GLOBAL POWER EQUIPMENT GROUP INC.
Form 10-12B/A
July 30, 2010
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 3 to FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES

Pursuant to Section 12(b) or 12(g) of the Securities Exchange Act of 1934

Global Power Equipment Group Inc.

(Exact name of registrant as specified in its charter)

Delaware	**73-1541378**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

5199 N. Mingo Road

Tulsa, OK 74117

(918) 488-0828

(Address, including zip code, and telephone number,

including area code, of registrant s principal executive offices)

Securities to be registered pursuant to Section 12(b) of the Act:

Title of each class to be so registered	Name of each exchange on which each class is to be registered
Common Stock, par value $0.01 per share	**The NASDAQ Stock Market LLC**

Securities to be registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer	x (Do not check if a smaller reporting company)	Smaller reporting company	¨

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Statements we make in this registration statement that express a belief, expectation or intention or otherwise are not limited to recounting historical facts are forward-looking statements. These forward-looking statements are subject to various risks, uncertainties and assumptions, including those noted under the headings Cautionary Statement Regarding Forward Looking Statements and Risk Factors in Items 1 and 1A of this registration statement.

Item 1. Business.

Overview

Global Power Equipment Group Inc. is a comprehensive provider of power generation equipment and maintenance services for customers in the domestic and international energy, power infrastructure and service industries.

We design, engineer and manufacture a comprehensive range of auxiliary power and heat recovery equipment primarily used to enhance the efficiency and facilitate the operation of gas turbine power plants as well as for other industrial, energy and power-related applications. With a strong competitive position in our product lines, we benefit from a large installed base of equipment in domestic and international markets.

We provide on-site specialty, maintenance and outage management services for commercial nuclear reactors and specialty, maintenance and other industrial services to fossil-fuel and hydroelectric power plants and other industrial operations in the United States. These services include a comprehensive range of industrial maintenance, modification and construction services for power generation, pulp and paper, chemical, refining, manufacturing and other industrial market segments. We also combine our services and equipment resources to offer turn-key solutions for aftermarket repair applications for the North American gas turbine power generation, hydrocarbon and cogeneration market segments.

Through predecessor entities, we have over 40 years of experience providing custom engineered products that are critical for the operation of gas turbine power plants and more than 18 years of experience providing complex outage shutdown services to operators of nuclear power plants as well as other industrial maintenance services. Our current corporate structure, in which Global Power Equipment Group Inc. acts through operating subsidiaries, dates to 2001 when we made our initial public offering and listed our stock on the New York Stock Exchange. We acquired our nuclear plant and other industrial services capabilities through a transaction completed in April 2005.

Corporate Structure Overview. The following chart shows the relationship between Global Power Equipment Group Inc., which is a Delaware corporation, and each of its three primary operating subsidiaries, each of which is a Delaware limited liability company.

We and all of our U.S. subsidiaries filed voluntary Chapter 11 petitions under the United States Bankruptcy Code on September 28, 2006. We successfully exited Chapter 11 on January 22, 2008 pursuant to an approved Plan of Reorganization. Since our emergence from bankruptcy, our common stock has been quoted on the over-the-counter Pink Sheets under the symbol GLPW. For detail regarding the events leading to, certain consequences of, and the terms of our emergence from bankruptcy, see the discussion below in Item 1 under the heading Bankruptcy Reorganization.

Business Segments

We operate through two business segments which we refer to as our Products Division and our Services Division. For information about our segments see Note 12 to our consolidated financial statements included in this Form 10.

Through our Products Division, we engineer, design and fabricate products worldwide for the gas turbine power generation, energy and process industries. We supply auxiliary power equipment and components under the Braden Manufacturing and Consolidated Fabricators brands and heat recovery boilers under the Deltak brand. A significant portion of our products revenue originates outside of the United States.

Through our Services Division, we provide industrial technical services under the Williams Industrial Services Group brand, focusing on specialty services, outage management and overhaul of power facilities and other heavy industrial plants. All of our services revenue is from operations conducted in the United States.

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Revenues by segment for 2009, 2008 and 2007 are as follows (in thousands):

	For the Years Ended December 31,					
	2009		2008		2007	
Products Division	$ 193,150	36%	$ 311,603	56%	$ 208,085	52%
Services Division	347,460	64%	245,161	44%	195,333	48%
	$ 540,610		$ 556,764		$ 403,418	

Products Division

We sell our products to the gas turbine power generation, hydrocarbon and cogeneration market segments. Our principal customers are gas turbine original equipment manufacturers and engineering, procurement and construction contractors. We also provide replacement parts, filter elements and aftermarket retrofit equipment to both original equipment manufacturers and end users. Our products are critical to the efficient operation of gas turbine power plants and are custom engineered to meet customer-specific requirements. We manufacture and sell two primary product lines: auxiliary power equipment and heat recovery equipment.

The contracts under which we sell our products are generally fixed-price contracts of which approximately 95% are lump sum bid and 5% are negotiated fixed-price . Under lump sum bid contracts, we bid against other contractors based on relatively fixed customer specifications. In the case of negotiated fixed-price contracts, we are selected as the contractor before negotiating a price with the customer and often before the full scope and detail of the work to be performed has been determined.

Auxiliary Power Equipment. We provide a comprehensive range of products critical to the operation of gas turbine power plants through our Braden Manufacturing subsidiary, headquartered in Tulsa, Oklahoma. Our auxiliary power equipment product offerings, which we market under the Braden and Consolidated Fabricators brand names, include:

Filter Houses. A filter house cleans debris, dirt and other contaminants from the air that enters the turbine, using either a barrier filter or a pulse filter. Barrier filters use a series of filter elements contained in a large filter house to remove airborne contaminants. Pulse filters are self-cleaning filters that use blasts of air to expel dirt or ice from the filter element. In addition to a barrier or pulse filter, a filter house may include evaporative coolers, chiller coils, fog cooling systems, anti-icing systems and a broad range of other equipment to treat the air that is pulled through the turbine.

Inlet Systems. Inlet systems are large air intake ducts that connect the filter house to the gas turbine and provide silencing for the noise emanating from the gas turbine through the inlet. The major components of an inlet system are inlet silencers, expansion joints and inlet ductwork.

Exhaust Systems. Exhaust systems direct the hot exhaust from the turbine to the atmosphere. The main components of an exhaust system are exhaust ductwork, acoustic silencing equipment and the exhaust stack. Exhaust systems are custom engineered and complex due to the severe turbulence and heat exposure that they must endure.

Diverter Dampers. Diverter dampers divert the hot exhaust from the gas turbine into a heat recovery steam generator when the power plant is operated as a combined cycle facility or into the exhaust stack in the case of a simple cycle operation. We also design and manufacture various other types of dampers.

Selective Catalytic Emission Reduction Systems. These systems, commonly referred to as SCRs, are used in simple cycle gas turbine facilities and are focused on removing oxides of nitrogen and carbon monoxide.

Packaged Skids, Precision Parts and Specialty Fabrications. We manufacture these products in our Auburn, Massachusetts plant and sell them under the Consolidated Fabricators brand. Packaged skids in various configurations support the operation of the gas turbine. Precision parts and specialty fabrications are used in both new gas turbine equipment and in aftermarket applications.

Heat Recovery Equipment. We provide heat recovery steam generator boilers and specialty boilers and related products through our Deltak subsidiary, headquartered in Plymouth, Minnesota. We market these products under the Deltak brand name.

Heat Recovery Steam Generators. A heat recovery steam generator (commonly referred to as a HRSG) is a boiler that creates steam in a combined cycle power plant or a cogeneration plant using the hot exhaust emitted by the gas turbine or other heat source. This steam is either used to drive a steam turbine to produce additional electricity in a combined cycle power plant or is used for process purposes in a cogeneration plant. Each HRSG is custom designed and engineered to meet the specifications of the customer, taking into account the type of gas turbine and the environmental locale, among other factors. We design and manufacture HRSGs for applications supporting turbines up to 85 megawatt capacity for both new combined cycle and retrofitted simple cycle power plants. We have an installed base of more than 300 mid-sized HRSGs in over 20 countries.

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Specialty Boilers and Related Products. Specialty boilers are a highly customized class of equipment that capture waste heat and convert it into steam. We develop creative engineering solutions to produce specialty boilers used in process heat recovery and incineration systems, small power generation systems and marine cogeneration systems. Our specialty boilers are used in a wide range of markets, including oil and gas, pulp and paper, chemicals, petrochemical, marine and food industries. We have an installed base of more than 1100 specialty boilers in over 30 countries.

Supply Chain Structure. We fabricate our equipment through a combination of in-house manufacturing at our own factories in the United States and Mexico and outsourced manufacturing in other countries around the world. Our network of high-quality international manufacturing partners, located in more than 20 countries, allows us to manufacture equipment for power plant projects and power-related equipment worldwide at competitive prices. Outsourcing a portion of our manufacturing enables us to meet increasing demand without being restricted by internal manufacturing capacity limitations and also reduces our capital expenditure requirements. Our employees work closely with our international manufacturing partners to supervise the manufacture of our products at their facilities. Our use of manufacturing facilities around the world, whether our own or those of our manufacturing partners, allows us to respond to the particular sourcing initiatives of our customers, whether those initiatives call for global sourcing or for localized supply content.

Our technical engineering capabilities allow us to design and manufacture what we believe are among the broadest ranges of gas turbine power plant and other power-related equipment to meet each customer s specific performance requirements. We provide products for gas turbine power plants to most of the leading power industry original equipment manufacturers and to a number of leading power generating companies and engineering, procurement and construction firms within the United States and abroad.

Gas Turbine Power Generation, Hydrocarbon and Cogeneration Market Overview. All gas turbine power plants combine a gas turbine with a generator to produce electricity. In a simple cycle gas turbine plant, the hot exhaust coming out of the gas turbine is vented to the atmosphere through an exhaust stack. In a combined cycle plant, the hot exhaust coming out of the gas turbine is fed into a heat recovery steam generator; the HRSG captures much of the heat from the gas turbine exhaust to generate steam, which in turn is used to power a steam turbine and generate more electricity before the exhaust is vented into the atmosphere. We manufacture products that are critical components of both simple cycle and combined cycle plants, including filter houses, diverter dampers, inlet and exhaust systems and turbine and generator enclosures. We also manufacture specialized diverter dampers that are used in combined cycle plants between the gas turbines and the HRSG.

We believe manufacturers of equipment and components supporting gas turbine power plants are well positioned to benefit from the need for new or more efficient power generation infrastructure. The advantages of power generation plants utilizing gas turbine technologies versus other technologies include:

- lower construction costs,
- shorter construction periods,
- improved operating efficiency,
- lower emissions of CO^2,
- minimal other environmental impact,
- flexibility to expand plant capacity, and
- rapid start-up and shutdown time.

As a provider of equipment for simple and combined cycle gas turbine power plants, we should benefit from the growth of gas turbine power plant capacity that we expect to result from the factors listed above.

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Services Division

Our Services Division, headquartered in Atlanta, Georgia, is operated under the name Williams Industrial Services Group, LLC (Williams). Through Williams, we provide routine and specialty maintenance services to a wide range of utilities and industrial customers, including nuclear, fossil-fuel and hydroelectric power plants and pulp and paper mills. Our service offerings include industrial painting and coating, removal of hazardous materials, industrial insulation, repair and replacement of roofing systems and nuclear, fossil fuel and hydroelectric power plant maintenance. The majority of these services are designed to improve or sustain operating efficiencies and extend the useful lives of process equipment in these facilities. In addition, these services provide our customers with a credible alternative to maintaining in-house maintenance capabilities. We provide maintenance services both on a constant presence basis and as a service provider for discrete projects. By providing high quality industrial services with exemplary safety performance, we have forged long-standing relationships with many leading utilities.

We contract for approximately 90% of the services we provide on a cost-plus basis under contracts that provide for reimbursement of costs incurred plus an amount of profit in the form of a mark-up. We contract for the remaining approximately 10% of the services we provide on a fixed-price basis. In the case of lump sum bid contracts, we bid against other contractors based on customer specifications. Fixed-price contracts present certain inherent risks, including the possibility of ambiguities in the specifications received, problems with new technologies, and economic and other changes that may occur over the contract period. Accordingly, fixed-price agreements are not our preferred form of contract. However, because of efficiencies that may be realized during the contract term, fixed-price contracts may offer greater profit potential than other types of contracts.

Service offerings include the following:

Nuclear Power Plant Maintenance. We perform a full range of critical services for the nuclear facility market, including routine maintenance and modification work performed during outages, decommissioning services, cooling tower and steam generator replacement support and vessel and heat exchanger replacements. We are one of a limited number of companies qualified to perform comprehensive services in United States nuclear power plants under rules issued by the U.S. Nuclear Regulatory Commission (NRC). Under these rules, owners of nuclear facilities must qualify contractors by requiring the contractors to demonstrate that they will comply with NRC regulations on quality assurance, reporting of safety issues, security and control of personnel access and conduct.

Fossil Fuel and Hydroelectric Power Plant Maintenance. We provide routine maintenance, repair and capital project services primarily in coal-fired, gas-fired and hydroelectric power plants, often managing hundreds of craft employees. Services provided include electrical and mechanical maintenance, outage support, turnarounds, welding, scaffolding, staff augmentation, grounds maintenance and janitorial and custodial services.

Industrial Painting and Coatings. We perform cleaning, surface preparation, coatings application, quality control and inspection testing, utilizing Williams Insight , our proprietary analysis system, to help our customers schedule and prioritize major coating projects based on a detailed cost/benefit analysis. Coatings applied in industrial environments are typically designed for specific applications. To satisfy these exacting requirements, many of these coatings involve multiple component mixes, require specialized application equipment and are strictly monitored and tested.

Insulation. We provide a variety of industrial insulation services, primarily in process-piping installations. These services are commonly packaged with industrial coating projects.

Roofing Systems. We routinely replace, repair and upgrade industrial facility roofing systems, primarily within the highly corrosive environments of pulp and paper manufacturing facilities. Our proprietary Pro-Tec Panel system allows our employees to safely work above operational equipment on roofing projects while completely containing all refuse materials. This allows us to rehabilitate or completely replace the roof of an industrial facility without interrupting production.

Abatement. We provide two primary abatement services for the removal of hazardous materials: removal of asbestos and removal of heavy metal based coatings such as lead paint. These services involve the demolition of the contaminated area, the collection and containment of hazardous material and arrangements for their disposal or storage. We do not take ownership of hazardous materials and do not assume responsibility for the liability associated with the materials other than for our actions meeting applicable statutory and regulatory requirements.

Valve Services. We provide integrated valve and actuator services to our customer base. These services include inspection, preventative maintenance and repair of various types of valves and actuators. We offer a full spectrum of valve services for diagnostic testing and analysis, project management, training and engineering.

Industrial Services Industry and Market Overview. The U.S. industrial services industry is a multi-billion dollar industry broadly defined as routine maintenance and technical services provided to industrial facilities ranging from manufacturing facilities to power generation plants. The industry is currently experiencing a shift towards outsourcing as plant operators seek to alleviate financial constraints, reduce labor costs, increase labor utilization and productivity and eliminate operational redundancies.

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We expect that power industry demand for industrial maintenance services will be driven by the following factors in the future:

Aging Infrastructure. According to the U.S. Department of Energy s Energy Information Administration, more than half of the electrical generating capacity in the United States was placed in service before 1980. Coupled with the limited number of large-scale power generation facilities being constructed, the efforts to maintain older plants of all types and take advantage of newer and more efficient technologies at existing sites have created opportunities for companies providing maintenance and modification services.

Increasing Demand for Nuclear Plant Maintenance. The United States currently has 104 operating nuclear reactors that generate approximately 20% of annual electric production. These nuclear reactors have been in operation for an average of 30 years and require extensive ongoing engineering and maintenance services to support operations and improve performance. Nuclear power plants in the United States are subject to a rigorous program of Nuclear Regulatory Commission oversight, inspection, preventive and corrective maintenance, equipment replacement and equipment testing. Nuclear power plants are required by the NRC to go offline to refuel at intervals of no more than 24 months and to perform condition monitoring and preventive maintenance during every refueling outage. NRC regulations also require that nuclear generating facilities be decommissioned, or returned to greenfield status, at the end of their operating lives. Initially, commercial nuclear power plants in the United States were licensed to operate for 40 years, reflecting the amortization period generally used by electric utility companies for large capital investments. In 2000, the NRC issued the first license renewal to a nuclear power plant, extending its license for an additional 20 years beyond its original 40-year license. The NRC has since issued 20-year license extensions for numerous reactors and is reviewing license renewal applications for others. We expect the extended operating licenses of nuclear power plants will also increase the maintenance requirements of these facilities.

New Nuclear Plant Construction. We expect new nuclear plants to be constructed over the next 10 years. In February 2010, the federal government announced loan guarantees for the construction of the first new nuclear unit at Southern Nuclear Operating Company s Vogtle Nuclear Plant near Waynesboro, Georgia. We believe we are well positioned to participate in new plant construction opportunities, through our Williams Services Division. These types of services are generally required in the later stages of the construction process and they are frequently subcontracted by new build contractors.

Customers and Marketing

Products. Our Products customers include original equipment manufacturers, engineering procurement and construction firms, utilities and independent operators of power generation facilities and firms engaged across several process related industries. The end users of most of our products are owners and operators of gas turbine power plants and refineries. We market our products globally through a sales network consisting of employees and independent representatives. We have employed sales representatives in China, Egypt, the Netherlands and the United States. Our sales teams travel extensively and work with our local manufacturing partners to assess local market conditions, utilize local contacts and respond quickly to our customers needs. We focus our sales and marketing efforts on end users of our products, including the developers and operators of gas turbine power plants, and on gas turbine original equipment manufacturers, which may order our products directly or specify the use of our products.

Services. Our Services customers include major private and government owned utilities throughout the United States as well as leaders in the United States paper and industrial sectors. We market our services using dedicated sales and marketing personnel, operations personnel, and external consultants retained for specific projects. We use specific services sales initiatives to emphasize long-term renewable contracts that are augmented by small to medium sized, fixed-price projects. Our services sales initiatives directly seek to apply operational strengths to specific facilities within the targeted markets, including nuclear power, pulp and paper and other industrial plants located throughout the United States.

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Revenues by Customer and Geographic Region. Our top customers vary from year-to-year depending on the relative size and duration of our projects over time. Customers that accounted for more than 10% of our consolidated revenues in 2009, 2008 and 2007 were:

	For the Years Ended December 31,		
	2009	2008	2007
General Electric Company	13%	20%	22%
Southern Company	12%	10%	11%
Entergy Services Inc.	11%		
Tennessee Valley Authority	11%		

Our revenues from each of the customers listed in the above table are derived from multiple purchase orders or contracts that are entered into, performed, and terminate independently of each other. None of these multiple purchase orders or contracts accounts, individually, for a material part of our revenues.

Our Products revenues by geographic regions for the years 2009, 2008 and 2007 are shown in the following table both on the basis of revenue recognition and on the basis of shipment destination (in thousands):

	Years ended December 31,					
	2009		2008		2007	
	Revenue Recognized In	Product Shipped To	Revenue Recognized In	Product Shipped To	Revenue Recognized In	Product Shipped To
United States	$ 139,138	$ 66,320	$ 212,914	$ 105,301	$ 146,668	$ 68,393
Canada		11		22,050		34,698
Europe	38,471	31,345	80,792	20,704	40,355	8,263
Mexico	10,518	364	16,350	116	19,832	11
Asia	5,023	26,113	1,547	17,999	1,230	10,970
Middle East		63,681		112,374		70,387
Other		5,316		33,059		15,363
Total	$ 193,150	$ 193,150	$ 311,603	$ 311,603	$ 208,085	$ 208,085

Our Services revenues, virtually all of which are derived in the United States, were $347.5 million for 2009, $245.2 million for 2008 and $195.3 million for 2007.

Backlog

Backlog is not a measure defined by generally accepted accounting principles, and our methodology for determining backlog may vary from the methodology used by other companies in determining their backlog amounts. Backlog may not be indicative of future operating results and projects in our backlog may be cancelled, modified or otherwise altered by our customers.

Our backlog consists of firm orders or blanket authorizations from our customers. Backlog may vary significantly reporting period to reporting period due to the timing of customer commitments. The time between receipt of an order and actual completion or delivery of our products varies from a few weeks, in the case of inventoried precision parts, to a year or more, in the case of custom designed filter houses and other major plant components. We add a booking to our backlog for products when we receive an order accompanied by a written commitment from a customer. The maintenance services we provide through Williams are typically carried out under long-term contracts spanning several years. Upon signing a multi-year contract with a customer for services, we add to our backlog only the first twelve months of work that we expect to perform under the contract. Additional work that is not called for under the original contract is added to our backlog when we reach agreement with the customer as to the scope and pricing of that additional work.

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The following table shows our backlog amounts, by segment, as of the end of each of the last three years (in thousands):

	Backlog as of December 31,		
	2009	2008	2007
Products	$ 120,760	$ 168,904	$ 248,246
Services	194,162	163,906	128,281
Total	$ 314,922	$ 332,810	$ 376,527

Approximately 45% of the December 31, 2009 backlog is comprised of orders from the major customers shown in the table included above under Customers and Marketing. Based on production and delivery schedules, we anticipate that of our December 31, 2009 backlog, approximately 98% of the Products backlog and 100% of the Services backlog will be recognized as revenues during 2010.

Engineering, Design and Maintenance Capabilities

Products. The design and engineering expertise of our Products Division makes us an industry leader in the field of power generation equipment. We provide original design, retrofit and upgrade engineering and after-sales maintenance and repair of our products. Our products are custom-designed and engineered to meet the specifications of our customers. Our extensive engineering experience and proprietary designs from completed projects enhance our ability to efficiently satisfy our customers needs on projects that require significant engineering. As of December 31, 2009, we employed 52 engineers specializing in thermal, structural, electrical/controls, mechanical, acoustical, industrial and chemical engineering and other technical areas. Our engineers and designers use a PC-based network and engineering and drafting programs such as AutoCAD , ANSYS , STAAD , Solidworks and several internally developed proprietary programs.

Services. We provide extensive training, certifications, and ongoing safety monitoring to all of our maintenance employees. For over ten years, we have maintained a safety record above the industry average, benefitting both us and our customers. We maintain a broad range of professional certifications relevant to the performance of many of the specialized services we provide. We maintain memberships and selected certifications with organizations such as the National Association of Corrosion Engineers, the Society of Protective Coatings, the American Nuclear Society, the American Society of Mechanical Engineers, the National Board of Boiler & Pressure Vessel Inspectors, the American National Standard Institutes, the American Society for Nondestructive Testing, the American Welding Society, Institute of Nuclear Power Operations (INPO) and other organizations. We are one of a limited number of companies qualified to work anywhere in a United States nuclear facility and have been one of the leading providers of coatings at United States nuclear facilities for more than 35 years.

Manufacturing, Outsourcing and Contract Labor

Products. We fabricate our products using a combination of in-house manufacturing and third-party subcontractors. Most of our subcontracting work is performed outside the United States. Our network of outsourcing relationships provides us the following benefits:

- flexibility to rapidly expand or contract our manufacturing capacity, with minimal impact on our capital expenditure requirements and fixed expenses;
- ability to manufacture in low cost countries, thereby reducing the overall cost of our products; and
- ability to satisfy local content requirements.

Subcontractors account for a significant percentage of our manufacturing costs. We provide on-site technical advisors at our subcontracted facilities to ensure high levels of quality and workmanship. While we generally have proven long-term relationships with our subcontractors, we also routinely search for additional fabricators to enhance our ability to manufacture equipment at the lowest cost while maintaining high-quality standards and on-time delivery.

Services. We provide maintenance services throughout the United States with experienced, temporary craft labor and leased equipment, directed and supervised by an experienced team of project managers across our branch network. Our flexible staffing and equipment model enables us to meet seasonal demand without being restricted by internal capacity limitations, thus minimizing our fixed cost requirements.

Materials and Suppliers

The principal materials for our products are carbon steel plate, stainless steel products and other structural shapes, insulation and finned tubing. We obtain these products from a number of domestic and foreign suppliers. The markets for most of the materials we use are served by a large number of suppliers and we believe that we can obtain each of the materials we require from more than one supplier.

Competition

Products. We compete with a large number of U.S. and international companies along all of our major product lines. We compete based on the price, quality, reliability and reputation of our products and our ability to engineer and design products to meet each customer s unique specifications. Our competitors, some of which are significantly larger than we are and have significantly greater financial resources than we do, vary with respect to each product category we offer. We believe that no single competitor offers our breadth of products to the gas turbine power generation, hydrocarbon and cogeneration industries.

Services. The barriers to entry in industrial services are both financially and logistically low with the result that the industry is highly fragmented with no single company being dominant. Our competitors vary depending on plant geography and scope of services to be rendered. Several national vendors, which are significantly larger than we are and have significantly greater financial resources than we do, will often compete for larger maintenance and specialty opportunities that become available. Additional smaller vendors that operate on a regional basis will often compete for smaller opportunities associated with open shop labor sources. The key competitive factors in industrial services are reputation, safety record, price, service, quality, breadth of service and the ability to identify and retain qualified personnel. We believe our project management capabilities, service diversity, long-term customer relationships and safety standards differentiate us from our competitors. We also believe that the fact that we maintain a constant presence at many of our customers sites is a key competitive advantage because it provides us with an intimate understanding of these facilities and thereby allows us to better identify our customers service needs.

Employees

We had 667 permanent employees as of December 31, 2009. Of these, 88 were employed at our facility in Mexico under a collective bargaining agreement. We regularly hire unionized craft labor on a temporary basis in the operation of our Services Division, often deploying hundreds of employees simultaneously at a single site for intensive outage work. We believe that our relationships with our employees, both permanent and temporary, are satisfactory.

Intellectual Property

We use a variety of patents, trademarks and proprietary technologies in the ordinary course of business in both our Products and Services Divisions. We rely upon patents, on nondisclosure and confidentiality agreements with our employees, subcontractors, customers and others, and on various other security measures to protect our proprietary rights. Our patents related to heat exchangers generally expire in 2011; our patents related to exhaust systems generally expire in 2016; and a patent relating to a filter element clipper expires in 2027. We do not believe that any single patent or proprietary technology is material to our business and we do not believe our competitive position would be materially affected by competitors also using similar technologies and systems.

Compliance with Government Regulations

We are subject to certain federal, state and local environmental, occupational health and product safety laws applicable in the countries in which we operate. We also purchase materials and equipment from third-parties, and engage subcontractors, who are also subject to these laws and regulations.

Environmental. We are subject to extensive and changing environmental laws and regulations in the United States and in foreign jurisdictions where we do business. These laws and regulations relate primarily to air and water pollutants and the management and disposal of hazardous materials. We are exposed to potential liability for personal injury or property damage caused by any release, spill, exposure or other accident involving such pollutants, substances or hazardous materials.

Health and Safety Regulations. We are subject to the requirements of the United States Occupational Safety and Health Act (OSHA) and comparable state and foreign laws. Regulations promulgated by these agencies require employers and independent contractors who perform construction services, including electrical and repair and maintenance, to implement work practices, medical surveillance systems and personnel protection programs in order to protect employees from workplace hazards and exposure to hazardous chemicals and materials. In recognition of the potential for accidents within various scopes of work, these agencies have enacted very strict and comprehensive safety regulations.

Nuclear Regulatory Commission. Owners of nuclear power plants are licensed to build, operate, and maintain those plants by the NRC. Their license requires that they qualify their suppliers and contractors to ensure that the suppliers and contractors comply with NRC regulations. Our Service Division must demonstrate to its customers that we will comply with NRC regulations related to quality assurance, reporting of safety issues, security and control of personnel access and conduct.

While we believe that we operate safely and prudently and in compliance with all environmental, occupational health and product safety laws, there can be no assurance that accidents will not occur or that we will not incur substantial liability in connection with the operation of our business. However, we believe that all our operations are in material compliance with those laws and we do not anticipate any material capital expenditures or material adverse effect on earnings or cash flows as a result of complying with those laws.

Export Laws. To the extent we export technical services, data and products outside of the United States, we are subject to U.S. and international laws and regulations governing international trade and exports including but not limited to the Export Administration Regulations and trade sanctions against embargoed countries, which are administered by the Office of Foreign Assets Control with the Department of Treasury. A failure to comply with these laws and regulations could result in civil or criminal sanctions, including the imposition of fines, the denial of export privileges and suspension or debarment from participation in U.S. government contracts.

Available Information

You may obtain copies of our annual reports at our website at www.globalpower.com under the heading Financials . The information disclosed on our website is not incorporated by this reference and is not a part of this Form 10. We will make available on our website, free of charge, all of our future periodic filings with the Securities and Exchange Commission (the SEC), including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to these reports, as soon as reasonably practicable after we electronically file with or furnish the reports to the SEC. You may also read and copy any materials we file with the SEC at the SEC s Public Reference Room at 100 F Street, NE, Washington, D.C. 20549, or on the SEC s website located at www.sec.gov. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

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Bankruptcy Reorganization

We and all of our U.S. subsidiaries filed voluntary petitions for relief under Chapter 11 of the U. S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware on September 28, 2006. The bankruptcy stemmed principally from losses attributable to our large-scale HRSG product line within our Deltak LLC (Deltak) subsidiary and associated financial reporting deficiencies. The New York Stock Exchange (NYSE) suspended trading in our common stock as a result of our bankruptcy filing and our related failure to make required periodic filings with the SEC. Our listing on NYSE and our registration with the SEC were terminated on December 7, 2006.

During the pendency of our bankruptcy case, we discontinued our large-scale HRSG product line, terminating personnel and divesting a foreign subsidiary that had been dedicated to that product line. (We continue to serve the mid-sized HRSG segment with products that complement power generation turbines up to 85 megawatt capacity.)

We successfully emerged from bankruptcy pursuant to an approved Plan of Reorganization on January 22, 2008. That plan provided for payment in full of allowed claims of all creditors other than unsecured creditors of Deltak. Those unsecured creditors are expected to share in recoveries through a $34 million fund established to satisfy allowed unsecured claims against Deltak. Upon our emergence from bankruptcy, our pre-petition equity holders received one share of our new common stock for each share of common stock held before the bankruptcy and a right to purchase additional shares of our new common stock on a pro-rata basis pursuant to a rights offering that commenced on November 6, 2007 and expired on December 13, 2007. Upon emergence from bankruptcy on January 22, 2008, we issued 5,266,885 shares of our new common stock to pre-petition equity holders in exchange for stock held before the bankruptcy. On that same date, pursuant to the rights offering, a related backstop private placement, and our Management Incentive Co-Investment Plan, we issued an additional 9,589,138 shares of our new common stock in exchange for $72.5 million in new capital. The applicable price of our common stock in the rights offering was $7.65 per share. As part of the plan, we also entered into a $150 million exit financing package comprised of a $90 million term loan and a $60 million revolver facility. (All of the share and per share numbers in this Form 10 reflect the effect of the 1-for-9 reverse stock split of all of our outstanding shares of common stock that was effective June 30, 2010. For further information about the reverse split, see Item 11 of this Form 10.)

Cautionary Statement Regarding Forward-Looking Statements

This registration statement and its exhibits contain or incorporate by reference various forward-looking statements that express a belief, expectation or intention or are otherwise not statements of historical fact. Forward-looking statements generally use forward-looking words, such as may, will, could, project, believe, anticipate, expect, estimate, continue, potential, plan, forecast and other word uncertainty of future events or outcomes. Forward-looking statements include information concerning possible or assumed future results of our operations, including the following:

- business strategies;
- operating and growth initiatives and opportunities;
- competitive position;
- market outlook and trends in our industry;
- expected financial condition;
- future cash flows;
- financing plans;

- expected results of operations;
- future capital and other expenditures;
- availability of raw materials and inventories;
- plans and objectives of management;
- future compliance with orders and agreements with regulatory agencies;
- expected outcomes of legal or regulatory proceedings and their expected effects on our results of operations; and
- any other statements regarding future growth, future cash needs, future operations, business plans and future financial results.

These forward-looking statements represent our intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, including unpredictable or unanticipated factors that we have not discussed in this registration statement. Many of those factors are outside of our control and could cause actual results to differ materially from the results expressed or implied by the forward-looking statements.

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In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. You should consider the areas of risk and uncertainty described above, as well as those discussed under *Item 1A Risk Factors* in this registration statement. Except as may be required by applicable law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise and we caution you not to rely upon them unduly.

Item 1A. Risk Factors.

Our business, financial condition and results of operations may be impacted by one or more of the following factors, any of which could cause actual results to vary materially from historical and current results or anticipated future results.

Risk Factors Related to Our Operations

If the United States were to change its support of nuclear power, it could have a material adverse effect on our operations.

The U.S. government has been supportive of increased investment in nuclear power. However, if the federal government changed its policy or if public acceptance of nuclear technology declines, demand for nuclear power could be negatively affected and potentially increase the regulation of the nuclear power industry. Reduced demand for nuclear power or increased regulation would adversely affect our clients, which in turn could have a material adverse effect on our revenues.

If our costs exceed the estimates we use to set the fixed-prices of our contracts, our earnings will be reduced.

Nearly all of our power generation equipment sales contracts are entered into on a fixed-price basis. As a result, our Products Division has a limited ability to recover any cost overruns. Contract prices are established based in part on our projected costs, which are subject to a number of assumptions. The costs that we incur in connection with each contract can vary, sometimes substantially, from our original projections. Because of the large scale and long duration of our contracts, unanticipated changes may occur, such as customer budget decisions, design changes, delays in receiving permits and cost increases, as well as delays in delivery of our products. We often are contractually subject to liquidated damages for late delivery. Unanticipated cost increases or delays may occur as a result of several factors, including:

- increases in the cost of commodities (primarily steel plate), labor or freight;

- unanticipated technical problems (for example, difficulties in designing products that integrate well with new generations of gas turbines);

- suppliers or subcontractors failure to perform (for example, substandard welding by a subcontractor), requiring modified execution plans or re-work.

Cost increases or overruns that we cannot pass on to our customers or our payment of liquidated damages under our contracts will lower our earnings. Increases in commodity prices may adversely affect our gross margins.

If we are unable to control the quality or timely production of products manufactured by our subcontractors, our reputation could be adversely affected and we could lose customers. If we are unable to recover any advance progress payments made to subcontractors, our profitability would be adversely affected.

We rely on subcontractors to manufacture and assemble a substantial portion of our products. Subcontractors account for a significant percentage of our manufacturing costs. The quality and timing of production by our subcontractors is not totally under our control. Our subcontractors may not always meet the level of quality control and the delivery schedules required by our customers. The failure of our subcontractors to produce quality products in a timely manner could adversely affect our reputation and result in the cancellation of orders for our products, significant warranty and repair costs and the loss of customers. Alternatively, we could be required to move subcontract manufacturing to other locations, resulting in increased costs.

In addition, we make advance progress payments to subcontractors in anticipation of their completion of our orders. We may be unable to recover those advances if a subcontractor fails to complete an order, which may adversely affect our profitability.

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Competition could result in decreased sales or decreased prices for our products and services.

We face and will continue to face significant competition for the sale of our products and services. Competition could result in a reduction in the demand for, or the prices that we can charge for, our products and services. Our success is dependent in large part on our ability to:

- anticipate or respond quickly to our customers needs and enhance and upgrade our existing products and services to meet those needs;
- continue to price our products and services competitively and find low-cost subcontractors that can produce quality products; and
- develop new products and services that are accepted by our customers and differentiated from our competitors offerings.

Our competitors may:

- develop more desirable, efficient, environmentally friendly or less expensive products;
- be willing to accept lower prices to protect strategic market positions or increase market share;
- be better able to take advantage of acquisition opportunities; or
- adapt more quickly to changes in customer requirements.

As demand for our products has decreased due to the world-wide economic slow-down, competitors have shown a willingness to accept lower prices to absorb their fixed costs. As a result of our competitors business practices, we may need to lower our prices and/or devote significant resources to marketing our products in order to remain competitive. Lower prices and/or higher costs would reduce our revenues and our profitability.

Our future revenues and operating results may vary significantly from reporting period to reporting period.

Our quarterly revenues and earnings have varied in the past and are likely to vary in the future. Our power generation equipment sales contracts stipulate customer-specific delivery terms which, coupled with other factors beyond our control, may result in uneven recognition of revenues and earnings over time. Customer-imposed delays can significantly impact the timing of revenue recognition. Due to our relatively large average contract size, our power generation equipment sales volume during any given period may be concentrated in relatively few orders, intensifying the magnitude of these fluctuations. Furthermore, some of our operating costs are fixed. As a result, we may have limited ability to reduce our operating costs in response to unanticipated decreases in our revenues or the demand for our products in any given reporting period. Therefore, our operating results in any reporting period may not be indicative of our future performance. Because we must make significant estimates related to potential costs when we recognize revenue on a percentage of completion basis, these costs may change significantly from reporting period to reporting period based on new project information. For example, if labor efficiency experienced on a project is lower than we estimated at the outset of the project, the costs incurred on the project will increase and the percentage of completion may be reduced from earlier estimates. In addition, most of our power generation equipment revenues are based on fixed-price contracts, and the relative profitability can vary significantly between contracts. As a result, our profitability can vary from reporting period to reporting period based on the specific contracts being recognized.

We may not be able to maintain or expand our business outside the United States because of numerous factors outside our control.

Our international operations are subject to a number of risks inherent in doing business outside the United States including:

labor unrest;

regional economic uncertainty;

political instability;

restrictions on the transfer of funds into or out of a country;

currency exchange rate fluctuations;

export duties and quotas;

expropriations;

domestic and foreign customs and tariffs;

current and changing regulatory environments;

potentially adverse tax consequences;

availability of financing;

unfavorable commercial terms and conditions; and

potential for adverse dispute resolution outcomes.

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These factors may result in a decline in revenues or profitability and could adversely affect our ability to maintain or expand our business outside the United States.

A substantial portion of our revenues is from sales of equipment for gas turbine power plants. During periods of declining construction of new gas turbine power plants, the market for our products is significantly diminished.

The demand for our products depends on the continued construction of gas turbine power generation plants. The power generation equipment industry has experienced cyclical periods of slow growth or decline. In periods of decreased demand for new gas turbine power plants, our customers may be more likely to decrease expenditures on the types of products and systems that we supply and, as a result, our future revenues may decrease. These projects typically require funding from a healthy credit market as well. As long as credit markets are tight, funding could be difficult to obtain therefore delaying or even cancelling these types of projects entirely. A rise in the price or a shortage in the supply of natural gas could affect the profitability or operations of gas turbine power plants, which could adversely affect our future revenues. These and other factors may temper demand for our products. If in a particular geographic area prices of natural gas are so high or the supply of natural gas is so limited as to make the construction of new gas turbine power plants uneconomical in that geographic area, we will not derive any future revenues from projects in that geographic region unless and until those factors are reversed.

Environmental laws and regulations have played a part in the increased use of gas turbine technology in various jurisdictions. These laws and regulations may change or other jurisdictions may not adopt similar laws and regulations. Changes in existing laws and regulations could result in a reduction in the building and refurbishment of gas turbine power plants. In addition, stricter environmental regulation could result in our customers seeking new ways of generating electricity that do not require the use of our products. Furthermore, although gas turbine power plants have lower emissions than coal-fired power plants, emissions from gas turbine power plants remain a concern and attempts to reduce or regulate emissions could increase the cost of gas turbine power plants and result in our customers switching to alternative sources of power.

Other current power technologies, improvements to these technologies and new alternative power technologies that compete or may compete in the future with gas turbine power plants could affect our sales and profitability. Any change in the power generation industry that results in a decline in the construction of new combined cycle power plants or a decline in the upgrading of existing simple cycle power plants to combined cycle power plants could materially adversely affect our sales.

A small number of major customers account for a significant portion of our revenues, and the loss of any of these customers could negatively impact our business.

We depend on a relatively small number of customers for a significant portion of our revenues. In 2009, two customers accounted for approximately 25% of our consolidated revenues and approximately 23% of our backlog at the end of the year. In 2008, two customers accounted for approximately 30% of our consolidated revenues and approximately 33% of our backlog at the end of the year. Other than their obligations under firm orders placed in our backlog, none of our customers have a long-term contractual obligation to purchase any material amounts of products or services from us. All of our firm orders contain cancellation provisions, which permit us to recover only our costs and a portion of our anticipated profit if a customer cancels its order. If a customer elects to cancel, we would not realize the full amount of future revenues included in our backlog. We expect to continue to depend upon a relatively small number of customers for a significant percentage of our revenues. Because our major customers represent a large part of our business, the loss of any of our major customers could negatively impact our business and results of operations. Several of our customers have the ability to internally source some of the products we manufacture. Any increase in this activity could reduce our sales.

The dollar amount of our backlog, as stated at any time, is not necessarily indicative of our future revenues.

When we receive a firm order for a project from a customer, it is added to our backlog. However, customers may cancel or delay projects for reasons beyond our control and we may be unable to replace any canceled orders with new orders. To the extent projects are delayed, the timing of our revenues could be affected. If a customer cancels an order, we may be reimbursed for the costs we have incurred. Typically, however, we have no contractual right to the full amount of the revenues reflected in our backlog contracts in the event of cancellation. In addition, projects may remain in our backlog for extended periods of time. Revenue recognition occurs over extended periods of time and is subject to unanticipated delays. Fluctuations in our reported backlog levels also result from the fact that we may receive a small number of relatively large orders in any given reporting period that may be included in our backlog. Because of these large orders, our backlog in that reporting period may reach levels that may not be sustained in subsequent reporting periods. Our backlog, therefore, is not necessarily indicative of our future revenues or of long-term industry trends.

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The success of our business is partially dependent upon maintaining our safety record.

Our ability to obtain new business and retain our current business, particularly in our Services Division, is partially dependent on our continuing ability to maintain a safety record that exceeds the industry average. If we fail to maintain superior safety procedures, or if serious accidents occur in spite of those safety procedures, our revenues and results of operations, particularly in our Services Division, could be materially and adversely affected.

We have been named as a defendant in asbestos personal injury lawsuits.

Since we emerged from bankruptcy on January 22, 2008 we have been named as a defendant in nine personal injury asbestos lawsuits, in each of which we are or were one of multiple defendants. Through the date on which we emerged from bankruptcy, approximately 25 asbestos personal injury lawsuits had been filed against our Deltak subsidiary, all of which were extinguished by the bankruptcy court s discharge order issued when we emerged from bankruptcy. Findings of liability on our part in any of three cases that were filed against us after we emerged from bankruptcy that remain unresolved could have an adverse effect on our financial position, results of operations or liquidity.

Efforts to increase our size through acquisitions will involve risks and could result in a material adverse effect on our business.

We intend to actively pursue additional acquisition opportunities, some of which may be material to our business and financial performance. We may not be able to grow our business in the future through acquisitions for a number of reasons, including:

- acquisition financing not being available on acceptable terms or at all;
- encountering difficulties identifying and executing acquisitions;
- increased competition for targets, which may increase acquisition costs;
- consolidation in our industry reducing the number of acquisition targets; and
- competition laws and regulations preventing us from making certain acquisitions.

In addition, there are potential risks associated with growing our business through acquisitions, including the failure to successfully integrate and realize the expected benefits of an acquisition. For example, with any past or future acquisition, there is the possibility that:

- the business culture of the acquired business may not match well with our culture;
- technological and product synergies, economies of scale and cost reductions may not occur as expected;
- management may be distracted from overseeing existing operations by the need to integrate acquired businesses;
- we may acquire or assume unexpected liabilities;

unforeseen difficulties may arise in integrating operations and systems;

we may fail to retain and assimilate employees of the acquired business;

we may experience problems in retaining customers; and

problems may arise in entering new markets in which we may have little or no experience.

These risks could have a material adverse effect on our business, financial condition and results of operations.

Compliance with environmental laws and regulations is costly, and our ongoing operations may expose us to environmental liabilities.

Our operations are subject to laws and regulations governing the discharge of materials into the environment or otherwise relating to the protection of the environment or human health and safety. We are subject to various U.S. federal statutes and the regulations implementing them, as well as similar laws and regulations at the state and local levels and in other countries in which we operate.

If we fail to comply with environmental laws or regulations, we may be subject to significant liabilities for fines, penalties or damages, or lose or be denied significant operating permits. For example, if employees of our Services Division accidentally release hazardous substances while working at a customer s facility, we may be subject to fines and costs of clean up as well as lawsuits by third parties. In addition, some environmental laws impose liability for the costs of investigating and remediating releases of hazardous substances without regard to fault and on a joint and several basis, so that in some circumstances we may be liable for costs attributable to hazardous substances released into the environment by others.

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A defect in our products could result in unanticipated warranty costs or product liability not covered by our insurance, which could adversely affect our financial condition or results of operations.

We generally provide warranties for terms of three years or less on our products. These warranties require us to repair or replace faulty products. Warranty claims could result in significant unanticipated costs. The need to repair or replace products with design or manufacturing defects could also temporarily delay the sale of new products and adversely affect our reputation.

In addition, we may be subject to product liability claims involving claims of personal injury or property damage. The sale and servicing of complex, large scale equipment used in a variety of locations and climates, and integrating a variety of manufactured and purchased components entails an inherent risk of disputes and liability relating to the operation and performance of the equipment and the health and safety of the workers who operate and come into contact with the machinery. Because our products are used primarily in power plants, claims could arise in different contexts, including the following:

- fires, explosions and power surges that can result in significant property damage or personal injury; and

- equipment failure that can result in personal injury or damage to other equipment in the power plant.

For example, a failure of a filter house provided by us could result in significant damage to costly precision components of the gas turbine generator that takes in conditioned air from the filter house. This, in turn, could cause the owner of the gas turbine to seek to recover significant damages from us. The insurance policies we maintain to cover claims of this nature are subject to deductibles and recovery limitations as well as limitations on contingencies covered, and we may therefore suffer losses from these claims for which no insurance recovery is available.

Expiration of the Price-Anderson Act s indemnification authority could have adverse consequences on our Services Division.

We provide services to the nuclear industry through our Services Division. The Price-Anderson Act promotes the nuclear industry by offering broad indemnification to commercial nuclear power plant operators and Department of Energy (DOE) for liabilities arising out of nuclear incidents at power plants licensed by the Nuclear Regulatory Commission and at DOE nuclear facilities. That indemnification protects not only the NRC licensee or DOE prime contractor, but also others like us who may be doing work under contract or subcontract for a licensed power plant or under a DOE prime contract. To date, there has been no occasion for a determination whether the Price-Anderson Act s indemnification provisions apply to all nuclear liabilities that might be incurred by a radioactive materials cleanup contractor. The recently enacted Energy Policy Act extended the Price-Anderson Act for an additional 20 years. A problem related to our provision of services at a nuclear facility could lead to a damage claim against us as to which we might not be entitled to indemnification. In addition, any well-publicized problem with those services, whether actual or perceived, could adversely affect our reputation and reduce demand for our services.

Our revenues would be adversely affected if we are unable to protect the proprietary design software programs that we use in our business.

We have developed several proprietary software programs and data to help us design our products. Our ability to protect our proprietary rights to these programs and this data is important to our success. We protect these rights through the use of internal controls, confidentiality and non-disclosure agreements and other legal protections. The legal protections afforded to our proprietary rights and the precautions we have taken may not be adequate to prevent misappropriation of our proprietary rights. We generally enter into non-disclosure and confidentiality agreements with our employees and subcontractors with access to sensitive design software and technology. However, these contractual protections do not prevent independent third-parties from developing functionally equivalent or superior technologies, programs, products or professional services. Third-parties may also infringe upon or misappropriate our proprietary rights and use them to develop competing products. In addition, the laws and enforcement mechanisms of some foreign countries do not protect proprietary rights to the same extent as do United States laws. Our inability to protect our proprietary rights and enforce intellectual property rights through infringement or other enforcement proceedings could have a material adverse effect on our business, financial condition and results of operations.

If we were required to commence legal actions to enforce our intellectual property or proprietary rights or to defend ourselves against claims that we are infringing on the intellectual property or proprietary rights of others, we could incur substantial losses and/or costs and divert management s attention from operations.

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A failure to attract and retain employees who fill key requirements of our business may make it difficult to sustain or expand operations.

We must attract and retain highly qualified, experienced mechanical, design, structural and software engineers, service technicians, marketing and sales personnel and other key personnel to expand our operations. If we are unable to attract and retain necessary personnel, we may not be able to sustain or expand our operations.

Our revenues may fall sharply in times of general economic contraction and will not necessarily rise in tandem with general economic expansion.

Orders for new electrical power generation capacity are placed by our customers with long lead times. Consequently, our bookings and revenues may rise or fall sharply as total industry orders tend to follow pronounced cycles of general expansion and contraction. During a contraction phase, limited investment in new projects, deferrals of planned projects and project cancelations may significantly reduce our potential recognition of revenues and profits. At the end of an expansion phase, the existence of excess capacity will negatively affect power prices which results in a reduction in new orders. In addition to being cyclical in nature, our domestic revenues do not correlate precisely with changes in actual or forecasted new capacity due to timing differences in revenue recognition.

Demand for our products and services is cyclical and vulnerable to economic slowdowns and reductions in private industry and government spending. If adverse economic conditions continue or deteriorate further, then our revenues, profits and our financial condition may be adversely affected.

The industries we serve historically have been, and will likely continue to be, cyclical in nature and vulnerable to general slowdowns in the domestic and international economies. Consequently, our results of operations have fluctuated and may continue to fluctuate depending on the demand for products and services from these industries.

Due to the continued economic slowdown, many of our clients may face budget shortfalls or may delay capital spending that may decrease the overall demand for our products and services. Our clients may find it more difficult to obtain project financing due to limitations on the availability of credit and other uncertainties in the global credit markets. In addition, our clients may demand better pricing terms and their ability to timely pay our invoices may be affected by the continued economic slowdown. If private industry and government spending are reduced, then our revenues, net income and overall financial condition may be adversely affected.

Systems and information technology interruption could adversely impact our ability to operate.

We depend on our information technology systems for many aspects of our business. Our business may be adversely affected if our systems are disrupted or if we are unable to improve, upgrade, integrate or expand our systems to meet our changing needs. Any damage, delay or loss of critical data associated with our systems may delay or prevent certain operations and may materially adversely affect our financial condition, results of operations and cash flows.

The supply and cost of materials we use in manufacturing our products fluctuates and could increase our operating costs.

Local shortages of steel plate sometimes arise and it is possible that an adequate supply of steel will not continue to be available in all locations on terms acceptable to us. The materials we use in our products are subject to price fluctuations that we cannot control. Changes in the cost of raw materials can have a significant effect on our gross margins. Rapid increases in material prices are difficult to pass through to customers. If we are unable to pass on these higher costs, our results of operations and financial condition could decline.

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Risk Factors Related to Our Liquidity and Capital Resources

Volatility and uncertainty of the credit markets may negatively impact us.

We intend to finance our existing operations and initiatives with existing cash and cash equivalents, investments, cash flows from operations and potential borrowings under our Credit Facility. If adverse national and international economic conditions continue or deteriorate further, it is possible that we may not be able to fully draw upon our existing Credit Facility and we may not be able to obtain new financing on favorable terms. In addition, continued deterioration in the credit markets could adversely affect the ability of many of our customers to pay us on time and the ability of many of our suppliers to meet our needs on a competitive basis. If we cannot access necessary additional funds on acceptable terms, our business and operations may be negatively impacted.

Our inability to obtain adequate surety bonding or letters of credit could reduce our ability to bid on new work, which could have a material adverse effect on our future revenues and business prospects.

In line with industry practice, we are often required to provide performance and surety bonds to clients and may be required to provide letters of credit. These bonds and letters of credit provide credit support for the client if we fail to perform our obligations under the contract. If security is required for a particular project and we are unable to obtain a bond or letter of credit on terms commercially acceptable to us, we may not be able to pursue that project. In addition, bonding may be more difficult to obtain in the future or may only be available at significant additional cost as a result of general conditions that affect the insurance and bonding markets. Surety bonds and letters of credit may cease to be available to us on commercially reasonable terms.

We are vulnerable to reductions in our liquidity because of the capital-intensive nature of our business.

Our operations could require us to utilize large sums of working capital, sometimes on short notice and sometimes without assurance of recovery of the expenditures. Circumstances or events that could create large cash outflows include a surge in orders for power generation equipment that require working capital for execution, losses resulting from fixed-price contracts, environmental liabilities, litigation risks, unexpected costs or losses resulting from acquisitions, contract initiation or completion delays, client payment problems and product liability claims. If we encounter significant working capital requirements as a result of these or other factors, we may not have sufficient liquidity or the credit capacity to meet all of our cash needs and this could have a material adverse effect on our operations.

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The restrictions and covenants contained in our Credit Facility limit our ability to borrow additional money, sell assets and make acquisitions. Compliance with these restrictions and covenants may limit our ability to implement elements of our business strategy.

Our Credit Facility contains a number of significant restrictions and covenants that may pose a constraint to us by limiting our ability and that of our subsidiaries to:

- borrow money or make capital expenditures;
- incur liens;
- pay dividends or make other restricted payments;
- merge or sell assets;
- enter into transactions with affiliates; and
- make acquisitions.

In addition, our Credit Facility contains other restrictive covenants, including covenants that require us to maintain specified financial ratios, including leverage, fixed charges coverage and minimum liquidity. The facility includes mandatory repayment provisions that will require us to repay our indebtedness with proceeds from certain asset sales, certain debt issuances and certain insurance casualty events. The facility further includes an excess cash flow sweep provision that is based on annual operating results and changes in working capital requirements among other sources or uses of cash.

If we are unable to remain in compliance with our financial covenants currently in effect under our Credit Facility or obtain additional amendments or waivers from our lenders, we may be forced to reduce or delay capital expenditures and business acquisitions, sell assets, restructure or refinance our indebtedness, decline certain business opportunities from customers or seek additional capital.

If we were required to write down our goodwill or long-lived assets, our results of operations and stockholders equity could be materially adversely affected.

We have approximately $80.4 million of goodwill recorded on our consolidated balance sheet as of December 31, 2009. Goodwill represents the excess of the aggregate purchase price over the fair value of the identifiable net assets acquired in a business combination. We are required to review goodwill for impairment at least annually in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 350, *Intangibles Goodwill and Other*, using a two-step impairment test to identify potential goodwill impairment and measure the amount of a goodwill impairment loss. The first step of the test compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of the impairment loss, if any. Both steps of goodwill impairment testing involve significant estimates. Long-lived assets, such as property and equipment and intangible assets, are evaluated for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable through the estimated future cash flows from the use of these assets. If we were required to write down our goodwill or long-lived assets, our results of operations and financial position could be materially adversely affected.

We are exposed to market risks from changes in interest rates and foreign currency exchange rates.

We are subject to market risk exposure related to changes in interest rates and from fluctuations in foreign currency exchange rates. Portions of our operations are located in foreign jurisdictions and a portion of our billings is paid in foreign currencies. Changes in foreign currency exchange rates or weak economic conditions in foreign markets could therefore cause fluctuations in those revenues derived from foreign operations. For example, a decrease in the value against the U.S. dollar of the foreign currency we receive for a project as to which a significant portion of our costs are incurred in U.S. dollars would adversely affect our revenues, as expressed in U.S. dollars, and our net income from that project. In addition, sales of products and services are affected by the value of the U.S. dollar relative to other currencies. Changes in foreign currency rates can also affect the costs of our products purchased or manufactured outside the United States. Changes in interest rates or foreign currency exchange rates could materially adversely affect our results of operations and financial position.

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Risk Factors Related to Our Common Stock and Being a Public Company

Fluctuations in the price of our common stock or lack of an active public trading market could make it difficult for our stockholders to sell their stock at desirable prices.

We have applied to list our common stock on the NASDAQ Global Market (NASDAQ) in connection with the registration of our common stock with the SEC. It is possible that our application will not be granted. If our common stock fails to qualify for initial or continued listing on NASDAQ, it may be more difficult for our stockholders to find purchasers for their shares of our common stock. An active public market for shares of our common stock may not develop or may not be maintained. The market price of our common stock may fluctuate significantly as a result of quarterly variations in our operating results, changes in the market s expectations about our operating results and other factors. Fluctuations in the price of our common stock or lack of an active trading market for our common stock could make it more difficult for our stockholders to sell their stock at desirable prices.

Our recently implemented reverse stock split could have unintended adverse results.

On June 30, 2010, we filed an amendment to our Certificate of Incorporation to implement a 1-for-9 reverse stock split of all outstanding shares of our common stock. We effected the reverse stock split in order to satisfy the minimum price per share requirement for listing our stock on the NASDAQ Global Market. The following are some of the possible disadvantages or risks of a reverse stock split:

- The reduced number of shares of our common stock resulting from a reverse stock split could adversely affect the liquidity of our common stock.
- A reverse stock split may leave many stockholders with one or more odd lots, which are stock holdings in amounts of less than 100 shares of our common stock. These odd lots may be more difficult to sell than shares of common stock in even multiples of 100.
- The market price per share of our common stock after the reverse stock split may not increase in proportion to the reduction in the number of shares of our common stock outstanding before the reverse stock split.
- The total market capitalization of our common stock after the proposed reverse stock split may be lower than the total market capitalization before the proposed reverse stock split.
- The per share price of our common stock after the reverse split might not be high enough to meet the minimum per share price requirement for listing on NASDAQ.
- The reverse stock split may not result in a per share price that will attract institutional investors or investment funds and the share price may not satisfy the investing guidelines of institutional investors or investment funds. As a result, the trading liquidity of our common stock may not necessarily improve.

Being a public company will increase our administrative costs.

As a result of the registration of our common stock on this Form 10, we will become a public reporting company. In complying with the Sarbanes-Oxley Act of 2002 and other rules implemented by the SEC, we will incur significant legal, accounting and other expenses that we did not incur as a private company. For example, we will adopt additional internal controls and disclosure controls and procedures, we may pay higher rates for director and officer liability insurance, and we will incur internal and external costs to prepare and distribute periodic public reports in compliance with our obligations under the securities laws. These additional costs will include, for example, fees to consultants and independent auditors to analyze, document and test internal controls to ensure compliance with Sarbanes-Oxley.

Provisions in our certificate of incorporation and by-laws could discourage a change of control that our stockholders may prefer.

We have elected in our certificate of incorporation to be governed by the Delaware merger moratorium statute and our by-laws contain advance notice requirements that our stockholders must meet before submitting proposals or director nominations to be considered at stockholder meetings. These provisions may have the effect of delaying, deterring or preventing a change in our control. These provisions could also impede a transaction in which our stockholders might receive a premium over the then-current market price of our common stock and our stockholders ability to approve transactions that they consider in their best interests.

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Item 2. Financial Information.

Selected Financial Data

The following table provides selected consolidated financial data for the periods shown. The data for the last four years (2009 through 2006) has been derived from our audited consolidated financial statements. The data for 2005 has been derived from our unaudited consolidated financial statements. The financial data for the interim periods ending March 31, 2010 and 2009 have been derived from our unaudited consolidated financial statements for those dates and periods. The unaudited condensed consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and, in our opinion, reflect all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for those periods. Our results are not are not necessarily indicative of future performance or results of operations. All of the data in the table should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations, below in this Item 2, and our consolidated financial statements and related notes included in this Form 10.

	Years Ended December 31,					Three Months Ended March 31,	
	2009	2008	2007	2006	2005	2010	2009
(In thousands, except per share data)			(Debtor-in-Possession)		(unaudited)	(unaudited)	
Statement of Operations							
Total revenues	$ 540,610	$ 556,764	$ 403,418	$ 357,398	$ 311,446	$ 157,150	$ 125,974
Gross profit	80,425	99,980	72,490	36,946	18,983	25,257	26,230
Gross profit percentage	15%	18%	18%	10%	6%	16%	21%
Operating expenses	46,664	50,418	45,179	45,365	47,797	10,859	10,524
Interest expense	9,667	11,667	10,057	9,615	4,789	2,157	2,669
Reorganization items, (beginning 2006)	1,030	23,574	33,102	26,287		506	(132)
Income tax expense	5,282	3,151	5,121	3,453	2,853	1,629	1,153
Operating income (loss)	17,782	11,170	(20,969)	(56,742)	(36,456)	10,106	12,016
Income from discontinued	10,105	23,668	6,028			1,059	618
Non-controlling interest					(127)		
Net income (loss)	$ 27,887	$ 34,838	$ (14,941)	$ (56,147)	$ (36,329)	$ 11,165	$ 12,634
Earnings (Loss) Per Share:							
Basic	$ 1.84	$ 2.43	$ (2.84)	$ (10.62)	$ (6.84)	$ 0.73	$ 0.84
Diluted	$ 1.79	$ 2.39	$ (2.84)	$ (10.62)	$ (6.84)	$ 0.70	$ 0.83
Common shares outstanding:							
Weighted-average shares outstanding							
Basic	15,124	14,365 [1]	5,262	5,267	5,273	15,230	14,993
Diluted	15,566	14,593 [1]	5,262	5,267	5,273	16,043	15,254
Balance Sheet							
Current assets	$ 215,012	$ 184,800	$ 163,669	$ 138,596	$ 137,371	$ 180,371	$ 191,218
Total Assets	329,220	301,039	275,881	269,374	274,701	293,705	306,714
Current liabilities	148,810	115,132	143,985	98,135	108,932	104,222	110,373
Liabilities subject to compromise (beginning 2006)	541	604	122,435	126,452		460	584
Long-term debt (including current portion)	65,325	85,000	20,000	20,000	88,394	24,633	83,750
Stockholders equity (deficit)	$ 136,478	$ 105,273	$ (205) [2]	$ 13,946	$ 64,992	$ 146,876	$ 116,169

[1] Pursuant to our Bankruptcy Plan of Reorganization, all outstanding equity interests in the Company were canceled as of January 22, 2008. Each holder of an equity interest as of November 6, 2007 received a non-transferable, non-certificated right to purchase up to its pro rata share of the new common stock in a rights offering that commenced on November 6, 2007 and expired on December 13, 2007. As a result, on January 22, 2008, we issued 14,744,009 shares of new common stock (as adjusted for the 1-for-9 reverse stock split of our shares effective June 30, 2010).

(2) Effective January 1, 2007, the Company adopted ASC 740, *Income Taxes*, resulting in a cumulative effect of a change in accounting principle of $1.3 million.

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

Statements we make in the following discussion that express a belief, expectation or intention or otherwise are not limited to recounting historical facts are forward-looking statements that are subject to various risks, uncertainties and assumptions. Our actual results, performance or achievements, could differ materially from those we express in the following discussion due to a variety of factors, including the risks and uncertainties we have noted under the headings Cautionary Statement Regarding Forward Looking Statements and Risk Factors in Items 1 and 1A of this registration statement.

The following discussion should be read in conjunction with our consolidated financial statements and related notes included in this Form 10.

Overview

We have two reportable segments: our Products Division and our Services Division. Over the last three years, during the first of which we were still under bankruptcy protection, we have generated significant cash through the operation of these two divisions. Over those same three years we have experienced significant fluctuations in revenues, gross profits and operating results both on a consolidated basis and, to a greater extent, on a divisional basis. These fluctuations result from a number of factors including general economic conditions, changes in industrial demand for power, changes in the relative share of power production captured by different technologies, and changes in our product mix and our services mix that are dependent on the level and timing of customer awards of new business. In general, the business of our Products Division tends to follow general economic trends to a greater degree than the business of our Services Division which is more stable across business cycles.

Material Industry Trends

Products Division. The worldwide financial crisis starting in late 2008 resulted in reduced funding for gas turbine projects in 2009 with many projects either decreased in scope or delayed. Because our revenue from sales of auxiliary power equipment is highly dependent on the installation of new gas turbines, this had a significant impact on our revenues in 2009 and the impact continues into 2010.

Industrial demand for power in the United States declined in 2008 and 2009, marking the first time in over 50 years that power consumption in the United States decreased for two consecutive years. As power consumption begins to increase, we believe that demand for gas-fired power generation plants will increase due to their relatively quick construction times, low capital costs and low carbon emissions as compared to other forms of fossil-fueled power plants. While renewable energy sources could reduce future gas-fired power additions, we believe gas-fired power generation will continue to be the preferred choice for stand-by capacity to complement intermittent forms of renewable energy. We also believe that renewable energy sources still have a higher cost when compared to traditional forms of power generation. Economic recovery is typically accompanied by a rise in commodity price. In recent months we have seen substantial volatility in the commodity markets, which could have a significant impact on our costs.

Growth in international markets is expected to outpace domestic growth. In regions where natural gas is plentiful, we expect that gas-fired power generation will be the preferred choice for baseload power. In 2007, we experienced an increase in bookings and revenue due to an increase in world-wide demand, notably in the Middle East. However, this activity subsided once the worldwide economic crisis developed in late 2008. Many of those projects were delayed due to lack of project funding. In recent months we have seen an increase in the number of requests for quotes which may be a sign of a stabilizing market.

Our sales of heat recovery equipment are highly dependent on the oil and gas refining industry and mid-sized gas turbine installations for cogeneration and power generation. The worldwide financial crisis has resulted in decreased demand for refined petroleum products which, in turn, has reduced capital expenditures in the industry. Uncertainty surrounding climate change legislation has further delayed many projects.

Services Division. Demand for third party plant maintenance services has been positively impacted by the aging infrastructure of nuclear power generation facilities in the United States and the increasing tendency of plant owners electing to outsource maintenance as a means of reducing fixed costs. Prospects for construction of new nuclear power plants in the United States are gaining momentum for the first time in more than thirty years. However, the maintenance service customer base is currently mature and, to date, the number of nuclear sites has remained unchanged. Consolidation in the industry has also reduced the number of maintenance bid opportunities available to us and our competitors.

The demand for discretionary specialty services has remained relatively flat during 2009 due in part to capital budget constraints resulting from the current economic environment. Much of the customer base in this market operate in sectors that are flat or declining, such as pulp and paper, conventional power or automotive. As a result, the growth opportunities for our specialty services are confined to niche service offerings, typically within our existing customer base. We see alliances with partners possessing design engineering capabilities as presenting opportunities for us in the engineering, procurement and construction market. As more projects enter the construction phase, much of the nuclear management talent will be absorbed and customers will seek to outsource to subcontractors to meet new build project demands. This should provide opportunities for us to capitalize on the depth and established capabilities of our Williams operations.

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Recent Developments

Products Division. Demand for our product lines has historically fluctuated with industrial demand for power. We experienced a decline in pricing in 2009 due to the decrease in demand for our products and increased competition. Pricing pressure has impacted both the original equipment manufacturer and retrofit customers of our Products Division. Our use of a network of third party fabricators to manufacture a large percentage of our auxiliary power equipment products allows us to avoid a high fixed cost infrastructure. Nevertheless, we implemented several cost reduction initiatives in 2009 in response to current market conditions:

- Reduction in force. We reduced headcount at our Plymouth, Minnesota; Tulsa, Oklahoma; Auburn, Massachusetts; and Monterrey, Mexico facilities to size the business for lower demand.

- Workweek reduction at manufacturing facilities. We implemented reduced workweeks at two of our three manufacturing facilities to retain core talent while reducing current labor costs.

- Reductions in controllable expenses. We reduced controllable expenses, including travel, freight, sales and marketing.

We believe that more favorable pricing levels will return when the demand for our products normalizes. We have retained the resources necessary to participate and execute in a robust market recovery.

Services Division. Our level of plant maintenance and modification work performed during refueling outages at nuclear power plants has remained stable, with period-to-period fluctuations resulting from the timing of particular outages within our customer base. In addition to our traditional plant maintenance business, during 2009 we aligned with complementary service providers to provide engineering, procurement and construction services for capital projects to a greater extent than in earlier years. We see this as an area of potential future growth that would allow us to reach new customers and markets and would provide cyclical offsets to the timing of refueling outages in our traditional maintenance business. During 2009 we also began offering valve maintenance and repair services and we continued to develop unique coating applications that enhance the value of the coatings and allow customers to obtain a longer coating life.

Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements and related notes requires us to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We have based our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions and conditions.

An accounting policy is considered to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the consolidated financial statements. We believe that the following critical accounting policies reflect the more significant estimates and assumptions used in the preparation of our consolidated financial statements. You should read the following descriptions of critical accounting policies, judgments and estimates in conjunction with our consolidated financial statements included under Page F-1 of this registration statement.

Revenue Recognition. We recognize revenues for auxiliary power equipment using the completed-contract method due to the short-term nature of the production period. Generally, these contracts specify separate phases of work that are frequently contracted separately. Under this method, we do not recognize any revenue until a contract phase is substantially complete, the customer takes risk of loss and title, and the installation is operating according to specifications or has been accepted by the customer. Changes in job performance, job conditions, estimated profitability and final contract settlements may result in revisions to job costs and income amounts causing final amounts to differ from those originally estimated.

We recognize revenues and costs of revenues for our heat recovery equipment products and for applicable fixed-price contracts provided through our Services Division on the percentage-of-completion method based on the percentage of actual hours incurred to date in relation to total estimated hours for each contract. We use this method because we believe expended labor hours is the best available measure of progress on these contracts. We expense pre-contract costs as incurred. Costs related to change orders are recognized when they are incurred. Change orders are included in total estimated contract revenues when they can be reliably estimated and it is probable that the adjustment will be approved by the customer or realized.

The percentage-of-completion method is only allowed under certain circumstances in which the revenue process is long-term in nature (often in excess of one year), the products sold are highly customized and a process is in place whereby revenues, costs and margins can be reasonably estimated. Our use of the percentage-of-completion method generally results in the recognition of reasonably consistent profit margins over the life of the contracts on which we use this method because we are able to produce reasonably dependable estimates of contract billings and contract costs. We use the level of profit margin that is most likely to occur on each separate contract. If we cannot precisely determine the most likely profit margin, we use the lowest probable level of profit in the range of reasonable estimates until the results can be estimated more precisely. Our estimate of the total hours to be incurred at any particular time has a significant impact on the revenue we recognize in the relevant period. Changes in job performance, job conditions, estimated profitability, final contract settlements and resolutions of claims may result in revisions to costs and income. We recognize the effects of any such revisions in the period in which the revisions are determined. We recognize estimated losses on uncompleted contracts in the period in which the losses first become apparent. Under percentage-of-completion accounting, we must make key judgments in areas such as percent complete, estimates of project revenues, costs and margin, estimates of total and remaining project hours and liquidated damages assessments. Any deviations from these estimates could have a significant positive or negative impact on our results of operations.

We recognize revenues for routine services that are not provided pursuant to fixed-price contracts when services are performed and the customer assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. Specifically, these routine service revenues are recognized as the services are performed based upon an agreed-upon price for the completed service or based upon the cost incurred and agreed upon hourly rates. On cost plus contracts, we recognize revenue as costs are incurred and we include in revenue the applicable mark up earned through the date the services are provided.

In the fourth quarter of 2006, operating with Bankruptcy Court approval, we initiated a wind down of Deltak s large-scale HRSG product line and caused Deltak to enter into completion agreements with certain HRSG customers to complete executory contracts for delivery of HRSG units. Some of the HRSG contracts under completion agreements were in a positive cash position as of the Chapter 11 filing date because aggregate collections of billings exceeded aggregate project costs incurred. Our recognition of this excess is deferred until the earnings process is considered completed upon satisfaction of performance milestones set forth in the completion agreements. We recognize the excess of collections of billings over aggregate project costs for these contracts as Deltak meets the performance milestones as specified for avoiding the liquidated damage claims.

Allowance for Doubtful Accounts. We generally establish an allowance for doubtful accounts when receivables are recorded and maintain the allowance at a level deemed appropriate based on loss experience and other factors affecting collectability.

Long-Lived Assets. In accordance with ASC 360-10-35, *Subsequent Measurement - Impairment or Disposal of Long-Lived Assets,* we group long-lived assets by legal entity for purposes of recognition and measurement of an impairment loss as this is the lowest level for which cash flows are independent. Long-lived assets, such as property, plant, and equipment, and purchased intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable according to ASC 360-10-05-4, *Impairment or Disposal of Long- Lived Assets*. If circumstances require a long-lived asset be tested for possible impairment, we first compare undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary. We have determined that no events or change in circumstances have occurred that indicate that the carrying amount of any of these long-lived assets, including goodwill, may not be recoverable. For a discussion of goodwill, see the following section.

Goodwill. The Company has made acquisitions in the past that included the recognition of goodwill, which was determined based upon previous accounting principles. Pursuant to ASC 350, *Intangibles-Goodwill and Other*, beginning January 1, 2009, the Company will record as goodwill the excess of the consideration transferred plus the fair value of any non-controlling interest in the acquiree at the acquisition date over the fair values of the identifiable net assets acquired.

Goodwill is not amortized, but instead tested for impairment at the reporting unit level on an annual basis or if an event occurs or circumstances change in a way to indicate that there has been a potential decline in the fair value of the reporting unit. We identify reporting units in accordance with ASC 350, *Intangibles Goodwill and Other*, and ASC 280, *Segment Reporting*, based on how we make operating decisions, assess performance, and allocate resources and on the availability of discrete financial information.

As required under ASC 360-10, we perform periodic impairment testing for all goodwill using a two-step impairment test. The first step of the test compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of the impairment loss, if any. During 2009, 2008 and 2007, we performed our annual impairment review of goodwill and concluded that the estimated fair value of each reporting unit substantially exceeded the related carrying value and therefore no impairment was recorded. We consider fair value to substantially exceed carrying value if the fair value is at least 110% of carrying value.

We determine fair values for each of our reporting units, Products and Services, using a combination of income and market approaches. For purposes of the income approach, fair value is determined based on the present value of estimated future cash flows, discounted at an appropriate risk-adjusted rate. We use our internal forecasts to estimate future cash flows and include an estimate of long-term future growth rates based on our most recent views of the long-term outlook for the business. Actual results may differ from those assumed in our forecast. We derive our discount rates by applying the capital asset pricing model (i.e., to estimate the cost of equity financing) and analyzing published rates for industries relevant to our reporting units. We use discount rates that are commensurate with the risks and uncertainty inherent in the reporting unit and in our internally developed forecasts. Valuations using the market approach reflect prices and other relevant observable information generated by market transactions involving comparable businesses.

Compared to the market approach, the income approach more closely aligns the reporting unit valuation to our specific business model, geographic markets and product and service offerings, as it is based on specific projections of the business. Required rates of return, along with uncertainty inherent in the forecasts of future cash flows, are reflected in the selection of the discount rate. Equally important, under this approach, reasonably likely scenarios and associated sensitivities can be developed for alternative future circumstances that may not be reflected in an observable market price. A market approach allows for comparison to actual market transactions and multiples. It can be somewhat more limited in its application because the population of potential comparables is often limited to publicly-traded companies where the characteristics of the comparative business and ours can be significantly different, market data is usually not available for divisions within larger conglomerates or non-public subsidiaries that could otherwise qualify as comparable, and the specific circumstances surrounding a market transaction (e.g., synergies between the parties, terms and conditions of the transaction, etc.) may be different or irrelevant with respect to our business. It can also be difficult under the current market conditions to identify orderly transactions between market participants in similar businesses. We assess the valuation methodology based upon the relevance and availability of data at the time of performing the valuation and weight the methodologies appropriately.

Changes in assumptions or estimates can materially affect the fair value measurement of a reporting unit, and therefore can affect the determination of whether an impairment exists. The following are key assumptions we use in making projections:

Business projections. We make assumptions about the demand for our products and services in the marketplace. These assumptions drive our planning assumptions for volume, mix, and pricing. We also make assumptions about our cost levels (e.g., capacity utilization, cost performance, etc.). These projections are derived using our internal business plans that are updated at least annually.

Long-term growth rate. A growth rate is used to calculate the terminal value of the reporting unit, and is added to the present value of the debt-free interim cash flows. The growth rate is the expected rate at which a reporting unit s earnings stream is projected to grow beyond the planning period.

Discount rate. When measuring possible impairment, future cash flows are discounted at a rate that is consistent with a weighted average cost of capital that we anticipate a potential market participant would use. Weighted-average cost of capital is an estimate of the overall risk-adjusted after-tax rate of return required by equity and debt holders of a business enterprise, which is developed with the assistance of external financial advisors.

The key assumptions that changed at December 31, 2009, compared to prior year were limited to changes in business projections which are based on management s view of current and future market conditions. As of December 31, 2008, management s view of market conditions, and demand for our products represented our best estimate based on information available at the time, including perspective on economic events in the preceding three-month period. At December 31, 2009, management s assessment of market conditions were influenced by the length and depth of the recession and its corresponding impact on demand for power generation equipment. The anticipated market decline lowered management s business projections for the Products Division resulting in a decline in the estimated fair value; however, the fair value remained substantially in excess of its carrying value.

The Service division was less affected by the market decline due primarily to the long-term nature of their contracts and the addition of new customers in 2009. As a result, management s business projections for Services showed an increase in overall net income as compared to prior year projections resulting in an increase in the estimated fair value of the division over 2008.

***Economic projections*.** Assumptions regarding general economic conditions are included in and affect our assumptions regarding industry sales and pricing estimates for our products. These macro-economic assumptions include, but are not limited to, industry sales volumes, inflation, interest rates, prices of raw materials (i.e., commodities), and foreign currency exchange rates.

Income Taxes. We account for income taxes using the asset and liability method under which deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. We measure deferred tax assets and liabilities using enacted tax rates expected to be applied to taxable income in the years in which those differences are expected to be recovered or settled. We recognize in income the effect of a change in tax rates on deferred tax assets and liabilities in the period that includes the enactment date.

FASB requires companies to assess whether valuation allowances should be established against their deferred tax assets based on the consideration of all available evidence, using a more likely than not standard. In making such assessments, significant weight is given to evidence that can be objectively verified. A company s current or previous losses are given more weight than its future outlook, although we do consider future taxable income projections, ongoing tax planning strategies and the limitation on the use of carryforward losses in determining valuation allowance needs. We establish valuation allowances for our deferred tax assets if, based on the available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

As required by FASB, we have evaluated our deferred tax assets each reporting period, including an assessment of our cumulative income over the prior three-year period, to determine if valuation allowances were required. We had a cumulative tax loss of $86.9 million for income tax years 2005, 2006 and 2007. Due to the significant negative factor of our three-year historical cumulative loss, a full valuation allowance was required for 2008. In 2008, taxable income was generated that utilized $28.1 million of the net operating loss carryover but a three-year historical cumulative loss remained of $58.8 million. This cumulative loss combined with uncertain market and economic conditions resulted in the full valuation allowance remaining in effect for 2009.

Valuation allowances related to deferred tax assets can be affected by changes to tax laws, changes to statutory tax rates and future taxable income levels. If we were to determine that we would not be able to realize all or a portion of our deferred tax assets in the future, we would reduce such amounts through a charge to income in the period in which that determination is made. Conversely, if we were to determine that we would be able to realize our deferred tax assets in the future in excess of the net carrying amounts, we would decrease the recorded valuation allowance through an increase to income in the period in which that determination is made.

During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. As a result, we recognize tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognized when, despite our belief that our tax return positions are supportable, we believe that certain positions may not be fully sustained upon review by tax authorities. We believe that our accruals for tax liabilities are adequate for all open audit years based on our assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is determined to be different than the amounts recorded, those differences will impact income tax expense in the period in which the determination is made.

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Warranty Costs. We accrue estimated costs related to product warranty as the related revenue is recognized and included in cost of revenues. We estimate warranty costs based on past warranty claims and sales history. Our warranty terms vary by contract but generally extend for no more than three years after delivery or completion of services. We manage our exposure to warranty claims by having our field service and quality assurance personnel regularly monitor projects and maintain ongoing and regular communications with our customers.

Insurance. We self-insure a portion of our risk for health benefits and workers compensation. We maintain insurance coverage for other business risks including general liability insurance. We retain exposure to potential losses based on deductibles, coverage limits, and self-insured retentions. We maintain umbrella and excess liability coverage that generally provides $50 million of coverage for those instances in which our basic insurance coverage has been exhausted. Deductible / self-insured amounts on our various insurance coverages range from $10,000 per occurrence for fiduciary liability coverage to $100,000 per occurrence for health benefits (with a maximum self-insured aggregate of $2 million per year), to $500,000 per occurrence for worker s compensation liabilities (with a generally applicable maximum self-insured workers compensation loss of approximately $3 million per year). We charged approximately $5.7 million, $5.2 million and $4.7 million to expense in 2009, 2008 and 2007, respectively, with respect to health benefits and workers compensation claims incurred and related insurance premiums for excess claim coverage. Our reserves at December 31, 2009 and 2008 consist of estimated amounts unpaid for reported and unreported claims incurred. As of December 31, 2009, we had $5 million in letters of credit outstanding as security for possible workers compensation claims. Our accrual for all self-insured risk retention as of December 31, 2009 was $6.6 million.

Selected financial and operating data for our reportable business segments for the most recent three fiscal years, as well as comparative interim information for the three months ended March 31, 2010 and 2009, is summarized below. This information, as well as the selected financial data provided in this Item 2 and our Consolidated Financial Statements and related notes provided in Item 13 of this registration statement, should be referred to when reading our discussion and analysis of results of operations below:

Results of Operations for the Three Months Ended March 31, 2010 and 2009:

(In thousands)	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009	Variance 2009 to 2010 $	Variance 2009 to 2010 %
Product revenues	$ 35,054	$ 57,425	$ (22,371)	-39.0%
Service revenues	122,096	68,549	53,547	78.1%
Total revenues	157,150	125,974	31,176	24.7%
Cost of product revenues	26,324	39,966	(13,642)	-34.1%
Cost of service revenues	105,569	59,778	45,791	76.6%
Cost of revenues	131,893	99,744	32,149	32.2%
Gross profit	25,257	26,230	(973)	-3.7%
Selling and administrative expenses	10,859	10,524	335	3.2%
Interest expense	2,157	2,669	(512)	-19.2%
Reorganization expense (income)	506	(132)	638	-483.3%
Income tax expense	1,629	1,153	476	41.3%
Income from discontinued operations	(1,059)	(618)	(441)	71.4%
Net income	$ 11,165	$ 12,634	$ (1,469)	-11.6%

Three months ended March 31, 2010 compared to the three months ended March 31, 2009

Revenues

Product Revenues. Total Product revenues declined $22.3 million, or 39.0%, to $35.1 million for the three months ended March 31, 2010 compared to $57.4 million for the corresponding prior period in 2009. The decline resulted largely from the continued reduction in the industrial demand for power and in the availability of project financing, both occurring as a result of the worldwide recession and both contributing to a sharp reduction in shipments of gas-fired turbines by original equipment manufacturers. The decline was also in part due to downward pricing pressure resulting from decreased demand leading to reduced margins on lower volumes during the downward part of the economic cycle.

Service Revenues. Total Service revenues increased $53.6 million, or 78.1%, to $122.1 million for the three months ended March 31, 2010, compared to $68.5 million for the corresponding prior period in 2009. This increase resulted from $53.5 million in new capital projects that began in the second half of 2009 and continuing into 2010 and increased scope of work provided in the course of refueling outages for existing customers.

Cost of Revenues

Cost of Product Revenues. The cost of Product revenues declined $13.7 million, or 34.1%, to $26.3 million for the three months ended March 31, 2010, compared to $40.0 million for the corresponding prior period in 2009, due primarily to a $10.5 million reduction in costs resulting from a decline in revenue, $1.1 million as a result of decrease in warranty expense related to the decrease in revenues and $2.1 million decrease attributable to pricing pressure, decreasing margin, on projects awarded in this part of the cycle.

Cost of Service Revenues. The cost of Service revenues increased $45.8 million, or 76.6%, to $105.6 million for the three months ended March 31, 2010, compared to $59.8 million for the corresponding prior period in 2009. The increase is directly attributable to the increase in Service revenues. Cost of Service revenues is typically proportionate to changes in Service revenues since they are comprised almost entirely of variable labor.

Selling and Administrative Expenses

Selling and administrative expenses increased $0.4 million, or 3.2%, to $10.9 million for the three months ended March 31, 2010, compared to $10.5 million for the corresponding period in 2009. The increase resulted from a $0.4 million increase in professional fees related to our efforts to prepare the form 10 registration statement and comply with public reporting requirements.

Interest Expense

Interest expense declined $0.5 million, or 19.2%, to $2.2 million for the three months ended March 31, 2010, compared to $2.7 million for the corresponding period in 2009. The decline was primarily attributable to a $0.9 million decrease in the interest expense for the long-term debt facility due to principal payments that reduced the balance by $59.1 million at March 31, 2010 as compared to the balance at March 31, 2009. These principal payments included $8.7 million in mandatory amortization payments and payments totaling $50.4 million made in April 2009 ($14.8 million) and January 2010 ($15.0 million) and March 2010 ($20.6 million) in compliance with the annual excess cash flow sweep provision of our Credit Facility. This decrease was offset by a $0.4 million increase in letters of credit fees and amortization of debt issuance costs for the three months ended March 31, 2010 as compared to the corresponding period in 2009.

Reorganization Expense (Income)

Total reorganization expenses increased $0.6 million to $0.5 million for the three months ended March 31, 2010, compared to a credit of $0.1 million for the corresponding period in 2009. The increase is the result of a $0.4 million claim reduction in the first quarter of 2009, which did not occur in 2010, and a $0.2 million increase in the estimate of liabilities subject to compromise as of March 31, 2010.

Income Tax Expense

Income tax expense for interim periods is based on estimates of the effective tax rate for the entire fiscal year. The Company s income tax provision for the three months ended March 31, 2010 totaled $1.6 million, or 13.9% of pretax income, compared to $1.1 million, or 8.8% of pretax income, for the three months ended March 31, 2009. The effective income tax rate is based upon the estimated income for the year, the estimated composition of the income in different jurisdictions and discrete adjustments, if any, in the applicable quarterly periods for settlements of tax audits or assessments, and the resolution or identification of tax position uncertainties. For the three months ended March 31, 2010 and 2009, the effective income tax rates were lower than the federal statutory tax rate mainly due to the effects of operating in foreign jurisdictions with lower statutory tax rates and domestic valuation allowances.

Income from Discontinued Operations

Income from discontinued operations increased $0.5 million, or 71.4%, to $1.1 million for the three months ended March 31, 2010 compared to $0.6 million for the corresponding period in 2009. The increase was attributable to a $0.9 million increase in the amount of deferred revenue recognized on completion agreements from Deltak s legacy large-scale HRSG contracts and $0.4 million related to reduction in other expenses. As milestones contained within the completion agreements are met, deferred revenues are removed from the balance sheet and recognized as income from discontinued operations; these are non-cash events. At March 31, 2010, $2.1 million of the original $34.0 million remains as deferred revenue to be recognized on future completions.

Results of Operations for the years ended December 31, 2009, 2008 and 2007:

	Years Ended December 31,			Variance 2008 to 2009		Variance 2007 to 2008	
(In thousands)	2009	2008	2007	$	%	$	%
Product revenues	$ 193,150	$ 311,603	$ 208,085	$ (118,453)	-38.0%	$ 103,518	49.7%
Service revenues	347,460	245,161	195,333	102,299	41.7%	49,828	25.5%
Total revenues	540,610	556,764	403,418	(16,154)	-2.9%	153,346	38.0%
Cost of product revenues	150,137	239,447	159,796	(89,310)	-37.3%	79,651	49.8%
Cost of service revenues	310,048	217,337	171,132	92,711	42.7%	46,205	27.0%
Cost of revenues	460,185	456,784	330,928	3,401	0.7%	125,856	38.0%
Gross profit	80,425	99,980	72,490	(19,555)	-19.6%	27,490	37.9%
Selling and administrative expenses	46,664	50,418	45,179	(3,754)	-7.4%	5,239	11.6%
Interest expense	9,667	11,667	10,057	(2,000)	-17.1%	1,610	16.0%
Reorganization expense	1,030	23,574	33,102	(22,544)	-95.6%	(9,528)	-28.8%
Income tax expense	5,282	3,151	5,121	2,131	67.6%	(1,970)	-38.5%
(Income) loss from discontinued operations	(7,369)	(23,668)	5,170	16,299	-68.9%	(28,838)	-557.8%
(Gain) on disposal of discontinued operations	(2,736)		(11,198)	(2,736)	-100.0%	11,198	-100.0%
Net income (loss)	$ 27,887	$ 34,838	$ (14,941)	$ (6,951)	-20.0%	$ 49,779	-333.2%

Year ended December 31, 2009 compared to year ended December 31, 2008

Revenues

Product Revenues. Total Product revenues declined $118.5 million, or 38.0%, to $193.2 million for 2009 compared to $311.6 million for 2008. The decline resulted largely from reductions in the industrial demand for power and in the availability of project financing, both occurring as a result of the worldwide recession and both contributing to a sharp reduction in shipments of gas-fired turbines by original equipment manufacturers. The decline was also in part due to downward pricing pressure resulting from decreased demand leading to reduced margins on lower volumes during the downward part of the economic cycle. While we benefited from the run-off of our 2008 backlog, primarily related to Middle East projects, 2009 revenues from multi-turbine Middle East projects were $48.7 million below 2008 revenues from that market. Auxiliary power equipment volumes were also down $40.9 million in the U.S. and Canada and $8.7 million in international markets other than the Middle East. These declines were partially offset by increases of $10.6 million in Europe and $8.1 million in Asia. Total Product revenues for 2008 also included $20.2 million of revenue recognized in that year on one large HRSG project.

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Service Revenues. Total Service revenues increased $102.3 million, or 41.7%, to $347.5 million for 2009 compared to $245.2 million for 2008. The increase resulted from $71.0 million in capital project services performed for new customers in 2009 and $36.2 million of services due to increased scope of work provided in the course of refueling outages for existing customers. Specialty services for 2009 decreased $4.9 million from 2008 due to lower levels of activity within our customer base as a result of poor economic conditions, increases in the competitive environment resulting from the lower activity levels, and fewer capital projects in the fossil fuel energy sector.

Cost of Revenues

Cost of Product Revenues. The cost of Product revenues declined $89.3 million, or 37.3%, to $150.1 million for 2009 compared to $239.4 million for 2008. The primary components of the decline were a $94.6 million reduction in costs resulting from a decline in revenue, a $3.1 million reduction in warranty costs and a $2.3 million reduction in fabrication and material costs offset by a $10.7 million additional cost recognized related to one contract.

Cost of Service Revenues. The cost of Service revenues increased $92.7 million, or 42.7%, to $310.0 million for 2009 compared to $217.3 million for 2008. The increase is directly attributable to the $102.3 million increase in Service revenues. Our cost of Service revenues are typically proportionate to changes in Service revenues since they are comprised almost entirely of variable labor.

Selling and Administrative Expenses

Selling and administrative expenses declined $3.8 million, or 7.4%, to $46.6 million for 2009 compared to $50.4 million for 2008. The decline resulted from $2.5 million in cost reductions implemented within our Products Division attributable to reductions in force and control of operating expenditures. Additionally, we had a $1.3 million reduction in incentive compensation tied to financial performance. These savings were partially offset by increases in operating expenditures attributable to increased headcount and accounting support in our Services Division required in connection with an expanding volume of business in that division.

Interest Expense

Interest expense declined $2.0 million, or 17.1%, to $9.7 million for 2009 compared to $11.7 million for 2008. The decline was primarily attributable to a decrease in the interest expense for the long-term debt facility due to principal payments that reduced the balance by $19.70 million during 2009. These principal payments included $5.0 million in mandatory quarterly amortization payments and a payment of $14.7 million made in April 2009 in compliance with the annual excess cash flow sweep provision of our Credit Facility.

Reorganization Expense

Total reorganization expenses declined $22.5 million, or 95.6%, to $1.0 million for 2009 compared to $23.6 million for 2008 due primarily to a $14.3 million increase in the estimate of liabilities subject to compromise during 2008, which did not reoccur in 2009, and an $8.1 million decrease in professional expenses. Reorganization expenses recognized in 2008 included funding of a $34 million reserve with respect to Deltak and significant professional fees incurred in connection with the January 22, 2008 emergence from Chapter 11 protection.

Income Tax Expense

Income tax expense increased by $2.1 million, or 67.6%, to $5.3 million for 2009 compared to $3.2 million for 2008. Our effective tax rate was 15.9% for 2009, compared to 8.4% for 2008. The differences between our effective tax rate and the U.S. federal statutory rate of 35% principally result from the geographical distribution of our taxable income, fluctuations in the valuation allowance we use in connection with deferred tax assets, and permanent differences between the book and tax treatment of certain items. Our foreign earnings are normally taxed at lower rates than our U.S. earnings. We reduce our deferred tax assets in amounts determined by a valuation allowance when we are unable to conclude that we are more likely than not to realize a particular tax asset. Reductions we make in the valuation allowance reduce our effective tax rate. Conversely, if we increase the valuation allowance, the result is to increase our effective tax rate. Reductions we made to the valuation allowance reduced our effective tax rate by approximately 32% in 2009 and 15% in 2008. Permanent differences between book and tax treatment of certain items increased our effective tax rate by approximately 5% for 2009 and 2% for 2008. (In each case, these percentage differences are from the levels computed before taking into account the reductions in valuation allowance or the permanent differences, as the case may be.) At the end of 2009, we had approximately $50.9 million of federal and $44.6 million of state net operating loss carryforwards and $7.5 million of foreign tax credits available for possible use in future years.

Income (Loss) from Discontinued Operations

Income from discontinued operations declined $16.3 million, or 68.9%, to $7.4 million for 2009 compared to $23.7 million for 2008. The decline was attributable to a $16.9 million decrease in the amount of deferred revenue recognized on completion agreements from Deltak s legacy large-scale HRSG contracts, partially offset by $0.6 million for recoveries of bad debts during 2009. As milestones contained within the completion agreements are met, deferred revenues are removed from the balance sheet and recognized as income from discontinued operations; these are non-cash events. At December 31, 2009, only $3.0 million of an original $34.0 million remains as deferred revenue to be recognized on future completions.

Gain on Disposal of Discontinued Operations

Gain on disposal of discontinued operations was $2.7 million for 2009, resulting from a November 2009 release of escrow funds attributable to our October 2007 sale of Global Power Asia, Ltd. No comparable gain was recognized in 2008.

Year ended December 31, 2008 compared to year ended December 31, 2007

Revenues

Product Revenues. Product revenues increased $103.5 million, or 49.7%, to $311.6 million for 2008 compared to $208.1 million for 2007. The increase reflected a more robust overall market for auxiliary power equipment in 2008 as compared to 2007 and included $83.7 million attributable to an increase in multi-turbine power projects and $19.8 million of increased sales of mid-sized HRSG, aftermarket, and oil and gas related projects.

Service Revenues. Service revenues increased $49.8 million, or 25.5%, to $245.2 million for 2008 compared to $195.3 million for 2007. The increase reflected a $35.0 million increase in plant maintenance service revenues, of which $26.0 million was due to a larger number of refueling outages in 2008 than in 2007, and $9.0 million was due to scope expansions in particular refueling outage projects. Another $14.8 million of the increase was due to the addition of one large customer for Williams not related to plant maintenance.

Cost of Revenues

Cost of Product Revenues. Cost of Product revenues increased $79.7 million, or 49.8%, to $239.4 million for 2008 compared to $159.8 million for 2007. The increase was primarily due to an increase in revenue resulting in a $75.1 million increase in cost of revenues with gross margins remaining flat overall for the year and by a $4.6 million accrual for weld repair work on one contract.

Cost of Service Revenues. Cost of Service revenues increased $46.2 million, or 27.0%, to $217.3 million for 2008 compared to $171.1 million for 2007. The increase was directly attributable to an increased number of refueling outage projects and expanded scope on existing projects. Our cost of Service revenues are typically proportionate to changes in Service revenues. Gross margin percentage decreased year over year by one percent due to a slight change in the overall mix of services.

Selling and Administrative Expenses

Selling and administrative expenses increased $5.2 million, or 11.6%, to $50.4 million for 2008 compared to $45.2 million for 2007. The increase included $1.5 million of increased Products Division expenses from the addition of sales and application engineering personnel related to additional project requirements, a $0.5 million increase in Services Division expenses due to the write-off of a bad debt, and a $3.2 million increase in corporate expenses incurred to address regulatory compliance issues not previously addressed during our bankruptcy reorganization.

Interest Expense

Interest expense increased $1.6 million, or 16.0%, to $11.7 million for 2008 compared to $10.1 million for 2007. Interest expense increased by $8.7 million related to the new $90 million term loan pursuant to a new Credit Facility that we secured in connection with our emergence from Chapter 11 protection in January 2008 as well as an increase in interest expense related to bankruptcy of $0.4 million partially offset by $2.3 million decrease in interest resulting from the repayment of the $20 million debtor-in-possession Credit Facility upon our emergence from Chapter 11. In addition, amortization of debt issuance costs, included in interest expense, decreased by $2.3 million, interest resulting from letters of credit decreased by $2.5 million, and $0.4 million of additional interest income.

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Reorganization Expense

Reorganization expenses declined $9.5 million, or 28.8%, to $23.6 million for 2008 compared to $33.1 million for 2007. The decline reflects a $21.8 million decrease in professional expenses incurred in connection with our bankruptcy, partially offset by a $12.3 million increase in the estimate of liabilities subject to compromise. A substantial portion of the reorganization expenses incurred in 2008 were incurred in the first quarter of 2008 during which we emerged from Chapter 11 protection. See Bankruptcy Reorganization in Item 1 of this Form 10 for further information regarding our bankruptcy proceedings.

Income Tax Expense

Income tax expense declined by $2.0 million, or 38.5%, to $3.2 million for 2008 compared to $5.1 million for 2007. Our effective tax rate was 8.4% for 2008, compared to a negative 32.3% for 2007. The differences between our effective tax rate and the U.S. federal statutory rate of 35% principally result from the geographical distribution of our taxable income, fluctuations in the valuation allowance we use in connection with deferred tax assets, and permanent differences between the book and tax treatment of certain items. Our foreign earnings are normally taxed at lower rates than our U.S. earnings. We reduce our deferred tax assets in amounts determined by a valuation allowance when we are unable to conclude that we are more likely than not to realize a particular tax asset. Reductions we make in the valuation allowance reduce our effective tax rate. Conversely, if we increase the valuation allowance, the result is to increase our effective tax rate. Reductions we made to the valuation allowance reduced our effective tax rate by approximately 15% in 2008 and by approximately 91% in 2007. Permanent differences between book and tax treatment of certain items increased our effective tax rate by approximately 2% for 2008 and reduced our effective tax rate by approximately 14% for 2007. (In each case, these percentage differences are from the levels computed before taking into account the reductions in valuation allowance or the permanent differences, as the case may be.) At the end of 2008, we had approximately $59.3 million of federal and $47.3 million of state net operating loss carryforwards and $4.9 million of foreign tax credits available for possible use in future years.

Income (Loss) from Discontinued Operations

Income from discontinued operations increased $28.8 million to $23.7 million for 2008 compared to a net loss of $5.2 million for 2007. The increase included $22.8 million of income on deferred revenues recognized on completion agreements from the wind-down of Deltak s large-scale HRSG product line and $1.5 million attributable to other income from discontinued operations in Brazil and Italy. This income was partially offset by $0.7 million in expenses related to discontinued operations. None of the net losses experienced in 2007 were repeated in 2008.

Gain on Disposal of Discontinued Operations

No gain (or loss) was recognized on disposal of discontinued operations during 2008. We recognized an $11.2 million gain on the disposal of discontinued operations in 2007 from the sale of Global Power Asia, Ltd. in October 2007.

Liquidity and Capital Resources

We believe a strong balance sheet is a necessary pre-requisite for creating sustainable growth in stockholder value. During the strong part of an economic cycle, adequate liquidity can be used to finance organic growth; during the weak part of an economic cycle, adequate liquidity engenders discipline on price terms and risk assumption. Through all phases of recurring economic cycles, adequate liquidity facilitates all material transactions, whether with bankers, insurance providers, vendors or customers. Adequate liquidity also provides a cushion against operational challenges such as uninsured costs or claims or adverse litigation outcomes and opens up a broader scope and larger scale of strategic alternatives, including potential acquisitions. Our liquidity position as of December 31, 2009 was strong; we had $103.2 million of cash on our balance sheet and outstanding borrowings of $65.3 million on our $150 million Credit Facility.

Sources and Uses of Cash. Our primary sources of cash are net cash flow from operations and borrowings under our credit facilities. Our primary uses of cash are principal and interest payments on our indebtedness, capital expenditures, working capital and general corporate purposes.

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Cash and Cash Equivalents. Cash and cash equivalents increased $45.6 million, or 79.2%, to $103.2 million at December 31, 2009 from $57.6 million at December 31, 2008, primarily due to cash provided by operations which reflects the benefit of working capital expended in 2008 resulting in a higher volume of cash receipts during 2009. This increase was partially offset by the use of $19.7 million of cash to pay down term debt during 2009.

Credit Facility. We entered into a $150 million Credit Facility on December 20, 2007 to be effective upon our emergence from Chapter 11 protection. The Credit Facility, which remains in effect in amended form, consists of a $90 million term loan facility and a $60 million revolving letter of Credit Facility with a cash advance sub-facility. Upon emergence from Chapter 11 protection on January 22, 2008, we borrowed $90 million under the term loan and issued $30 million of letters of credit under the revolving letter of Credit Facility, with no borrowings under the cash advance sub-facility. We used the $90 million of proceeds from the term loan facility to retire our $20 million debtor-in-possession Credit Facility; pay claims and other obligations in connection with our emergence from bankruptcy as contemplated by our Plan of Reorganization; fund working capital and other corporate needs; and pay fees and expenses associated with the financing of the facilities. The agreement governing the Credit Facility was amended in July 2008 to increase the cash advance sub-facility from its original level of $10 million to its current level of $25 million and to modify the liquidity covenant under the agreement to make it more favorable to us. The agreement was further modified effective December 31, 2009 to modify a fixed charges coverage ratio under the agreement to provide us with greater operational flexibility.

The Credit Facility includes affirmative and negative covenants, including customary limitations on the creation of new indebtedness and liens and restrictions on transactions and payments as well as the following three specific financial covenants:

- Our maximum consolidated leverage ratio cannot exceed specified limits (3.75 at December 31, 2009; 3.75 at March 31, 2010). For these purposes, our consolidated leverage ratio on any date is the ratio of our consolidated debt to our domestic entity consolidated EBITDA for the four most recent quarters.

- Our consolidated fixed charge ratio must be maintained at least at specified minimum levels (1.4 at December 31, 2009; 1.45 at March 31, 2010). For these purposes, our consolidated fixed charge ratio is the ratio of (a) our domestic entity consolidated EBITDA for the four most recent quarters reduced by our consolidated capital expenditures during and by our tax provision for that period, to (b) our domestic entity consolidated fixed charges (consisting of interest and scheduled principal payments on indebtedness) for that period.

- We must maintain at all times a minimum level of liquidity ($10 million). For these purposes, our liquidity is equal to the sum of the amount available to our domestic entity to be borrowed (but not yet borrowed) as revolving loans under the Credit Facility plus all cash and cash equivalents held by our domestic entity.

If we fail to comply with any of these financial covenants, if we fail to comply with certain other customary affirmative or negative covenants, if we fail to make payments when due, or if we experience a change of control or become subject to insolvency proceedings, we will be in default under the Credit Facility. For these purposes, a change of control will occur if any one person or group obtains control of 35% of our outstanding stock or if continuing directors cease to constitute at least a majority of the members of our Board of Directors. If we default, the participating banks may restrict our ability to borrow additional funds under the Credit Facility, may require that we immediately repay all outstanding loans with interest and may require the cash collateralization of outstanding letter of credit obligations. We have given a first priority lien on substantially all of our assets as security for the Credit Facility. At March 31, 2010, and December 31, 2009, we were in compliance with all financial and other covenants under the Credit Facility.

Issuance of Common Stock and Warrants. Upon emergence from bankruptcy on January 22, 2008, we issued 5,266,885 shares of our new common stock to pre-petition equity holders in exchange for stock held before the bankruptcy on a one-for-one basis. On that same date, pursuant to the rights offering, a related private placement, and our Management Incentive Co-Investment Plan, we issued an additional 9,589,138 shares of our new common stock in exchange for $72.5 million in new equity capital. The applicable price of our common stock in the rights offering was $7.65 per share. Also on January 22, 2008 and in connection with the rights offering, we issued warrants to acquire 1,807,223 shares of our common stock at an exercise price of $7.9254 per share to the group of then-existing stockholders that backstopped the rights offering. The warrants expire on January 22, 2013. Through July 13, 2010, warrants were exercised to purchase 52,084 shares of our common stock in cashless transactions. We withheld 71,980 shares of common stock in connection with those exercises and the shares so withheld are now held by us as treasury shares. (All of the share and per share numbers in this Form 10 reflect the effect of the 1-for-9 reverse stock split of all of our outstanding shares of common stock that was effective June 30, 2010. For further information about the reverse split, see

Item 11 of this Form 10.)

Liabilities Subject to Compromise. Liabilities subject to compromise include unsecured and under secured liabilities, including secured liabilities as to which there is uncertainty as to whether the value of the collateral securing the liabilities is less than, equals or exceeds such liabilities, incurred before the petition date. As of December 31, 2009, we had $0.5 million of liabilities subject to compromise, down from $136.8 million of liabilities subject to compromise as of our January 22, 2008 exit from bankruptcy protection. These amounts represent our estimates of known or potential pre-petition date claims that are likely to be resolved in connection with the Chapter 11 filings. These claims remain subject to further adjustments. Adjustments result from negotiations, actions of the Bankruptcy Court, rejection of executory contracts, the determination as to the value of any collateral securing claims, proofs of claim or other events.

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Changes in cash and cash equivalents for the years ended December 31, 2009, 2008 and 2007 are as follows:

	Years Ended December 31,			Three Months Ended March 31,	
	2009	**2008**	**2007**	**2010**	**2009**
(In thousands)			**(Debtor-in-Possession)**	(unaudited)	
Operating activities:					
Statement of cash flow data:					
Cash flows provided by (used in):					
Operating activities	$ 63,388	$ (119,472)	$ 1,170	$ 1,418	$ 19,755
Investing activities	999	(3,397)	11,707	493	(701)
Financing activities	(19,740)	130,877	(1,925)	(40,996)	(1,315)
Effect of exchange rate changes on cash	940	(2,051)	413	(1,508)	(1,286)
Change in cash and cash equivalents	$ 45,587	$ 5,957	$ 11,365	$ (40,593)	$ 16,453

Operating Activities

We believe that cash generated from our operations and available to us under our Credit Facility will be adequate to meet our working capital requirements for the foreseeable future.

During the three months ended March 31, 2010, cash provided by our operating activities was $1.4 million. The principal sources of cash from operating activities were:

net income of $11.2 million, adjusted for non-cash charges of $1.6 million in depreciation and amortization, $0.4 million in stock based compensation, partially offset by $0.9 million in deferred revenue recognized on completion agreements.

a $19.5 million decrease in cash resulting from a decrease in billings in excess of costs and estimated earnings attributable to the expansion of scope and capital projects in our Services Division noted above.

a $12.9 million increase in cash resulting from a $10.4 million decrease in accounts receivable attributed to the collection of receivables from orders booked during a more robust part of the economic cycle and a $2.5 million decrease in other current assets and liability accounts.

a $4.3 million decrease in cash resulting from a $3.4 million decrease in billings in excess of costs and estimated earnings, a $2.6 million decrease in accounts payable due primarily to invoices paid at the end of the period; these were partially offset by a $1.7 million decrease in other accrued liabilities.

During 2009, cash provided by our operating activities was $63.4 million. The principal sources of cash from operating activities were:

net income of $27.9 million, adjusted for non-cash charges of $5.4 million for depreciation and amortization, a $3.8 million deferred income tax provision and $1.8 million in stock based compensation charges; these were partially offset by a $5.7 million in deferred revenue recognized on completion agreements and a $2.7 million gain recognized on the sale of discontinued operations.

a $24.6 million increase in cash resulting from a $24.4 million decrease in costs and estimated earnings in excess of billings and a $0.2 million decrease in inventories. The decrease in cost and estimated earnings in excess of billings is due primarily to the realization of work-in-process in 2009.

a $21.7 million increase in cash resulting from a $16.6 million increase in accounts payable caused by the expansion of scope and capital projects in our Services Division noted above, and $5.1 million increase in other accrued liabilities.

a $13.4 million decrease in cash resulting from a $6.3 million decrease in trade receivables due primarily to lower shipment volumes and a $7.1 million decrease in other current assets and liability accounts.

During 2008, cash used in operating activities was $119.5 million, primarily as a result of:

a $121.8 million decrease in cash resulting from a decrease in liabilities subject to compromise reflecting claims paid upon emergence from bankruptcy in January 2008.

a $17.4 decrease in cash resulting from an increase in accounts receivable due primarily to activity in the Products Division.

net income of $34.8 million, adjusted for non-cash charges of $5.3 million for depreciation and amortization, $1.1 million for deferred income tax provision, $1.4 million in stock based compensation offset by $21.2 million in deferred revenue recognized on completion agreements.

a $1.5 million decrease in cash reflecting changes in other current assets and liability accounts.

During 2007, cash provided by our operating activities was $1.2 million, primarily as a result of

a $16.9 million increase in cash resulting from a $11.4 million decrease in accounts receivable due primarily to increased collections from customers post bankruptcy proceedings, a $5.0 million decrease in inventory and a $0.5 million increase in other assets.

a $34.8 million increase in cash resulting from a $24.9 million increase in accounts payable primarily due to higher professional fees related to the emergence from bankruptcy and a $9.9 million increase in billings in excess of costs in estimated earnings.

a $4.9 million decrease in cash resulting from a $3.5 million decrease in other accrued liabilities and a $1.1 million decrease in liabilities subject to compromise reflecting the payment of claims associated with bankruptcy proceedings.

net loss of $14.9 million, adjusted for non-cash charges of $7.2 million for depreciation and amortization, a $3.7 million deferred income tax provision, a $1.9 million write off of debt issuance costs and $0.8 million in stock based compensation charges; these were partially offset by a $11.2 million gain recognized from the sale of discontinued operations and a $5.2 million in deferred revenue recognized on completion agreements.

Investing Activities

Cash provided by investing activities for the three months ended March 31, 2010 was $0.5 million, made up primarily of decreases in restricted cash offset by purchases of fixed assets.

Cash provided by investing activities in 2009 was $1.0 million, made up primarily of decreases in restricted cash and proceeds from the sale of discontinued operations offset by purchases of fixed assets.

Cash used in investing activities for 2008 was $3.4 million, made up primarily of purchases of fixed assets.

Cash provided by investing activities for 2007 was $11.7 million, made up primarily of proceeds from the sale of discontinued operations, offset partially by purchases of fixed assets and increases in restricted cash.

Financing Activities

Cash used in financing activities for the three months ended March 31, 2010 was $41.0 million, resulting from principal payments made on our Credit Facility which includes: $35.7 million payments on the excess cash flow provision calculated as of December 31, 2009 and $5 million pre-payment of the 2010 quarterly Amortization payments offset by $0.3 million in debt issuance costs incurred.

Cash used in financing activities for 2009 was $19.7 million, primarily the result of principal payments made on our Credit Facility.

Cash provided by financing activities for 2008 was $130.9 million, primarily the result of proceeds from the Credit Facility and issuance of common stock, offset partially by principal payments made on the debtor-in-possession Credit Facility and payments of debt issuance costs.

Cash used in financing activities for 2007 was $1.9 million, primarily the result of payments of debt issuance costs.

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Contractual Obligations

Contractual obligations at December 31, 2009:

	Payments due by period (in thousands)				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-Term Debt Obligations	$ 65,325	$ 40,692	$ 15,000	$ 9,633	$
Interest on Long-Term Debt [1]	7,217	2,701	4,321	195	
Capital Lease Obligations [2]	58	34	24		
Operating Lease Obligations [3]	3,407	1,365	1,687	355	
Total	$ 76,007	$ 44,792	$ 21,032	$ 10,183	$

(1) Refer to Notes 2 and 10 to the consolidated financial statements included in Item 15 Financial Statements and Exhibits of this Form 10. Amounts reflect an estimated interest rate of 8% on an outstanding balance of $65.3 million, adjusted for known principal payments, on our Credit Facility due January 2014.

(2) Outstanding capital leases at December 31, 2009 are primarily comprised of copier leases.

(3) Our operating leases are for leases for office and warehouse spaces.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk. Our primary market risk exposure is volatility of interest rates, primarily in the United States. We manage interest rates through the use of a combination of fixed and floating rate debt and interest rate swap agreements. We are subject to interest rate changes on our LIBOR-based variable interest $150 million Credit Facility. As of March 31, 2010 and December 31, 2009, respectively, we had $24.6 million and $65.3 million of outstanding borrowings on our Credit Facility. Per Amendment No. 3 to the Credit Facility, we made a principal payment in the amount of $20.0 million on January 9, 2010. On March 31, 2010, we made an annual excess cash flow sweep payment that reduced the outstanding principal balance to $24.6 million. To hedge against some of our variable interest rate exposure, on March 31, 2008, we entered into an interest rate swap agreement to convert $60 million of the Credit Facility from a variable rate of interest to a fixed rate of 2.97% per annum. That hedge agreement terminated in March 2010.

Interest rate sensitivity Based on our level of variable rate debt at March 31, 2010, a 50 basis point fluctuation in short-term interest rates would have an approximate $0.1 million impact on our expected pre-tax income on an annual basis. At December 31, 2009, a similar fluctuation would have an approximate $0.2 million impact on our expected pre-tax income.

Foreign Currency Exchange Rate Risk. We have foreign currency exposures related to buying and selling in currencies other than the U.S. dollar. To manage these risks, we enter into foreign currency forward agreements. At March 31, 2010 and at December 31, 2009, our most significant foreign currency exposures involved the Euro and the South Korean Won. Based on currency forward contracts in place at each of these dates, a 10% strengthening or weakening in the Euro from year-end exchange rates would decrease or increase our pretax income by approximately $0.4 million (at March 31, 2010) and $0.5 million (at December 31, 2009) and a similar change in the South Korean Won would decrease or increase our pretax income by approximately $0.3 million at either date.

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Item 3. Properties.

Our corporate offices are currently located in Tulsa, Oklahoma. The lease for this facility expires in October 2010. We have eight other U.S. facilities, as well as facilities in the Netherlands, Mexico and China. The following table sets forth information about our material facilities at December 31, 2009:

Location	Owned/Leased (Expiration Date)	Principal Uses
Products Division		
Heat Recovery Equipment		
Plymouth, Minnesota*	leased (8/30/10)	Administrative office
Plymouth, Minnesota	owned	Manufacturing and administrative office
Auxiliary Power Equipment		
Tulsa, Oklahoma	leased (8/31/11)	Manufacturing and administrative office
Auburn, Massachusetts	owned	Manufacturing and administrative office
Heerlen, The Netherlands	leased (7/31/13)	Administrative office
Monterrey, Mexico	owned	Manufacturing
Shanghai Waigaoqiao Free Trade Zone, China	leased (2/28/11)	Warehouse
Shanghai Xuhui District, China	leased (11/16/10)	Administrative office
Services Division		
Tucker, Georgia	leased (10/31/14)	Administrative office
Stone Mountain, Georgia	leased (4/30/10)	Warehouse
Lakeland, Florida	leased (month-to-month)	Administrative office
Roxboro, North Carolina	leased (month-to-month)	Administrative office

We consider each of our facilities to be in good operating condition and sufficient for its current use. Each of our owned domestic real properties is encumbered by a lien under our Credit Facility.

* The lease on this property was early terminated on February 28, 2010.

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Item 4. Security Ownership of Certain Beneficial Owners and Management.

Before we filed this Form 10, holders of more than five percent of our common stock have not been required to file ownership reports with the SEC and only one such holder, Brown Advisory Holdings Incorporated, has filed such a report with the SEC since our emergence from bankruptcy in January 2008. Based on stockholder voting at our April 22, 2010 annual meeting of stockholders, we believe it is likely that other entities hold more than five percent of our common stock. However, we do not know how many shares any of these other entities hold or whether they continue to hold those shares. We have included Brown Advisory Holdings Inc. in the following table and have reflected information set forth in the Schedule 13G that firm filed with the SEC. Except as indicated otherwise, the following table sets forth certain information, as of July 13, 2010, regarding the beneficial ownership of our common stock by each of our current directors, each of our executive officers named in the Summary Compensation Table, and all of our directors and executive officers as a group. (All of the share and per share numbers in this Form 10 reflect the effect of the 1-for-9 reverse stock split of all of our outstanding shares of common stock that was effective June 30, 2010. For further information about the reverse split, see Item 11 of this Form 10.)

	Common Stock Beneficially Owned	
Name of Beneficial Owner	**Number of Shares (#)**	**Percentage of Class (%)[1]**
Greater than Five Percent Holders		
Brown Advisory Holdings Incorporated[2]	1,848,336	12.0%
Directors:		
Carl Bartoli[3]	18,688	
Terence J. Cryan[3]	18,688	
Eugene I. Davis[3]	18,688	
Charles Macaluso[3]	18,688	
Frank E. Williams, Jr.[3]	26,325	
Executive Officers		
David L. Keller[4]	100,000	
John M. Matheson[5]	90,898	
David L. Willis[6]	159,878	1.0%
Dean J. Glover[7]	159,486	1.0%
Kenneth W. Robuck[8]	197,836	1.3%
Gene F. Schockemoehl[9]	197,314	1.3%
Directors and executive officers as a group (11 persons)[10]	1,006,489	6.4%

(1) As reported by such persons as of July 13, 2010 (except in the case of Mr. Matheson, where the beneficial ownership is based on information in our records as of the last day of his employment with us) and including, in the case of our executive officers, restricted share units which are treated for purposes of this table on an as-converted basis. Percentages are based on 15,467,604 shares of our common stock issued and outstanding, except as indicated otherwise and except where the person has the right to acquire shares within the next 60 days, which increases the number of shares beneficially owned by such person and the number of shares outstanding for determining that person s percentage of ownership. We have determined beneficial ownership in accordance with the rules of the SEC. Unless otherwise indicated in the footnotes to this table, each stockholder named in the table has sole voting and investment power with respect to all shares shown as beneficially owned by that stockholder. We have omitted percentages of less than 1% from the table.

(2) The shares listed are reported on Schedule 13G, filed with the SEC on February 17, 2010 with respect to holdings as of December 31, 2009. Brown Advisory Holdings Incorporated (Brown Advisory) is the beneficial owner of 1,848,366 shares of our common stock with regard to which it has shared investment power. The shares are owned by clients of NSB Advisors LLC, an investment advisor and a subsidiary of Brown Advisory. The Schedule 13G does not disclose, and we are unable to determine, who has the ultimate voting or investment control over the shares held by Brown Advisory. The mailing address of Brown Advisory is 901 South Bond Street, Suite 400, Baltimore, Maryland 21231.

(3) The 18,688 shares listed for each of our non-employee directors (other than Mr. Williams who joined our Board of Directors on October 13, 2009) were received as grants of restricted stock under our 2008 Directors Equity Incentive Plan. The 26,325 shares held by

Mr. Williams include 3,472 shares received as a grant of restricted stock under our 2008 Directors Equity Incentive Plan and 22,853 shares of our common stock that he has personally acquired, 9,363 of which shares are held by Williams Family L.P. with regard to which he has sole voting and shared investment power.

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(4) Mr. Keller is our President and Chief Executive Officer. He also serves on our Board of Directors. His beneficial ownership includes 79,167 restricted stock units and 20,833 shares of our common stock received upon the vesting of restricted stock units.

(5) Mr. Matheson, our former President, Chief Executive Officer and Director, resigned from all positions with us effective as of September 14, 2009.

(6) Mr. Willis beneficial ownership includes 125,075 restricted stock units and 34,803 shares of our common stock received upon the vesting of restricted stock units.

(7) Mr. Glover s beneficial ownership includes 99,352 restricted stock units, 33,618 shares of our common stock received upon the vesting of restricted stock units, 885 registered shares converted as part of our emergence from bankruptcy, and 17,087 purchased shares and 8,544 incentive shares issued under our Management Co-Investment Incentive Plan.

(8) Mr. Robuck s beneficial ownership includes 129,683 restricted stock units, 41,637 shares of our common stock received upon the vesting of restricted stock units, 885 registered shares converted as part of our emergence from bankruptcy, and 17,087 purchased shares and 8,544 incentive shares issued under our Management Co-Investment Incentive Plan.

(9) Mr. Schockemoehl s beneficial ownership includes 89,598 restricted stock units, 33,287 shares of our common stock received upon the vesting of restricted stock units, 48,798 registered shares converted as part of our emergence from bankruptcy, and 17,087 purchased shares and 8,544 incentive shares issued under our Management Co-Investment Incentive Plan.

(10) Represents beneficial ownership of our common stock held by our directors and executive officers as a group as of July 13, 2010. Includes 90,898 shares indicated in our records as being owned, as of the date on which he was last employed by us, by Mr. Matheson, our former President, Chief Executive Officer and Director, who resigned from those positions effective as of September 14, 2009.

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Item 5. Directors and Executive Officers.

Directors

The following table sets forth information regarding our current directors:

Charles Macaluso	Chairman of the Board
Carl Bartoli	Director
Terence Cryan	Director
Eugene I. Davis	Director
David L. Keller	Director
Frank E. Williams, Jr.	Director

Charles Macaluso, 66, has served as Chairman of our Board of Directors since January 2008. Since 1998, Mr. Macaluso has been a principal of Dorchester Capital, LLC, a management consulting and corporate advisory service firm focusing on operational assessment, strategic planning and workouts.

Mr. Macaluso currently serves as a director of the following companies: Global Crossing Ltd., a public company where he serves on the Audit Committee; Lazy Days RV SuperCenters, Inc., where he serves on the Audit Committee; GEO Specialty Chemicals, Inc., a private company where he serves as Chairman of the Board and a member of the Compensation Committee; Darling International Inc., a public company where he serves as Lead Director; Pilgrim s Pride Corporation, a public company; and Wellman Holdings, Inc., a private company where he serves as Chairman of the Board.

Director Qualifications. Mr. Macaluso is an invaluable member of our Board, having had a career focused on operational assessment, strategic planning, crisis management and turnaround advisory services, most recently with Dorchester Capital LLC. Dorchester Capital also has a significant commitment to representing the interests of investor groups as a member of the boards of directors at a diverse array of companies, and Mr. Macaluso brings with him a strong commitment to stockholders interests. He also has extensive executive and financial expertise. In addition, Mr. Macaluso brings significant board expertise, including service as Chairman on a number of public and private company boards and committees.