Company experienced a net loss from operations of $814,338 and negative cash flow from operating activities of $9,009. These matters raise substantial doubt about the Company s ability to continue as a going concern. The Company s consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company s continued existence is dependent upon several factors, including increased sales volume, collection of existing receivables and the ability to achieve profitability from the sale of the Company s product lines. In order to increase its cash flow, the Company is continuing its efforts to stimulate sales and cut back expenses not directly supporting its sales and marketing efforts.

Concentration of Risk

The Company sells its Uniproof proofing paper to three customers. One of these customers constitutes 98% of Graphic Arts sales and 26% of total customer sales for the three months period ended June 30, 2004. There were no sales to this customer during the three months ended June 30, 2005. The loss of this customer would have adverse financial consequences to the Company. We have provided liberal credit terms to this customer and there is a risk that a certain amount of this receivable balance may prove to be uncollectible. The Company believes that this customer will purchase additional product and the Company would use that as leverage to collect any outstanding balances.

Quantitative and Qualitative Disclosures about Market Risk

The market risk inherent in our market risk sensitive variable interest rate debt is the potential losses arising from adverse changes in interest rates.

At June 30, 2005, the Company had a loan that had a variable interest rate. The loan, which had an outstanding balance of $845,200 at June 30, 2005, was obtained in March 2004 and has a three-year term. The loan accrues interest at the greater of the prime rate of interest (as published in the Wall Street Journal) or 4% per annum. A one-percentage point increase in the prime rate of interest affecting our loan would increase our net loss by $8,452 over a year.

Item 3. ***Controls and Procedures.***

Evaluation of the Company s Disclosure Controls

As of the end of the period covered by this report, the Company has evaluated the effectiveness of the design and operation of its disclosure controls and procedures (disclosure controls). This evaluation (the controls evaluation) was done under the supervision and participation of the Company s management, including its chief executive officer (the CEO) and interim chief financial officer (the CFO) pursuant to SEC Rule 13a-15. Rules adopted by the Securities and Exchange Commission require that in this section of the report the Company present the conclusions of its CEO and CFO about the effectiveness of the Company s disclosure controls based on and as of the date of the controls evaluation.

CEO and CFO Certifications

Appearing as exhibits 31.1 and 31.2 to this report are Certifications of the CEO and CFO. The certifications are required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (the Section 302 Certifications). This section of this report contains information concerning the controls evaluation referred to in the Section 302 Certifications and this information should be read in conjunction with the Section 302 Certifications for a more complete understanding of the topics presented.

Disclosure Controls

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in the Company s reports filed under the Securities Exchange Act, such as this report, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission s rules and forms. Disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to the Company s management, including, without limitation, the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Limitations on the Effectiveness of Controls

The Company s management, including, without limitation, the CEO and CFO, does not expect that the Company s disclosure controls will prevent all error and fraud. A control system no matter how well conceived and operated can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations of all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.

Scope of Controls Evaluation

The CEO/CFO evaluation of the Company s disclosure controls included a review of the controls objective and design, the controls implementation by the Company and the effect of the controls on the information generated for use in this report. In the course of the controls evaluation, management sought to identify data errors, controls problems or acts of fraud and to confirm that appropriate corrective action, including process movements, was being undertaken. This type of evaluation will be done on a quarterly basis so that the conclusions concerning controls effectiveness can be reported in the Company s quarterly reports on Form 10-QSB and annual report on Form 10-KSB. The overall goals of these various review and evaluation activities are to monitor the Company s disclosure controls and to make modifications, as necessary. In this regard, the Company s intent is that the disclosure controls will be maintained as dynamic controls systems that change (including improvements and corrections) as conditions warrant.

Conclusions

Based upon the controls evaluation, the Company s CEO and CFO have concluded that, as of the end of the period covered by this report, the Company s disclosure controls are effective to provide reasonable assurance that information required to be disclosed in the Company s reports filed under the Securities Exchange Act such as this report, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission s rules and forms.

There has been no change in the Company s internal controls over financial reporting during the fiscal quarter ended June 30, 2005, that has materially affected, or is reasonably likely to materially affect, the Company s internal controls over financial reporting.

PART II

OTHER INFORMATION

Item 1. ***Legal Proceedings***
See Note 7, Commitments and Contingencies to the Consolidated Financial Statements.

Item 2. ***Changes in Securities and Use of Proceeds***
Not Applicable

Item 3. ***Defaults upon Senior Securities***
See Note 3, Convertible Debt

Item 4. ***Submission of Matters to a Vote of Security Holders***
Not Applicable

Item 5. ***Other Information***
Not Applicable

Item 6. ***Exhibits***
(a) Exhibits.
- 31.1 Written Statement of the Chief Executive Officer Pursuant to 18 U.S.C. §1350 Sec. 302
- 31.2 Written Statement of the Chief Financial Officer Pursuant to 18 U.S.C. §1350 Sec. 302
- 32.1 Written Statement of the Chief Executive Officer Pursuant to 18 U.S.C. §1350 Sec. 906
- 32.2 Written Statement of the Chief Financial Officer Pursuant to 18 U.S.C. §1350 Sec. 906

United Energy Corp.

FORM 10-QSB

June 30, 2005

SIGNATURES

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

Dated: August 12, 2005

UNITED ENERGY CORP.

By: /s/ Brian King

Brian King,
Chief Executive Officer
(as principal executive officer)

By: /s/ James McKeever

James McKeever,
Interim Chief Financial Officer
(as principal financial and accounting officer)