POTTER ROBERT G
Form 4
April 23, 2008

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
POTTER ROBERT G

(Last) (First) (Middle)

22 WEST FRONTAGE ROAD

(Street)

NORTHFIELD, IL 60093

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
STEPAN CO [SCL]

3. Date of Earliest Transaction (Month/Day/Year)
04/22/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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

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

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

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

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SEC 1474 (9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. D S (I

	Derivative Security				(A) or Disposed of (D) (Instr. 3, 4, and 5)					
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option	$ 41.51	04/22/2008	A		1,069		04/22/2010	04/21/2016	Common Stock	1,069

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
POTTER ROBERT G 22 WEST FRONTAGE ROAD NORTHFIELD, IL 60093	X			

Signatures

Kathleen O. Sherlock, by Power of Attorn ey for Robert G. Potter	04/23/2008
**Signature of Reporting Person	Date

Explanation of Responses:

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

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

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. t-align:right;font-size:8pt;">—

(8,096
)
Stock contributions
12,682

8

194

—

—

202

Shares withheld for employee taxes on equity awards
(44,973
)

—

(684
)

—

—

(684
)
Declared dividends - $.36 per share
—

—

—

—

(12,155
)

(12,155
)
Pension liability, net of tax of $605
—

—

—

Explanation of Responses:

1,076

—

1,076

Balance at December 31, 2013
33,572,778

$
20,313

$
266,276

$
2,427

$
(53,509
)

$
235,507

Net income (loss)
—

—

—

—

(8,681
)

(8,681
)
Net sales under option plans
227,664

138

2,654

—

—

2,792

Dividend reinvestment plan
7,159

4

130

—

—

134

Restricted stock vested
123,829

75

(75
)

—

—

—

Explanation of Responses:

Restricted stock and stock option grants, net
15,055

10

2,825

—

—

2,835

Tax benefit from options
—

—

679

—

—

679

Foreign currency translation adjustment
—

—

—

(13,318
)

—

(13,318
)
Purchases for treasury-net
(2,742,506
)

(1,660
)

(53,237
)

—

—

(54,897
)
Stock contributions
9,376

6

194

—

—

200

Shares withheld for employee taxes on equity awards
(50,393
)

(31
)

(1,052
)

—

—

(1,083
)
Declared dividends - $.52 per share
—

—

—

—

(16,800
)

(16,800
)
Pension liability, net of tax of $448
—

—

—

(797
)

—

(797
)
Balance at December 31, 2014
31,162,962

$
18,855

$
218,394

$
(11,688
)

$
(78,990
)

$
146,571

The accompanying notes are an integral part of these statements.

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MYERS INDUSTRIES, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2014, 2013 and 2012
(Dollars in thousands)

	2014	2013	2012
Cash Flows From Operating Activities			
Net income (loss)	$(8,681)	$26,002	$29,962
(Loss) income from discontinued operations	(17,642)	(440)	3,455
Net Income from continuing operations	8,961	26,442	26,507
Items not affecting use of cash			
Depreciation	24,173	20,386	17,050
Amortization	6,999	3,142	2,426
Non-cash stock compensation	3,115	2,557	2,708
Provision for (recovery of) loss on accounts receivable	406	457	(836)
Deferred taxes	(2,665)	(2,729)	603
Other long-term liabilities	341	(978)	3,939
Loss (gain) from asset disposition	(44)	598	(1,139)
Tax benefit from options	(679)	(390)	—
Cancellations and terminations of share grants	—	—	253
Other	200	202	(113)
Payments on performance based compensation	(1,293)	(1,719)	(333)
Cash flows provided by (used for) working capital, net of acquisitions:			
Accounts receivable	2,710	(1,964)	(3,820)
Inventories	2,377	3,011	(6,373)
Prepaid expenses	(966)	(840)	(798)
Accounts payable and accrued expenses	8,122	26,758	3,772
Net cash provided by operating activities - continuing operations	51,757	74,933	43,846
Net cash provided by (used for) operating activities - discontinued operations	(13,062)	21,135	16,906
Net cash provided by operating activities	38,695	96,068	60,752
Cash Flows From Investing Activities			
Capital expenditures	(24,170)	(20,709)	(19,861)
Acquisition of business, net of cash acquired	(156,620)	(600)	(18,543)
Proceeds from sale of property, plant and equipment	566	—	3,086
Other	—	(273)	(50)
Net cash used for investing activities - continuing operations	(180,224)	(21,582)	(35,368)
Net cash provided by (used for) investing activities - discontinued operations	11,626	(8,359)	(7,116)
Net cash used for investing activities	(168,598)	(29,941)	(42,484)
Cash Flows From Financing Activities			
Proceeds from long-term debt	89,000	11,000	—
Repayment of long-term debt	—	(32,683)	—
Net borrowing (repayments) on credit facility	106,493	(24,492)	(5,581)
Cash dividends paid	(15,707)	(9,103)	(13,006)
Proceeds from issuance of common stock	2,926	5,805	3,122
Tax benefit from options	679	390	—
Cancellations and terminations of share grants	—	—	(253)
Repurchase of common stock	(54,897)	(8,096)	(4,204)

Shares withheld for employee taxes on equity awards	(1,083)	(684)	—
Deferred financing costs	(547)	(608)	—
Net cash provided by (used for) financing activities - continuing operations	126,864	(58,471)	(19,922)
Net cash provided by (used for) financing activities - discontinued operations	—	(2,317)	(3,977)
Net cash used for financing activities	126,864	(60,788)	(23,899)
Foreign Exchange Rate Effect on Cash	1,176	(2,748)	2,778
Net increase (decrease) in cash	(1,863)	2,591	(2,853)
Cash at January 1	6,539	3,948	6,801
Cash at December 31	$4,676	$6,539	$3,948
Supplemental Disclosures of Cash Flow Information			
Cash paid during the year for			
Interest	$4,973	$4,196	$4,008
Income taxes	$11,355	$12,321	$21,201

The accompanying notes are an integral part of these statements.

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MYERS INDUSTRIES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Dollar amounts in thousands, except where otherwise indicated)

1. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements include the accounts of Myers Industries, Inc. and all wholly owned subsidiaries (collectively, the “Company”). All intercompany accounts and transactions have been eliminated in consolidation. All subsidiaries that are not wholly owned and are not included in the consolidated operating results of the Company are immaterial investments which have been accounted for under the equity and cost method. The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Actual results could differ from those estimates.

Segment Realignment and Discontinued Operations

During the second quarter of 2014, the Company realigned its reportable segments as a result of organizational changes to better align its resources to support its ongoing business strategy. The realignment is consistent with the manner in which our Chief Operating Decision Maker evaluates performance and makes resource allocation decisions. Historical segment information has been adjusted to reflect the effect of this change. Our segment information is more fully described in Note 14. Historical information also reflects discontinued operations presentation for businesses disposed of or meeting the held for sale criteria during 2014 as described in Note 4. Accordingly, the accompanying consolidated statements of operations, comprehensive income (loss), shareholders' equity, cash flows and the related notes to the consolidated financial statements of the Company for the years ended December 31, 2013 and 2012, as well as the consolidated balance sheet as of December 31, 2013 have been retrospectively revised to reflect the classification of our businesses disposed of or meeting the held for sale criteria during 2014 as assets and liabilities held-for-sale and their operating results, net of tax, as discontinued operations.

Recent Accounting Pronouncements Not Yet Adopted

In April 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity. This guidance states that the disposal of a component of an entity is to be reported in discontinued operations only if the disposal represents a strategic shift that has (or will have) a major effect on an entity’s operations and financial results. The pronouncement also requires additional disclosures regarding individually significant disposals of components that do not meet the criteria to be recognized as a discontinued operation as well as additional and expanded disclosures. This ASU will be effective for the Company for applicable transactions occurring after January 1, 2015. We will prospectively apply the guidance to applicable transactions. The Lawn and Garden transaction described in Note 4 is not subject to this guidance.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, to clarify the principles used to recognize revenue for all entities. Under ASU 2014-09, a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The new guidance is effective for the Company on January 1, 2017 with early adoption not permitted. Entities can transition to the standard either retrospectively or as a cumulative effect adjustment as of the adoption date. The Company is currently evaluating the impact the adoption of this guidance will have on its consolidated financial statements as well as the method by which the Company will adopt the new standard.

In August 2014, the FASB issued ASU 2014-15, Disclosure of Uncertainties About an Entity’s Ability to Continue as a Going Concern. The new standard provides guidance on determining when and how to disclose going-concern uncertainties in the financial statements. Under ASU 2014-15, management will be required to perform interim and annual assessments of the Company’s ability to continue as a going concern within one year of the date the financial statements are issued. ASU 2014-15 is effective for annual periods ending after December 15, 2016, and interim periods thereafter, with early adoption permitted. The adoption of this standard is not expected to have an impact on the Company’s financial statement disclosures.

Translation of Foreign Currencies

All asset and liability accounts of consolidated foreign subsidiaries are translated at the current exchange rate as of the end of the accounting period and income statement items are translated monthly at an average currency exchange rate for the period. The resulting translation adjustment is recorded in other comprehensive income (loss) as a separate component of shareholders' equity.

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MYERS INDUSTRIES, INC. AND SUBSIDIARIES.

Notes to Consolidated Financial Statements - (Continued)

(Dollar amounts in thousands, except where otherwise indicated)

Fair Value Measurement

The Company follows guidance included in ASC 820, Fair Value Measurements and Disclosures ("ASC 820"), for its financial assets and liabilities, as required. The guidance established a common definition for fair value to be applied to U.S. GAAP requiring the use of fair value, established a framework for measuring fair value, and expanded disclosure requirements about such fair value measurements. The guidance did not require any new fair value measurements, but rather applied to all other accounting pronouncements that require or permit fair value measurements. Under ASC 820, the hierarchy that prioritizes the inputs to valuation techniques used to measure fair value is divided into three levels:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active or inputs that are observable either directly or indirectly.

Level 3: Unobservable inputs for which there is little or no market data or which reflect the entity's own assumptions.

The fair value of the Company's cash, accounts receivable, accounts payable and accrued expenses are considered to have a fair value which approximates carrying value due to the nature and relative short maturity of these assets and liabilities.

The fair value of debt under the Company's Loan Agreement approximates carrying value due to the floating rates and relative short maturity (less than 90 days) of the revolving borrowings under this agreement. The fair value of the Company's fixed rate senior unsecured notes was estimated using market observable inputs for the Company's comparable peers with public debt, including quoted prices in active markets and interest rate measurements which are considered level 2 inputs. At December 31, 2014, the aggregate fair value of the Company's $100.0 million fixed rate senior unsecured notes was estimated at $106.8 million.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk primarily consist of trade accounts receivable. The concentration of accounts receivable credit risk is generally limited based on the Company's diversified operations, with customers spread across many industries and countries. The Company's largest single customer in 2014 accounts for approximately 5% of total sales with only one other customer greater than 3%. Outside of the United States, only Brazil and Canada, which account for approximately 8% and 6% of total sales, respectively, are significant to the Company's operations. In addition, management has established certain requirements that customers must meet before credit is extended. The financial condition of customers is continually monitored and collateral is usually not required. The Company evaluates the collectability of accounts receivable based on a combination of factors. In circumstances where the Company is aware of a specific customer's inability to meet its financial obligations, a specific allowance for doubtful accounts is recorded against amounts due to reduce the net recognized receivable to the amount the Company reasonably believes will be collected. Additionally, the Company also reviews historical trends for collectability in determining an estimate for its allowance for doubtful accounts. If economic circumstances change substantially, estimates of the recoverability of amounts due the Company could be reduced by a material amount. Expense (income) related to bad debts was approximately $0.4 million, $0.5 million and $(0.8) million for the years 2014, 2013 and 2012, respectively. Deductions from the allowance for doubtful accounts, net of recoveries, were approximately $0.9 million, $0.8 million and $0.1 million for the years 2014, 2013 and 2012, respectively.

Factoring

During 2014, the Company's wholly-owned subsidiary Plasticos Novel Do Nordeste S.A. and Plasticos Novel Do Parana S.A. ("Novel") entered into a factoring agreement to sell, without recourse, certain of their Brazilian real-based accounts receivables to an unrelated third party financial institution. During 2014, $9.1 million of receivables had been sold under the terms of the factoring agreement for cash proceeds of $8.8 million. The sale of these receivables reduced the credit exposure of the Company. Costs related to this program for the year ended December 31, 2014 were $0.3 million and are included in interest expense in the Consolidated Statement of Operations.

Inventories

Inventories are stated at the lower of cost or market. Approximately 30 percent of our inventories are valued using the last-in, first-out (“LIFO”) method of determining cost. All other inventories are valued at the first-in, first-out (“FIFO”) method of determining cost.

If the FIFO method of inventory cost valuation had been used exclusively by the Company, inventories would have been $6.8 million, $8.1 million and $8.7 million higher than reported at December 31, 2014, 2013 and 2012, respectively. The liquidation

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MYERS INDUSTRIES, INC. AND SUBSIDIARIES.
Notes to Consolidated Financial Statements - (Continued)
(Dollar amounts in thousands, except where otherwise indicated)

of LIFO inventories decreased cost of sales and increased income from continuing operations before income taxes by less than $0.4 million in 2014, and $0.1 million and $0.4 million in 2013 and 2012, respectively.

Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and amortization. The Company provides for depreciation and amortization on the basis of the straight-line method over the estimated useful lives of the assets as follows:

Buildings	20 to 40 years
Machinery and Equipment	3 to 10 years
Vehicles	1 to 3 years
Leasehold Improvements	5 to 10 years

At December 31, 2014, the Company had approximately $2.1 million and $3.1 million of capitalized software costs included in machinery and equipment on the accompanying Consolidated Statements of Financial Position in 2014 and 2013, respectively. Amortization expense related to capitalized software costs was approximately $0.3 million and $0.1 million in 2014 and 2013, respectively.

Long-Lived Assets

The Company reviews its long-lived assets and identifiable intangible assets with finite lives for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Determination of potential impairment related to assets to be held and used is based upon undiscounted future cash flows resulting from the use and ultimate disposition of the asset. For assets held for disposal, the amount of potential impairment may be based upon appraisal of the asset, estimated market value of similar assets or estimated cash flow from the disposition of the asset. Refer to Note 4 for discussion of the Lawn and Garden business 2014 impairment charge.

Revenue Recognition

The Company recognizes revenues from the sale of products, net of actual and estimated returns, at the point of passage of title and risk of loss, which is generally at time of shipment, and collectability of the fixed or determinable sales price is reasonably assured.

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MYERS INDUSTRIES, INC. AND SUBSIDIARIES.
Notes to Consolidated Financial Statements - (Continued)
(Dollar amounts in thousands, except where otherwise indicated)

Accumulated Other Comprehensive Income (Loss)
Changes in accumulated other comprehensive income (loss) and are as follows:

	Foreign Currency	Defined Benefit Pension Plans	Total
Balance at January 1, 2012	$9,994	$(2,700)	$7,294
Other comprehensive income (loss) before reclassifications	2,791	493	3,284
Amounts reclassified from accumulated other comprehensive income, net of tax of ($36)(1)	—	65	65
Net current-period other comprehensive income (loss)	2,791	558	3,349
Balance at December 31, 2012	$12,785	$(2,142)	$10,643
Other comprehensive income (loss) before reclassifications	(9,292)	1,005	(8,287)
Amounts reclassified from accumulated other comprehensive income, net of tax of ($40)(1)	—	71	71
Net current-period other comprehensive income (loss)	(9,292)	1,076	(8,216)
Balance at December 31, 2013	3,493	(1,066)	2,427
Other comprehensive income (loss) before reclassifications	(13,318)	(826)	(14,144)
Amounts reclassified from accumulated other comprehensive income, net of tax of ($16)(1)	—	29	29
Net current-period other comprehensive income (loss)	(13,318)	(797)	(14,115)
Balance at December 31, 2014	$(9,825)	$(1,863)	$(11,688)

(1) These accumulated other comprehensive income (loss) components are included in the computation of net periodic pension cost. (See Note 12-Retirement Plans for additional details.)

Shipping and Handling

Shipping and handling expenses are primarily classified as selling expenses in the accompanying Consolidated Statements of Operations. The Company incurred shipping and handling costs of approximately $19.4 million, $17.1 million and $16.6 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Stock Based Compensation

The Company has stock plans that provide for the granting of stock-based compensation to employees and to non-employee directors. Shares are issued upon exercise from authorized, unissued shares. The Company records the costs of the plan under the provisions of ASC 718, Compensation — Stock Compensation. For transactions in which we obtain employee services in exchange for an award of equity instruments, we measure the cost of the services based on the grant date fair value of the award. The Company recognizes the cost over the period during which an employee is required to provide services in exchange for the award, referred to as the requisite service period (usually the vesting period).

Income Taxes

Income taxes are accounted for under the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company evaluates its tax positions in accordance with ASC 740, Income Taxes ("ASC 740"). ASC 740 provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements. Income tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized under ASC 740. The Company recognizes potential accrued interest and penalties related to unrecognized tax benefits as a component of income tax expense.

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MYERS INDUSTRIES, INC. AND SUBSIDIARIES.
Notes to Consolidated Financial Statements - (Continued)
(Dollar amounts in thousands, except where otherwise indicated)

Cash and Cash Equivalents
The Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. Cash equivalents are stated at cost, which approximates market value. The Company maintains operating cash and reserves for replacement balances in financial institutions which, from time to time, may exceed federally insured limits. The Company periodically assesses the financial condition of these institutions and believes that the risk of loss is minimal.
Cash flows used in investing activities excluded $0.2 million, $0.5 million and $0.1 million of accrued capital expenditures in 2014, 2013 and 2012, respectively.
2. Acquisitions
On July 2, 2014, CA Acquisition Inc., now known as Scepter Canada Inc., and a wholly-owned subsidiary of Myers Industries, Inc., completed the purchase of substantially all of the assets and assumption of certain liabilities of Scepter Corporation and certain real property of SHI Properties Inc., both located in Scarborough, Ontario, Canada. Contemporaneously with the asset acquisition, Crown US Acquisition Company, now known as Scepter US Holding Company, and another wholly-owned subsidiary of Myers Industries, Inc., completed the purchase of all of the issued and outstanding membership interests of Eco One Leasing, LLC and Scepter Manufacturing, LLC, both located in Miami, Oklahoma. Eco One Leasing, LLC was subsequently merged into Scepter Manufacturing, LLC. The total purchase price for these acquisitions (collectively, “Scepter”) was $156.6 million in cash, which includes a final working capital adjustment. The acquisition of Scepter was funded from net proceeds from additional borrowings of approximately $134.1 million under the Fourth Amended and Restated Loan Agreement and cash on hand of $22.5 million.
The acquisition of Scepter strengthens and expands the Company's position as an industry leading producer of portable marine fuel containers, portable fuel and water containers and accessories, ammunition containers, storage totes and environmental bins for the marine, military, consumer and industrial markets. The acquisition of Scepter is consistent with the Company's business strategy and the products fit well with the Company's overall portfolio. The operating results of Scepter have been included within our Consolidated Statement of Operations and within the Company's Material Handling Segment since the date of acquisition. The Consolidated Statement of Operations for the Company for the year ended December 31, 2014 included net sales of $39.4 million and an operating loss of $5.4 million related to Scepter. Scepter's operating results included $2.3 million of inventory purchase accounting fair value adjustments charged to cost of sales as the inventory was sold. In addition, transactional costs of approximately $3.6 million for the year ended December 31, 2014 are included in general and administrative expenses in the Consolidated Statements of Operations.
The Company accounted for the acquisition of Scepter using the acquisition method of accounting, which requires among other things, the assets acquired and liabilities assumed be recognized at their respective fair values as of the acquisition date. As of December 31, 2014, the purchase price allocation remains preliminary as the Company has not finalized its assessment of contingent liabilities. As a result, additional adjustments may be recorded during the measurement period.

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MYERS INDUSTRIES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Dollar amounts in thousands, except where otherwise indicated)

Scepter's assets and liabilities are recorded at fair value as of the date of acquisition using primarily level 3 fair value inputs. The purchase consideration, related preliminary estimated allocations, and resulting excess over fair value of net assets acquired are as follows:

Assets acquired:	
Current assets	$34,572
Property, plant and equipment	44,613
Intangible assets	66,500
Assets acquired	$145,685
Liabilities assumed:	
Current liabilities	$8,877
Total liabilities assumed	8,877
Goodwill	19,812
Total consideration	$156,620

Goodwill is calculated as the excess of the consideration transferred over the assets acquired and liabilities assumed and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. The Company expects that approximately $16.4 million of goodwill recognized for the acquisition will be deductible for tax purposes.

Identifiable intangible assets acquired in connection with the acquisition of Scepter are as follows:

	Fair Value	Estimated Useful Life	Valuation Method
Intangible assets not subject to amortization:			
Trademarks and trade names	$8,900	Indefinite	Relief from royalty
Intangible assets subject to amortization:			
Technology	22,300	10 years	Relief from royalty
Customer relationships	35,300	6 years	Multi-period excess earnings
	57,600		
Total	$66,500		

The following unaudited pro forma information presents a summary of the consolidated results of operations for the Company as if the acquisition of Scepter had occurred on January 1, 2013.

	For the Year Ended December 31, 2014	December 31, 2013
Net sales	$675,046	$679,567
Net income from continuing operations	$16,206	$30,271
Net income per share from continuing operations:		
Basic	$0.50	$0.89
Diluted	$0.50	$0.89

The unaudited pro forma consolidated results are based on the Company’s historical financial statements and those of Scepter and do not necessarily indicate the results of operations that would have resulted had the acquisition actually been completed at the beginning of the applicable period presented. The pro forma financial information assumes that the companies were combined as

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of January 1, 2013. The pro forma results reflect the business combination accounting effects from the acquisition including amortization charges from the acquired intangible assets, inventory purchase accounting adjustments charged to cost of sales as the inventory is sold and increased interest expense associated with debt incurred to fund the acquisition. The unaudited pro forma consolidated results do not give effect to the synergies of the acquisition and are not indicative of the results of operations in future periods.

In October 2012, the Company acquired 100% of the stock of Jamco Products Inc. ("Jamco"), an Illinois corporation that is a leading designer and manufacturer of heavy-duty industrial steel carts and safety cabinets used across many markets. The total purchase price was approximately $15.1 million in cash, net of $0.1 million of cash acquired. Jamco's assets and liabilities are recorded at fair value as of the date of acquisition using primarily level 2 and level 3 fair value inputs. The Jamco acquisition resulted in goodwill of $7.4 million, which is non deductible for income tax purposes, and $5.7 million of identifiable intangible assets.

In July 2012, the Company acquired 100% of the stock of Plasticos Novel do Nordeste S.A. ("Novel"), a Brazil-based designer and manufacturer of reusable plastic crates and containers used for closed-loop shipping and storage. Novel also produces a diverse range of plastic industrial safety products. The total purchase price was $30.9 million, which included a cash payment of $3.4 million, net of $0.6 million of cash acquired, assumed debt of approximately $26.0 million and contingent consideration of $0.9 million based on an earnout. A majority of the debt was repaid shortly after acquisition. The contingent consideration is contingent upon the results of Novel exceeding predefined earnings before interest, taxes, depreciation and amortization over the following four years.

Novel's assets and liabilities are recorded at fair value as of the date of acquisition using primarily level 3 fair value inputs. The Novel acquisition resulted in $9.8 million of goodwill, which is not deductible for income tax purpose, and $5.8 million of identifiable intangible assets.

The operating results of Novel and Jamco acquired have been included in our Material Handling Segment since the date of acquisition.

The Consolidated Statements of Operations for the Company for the year ended December 31, 2012 following the acquisition of Novel effective July 1, 2012 and Jamco on October 1, 2012 included total revenues of $21.5 million and net income of $0.2 million. Transactional costs of approximately $0.9 million were incurred during the year and are included in general and administrative expenses in the Consolidated Statements of Operations in 2012.

3. Goodwill and Intangible Assets

The Company is required to test for impairment of goodwill and intangible assets on at least an annual basis. The Company conducted its annual impairment assessment as of October 1 for its five reporting units, noting no impairment in 2014, 2013 or 2012. Based on procedures conducted to test impairment of goodwill of the Company’s reporting units, Plasticos Novel do Nordeste S. A. (“Novel”) and Jamco Products, Inc. (“Jamco”) did not substantially exceed their carrying value as of our assessment date in 2014. The estimated fair value of Novel and Jamco exceeded their carrying values by approximately 10% and 20%, respectively. Although no goodwill impairment charge is required for 2014, it does present a risk of future impairment for the goodwill assigned to those reporting units. The decline in the fair values of these businesses was driven primarily by reduced profitability as a result of lower margins due to higher costs, primarily in raw materials and a prolonged economic downturn in the Brazilian economy impacting Novel. As a result, management decreased future projections of the operating results and cash flows in assessing goodwill at these reporting units. The Company tests for impairment whenever events or circumstances indicate that it is more likely than not that the fair value of a reporting unit is below its carrying amount. Such events may include, but are not limited to, significant changes in economic and competitive conditions, the impact of the economic environment on the Company’s customer base or its businesses, or a material negative change in its relationships with significant customers.

In accordance with ASU No. 2011-08, Intangibles—Goodwill and Other (Topic 350), the Company first performs a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If the Company concludes that this is the case, it must perform the two-step test. Otherwise the Company does not perform the two-step test. During the 2014 annual review of goodwill, management proceeded directly to the two-step test for Novel and Jamco. In evaluating goodwill for impairment using the two-step test, the Company uses a combination of valuation techniques primarily using discounted cash flows to determine the fair values of its business reporting units and market based multiples as supporting evidence. The variables and assumptions used, all of which are level 3 fair value inputs, include the projections of future revenues and expenses, working capital, terminal values, discount rates and long term growth rates. The market multiples observed in sale transactions are determined separately for each reporting unit, and are based on the weighted average cost of capital for each of

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the Company's reporting units, which ranged from 10.0% to 13.0% in 2014. In addition we make certain judgments about the selection of comparable companies used in determining market multiples in valuing our business units, as well as certain assumptions to allocate shared assets and liabilities to calculate values for each of our business units. The underlying assumptions used are based on historical actual experience and future expectations that are consistent with those used in the Company's strategic plan. The Company compares the fair value of each of its reporting units to their respective carrying values, including related goodwill. We also compare our book value and the estimates of fair value of the reporting units to our market capitalization as of and at dates near the annual testing date. Management uses this comparison as additional evidence of the fair value of the Company, as our market capitalization may be suppressed by other factors such as the control premium associated with a controlling shareholder, our leverage or general expectations regarding future operating results and cash flows. In situations where the implied value of the Company under the Income or Market Approach are significantly different than our market capitalization we re-evaluate and adjust, if necessary, the assumptions underlying our Income and Market Approach models. Our estimate of the fair values of these business units, and the related goodwill, could change over time based on a variety of factors, including the aggregate market value of the Company's common stock, actual operating performance of the underlying businesses or the impact of future events on the cost of capital and the related discount rates used.
The change in the carrying amount of goodwill for the years ended December 31, 2014 and 2013 is as follows:

	Distribution	Material Handling	Total
January 1, 2013	$505	$50,741	$51,246
Reclassification of prepaid asset from Novel acquisition	—	1,028	1,028
Foreign currency translation	—	(1,199)	(1,199)
December 31, 2013	505	50,570	51,075
Acquisitions	—	19,812	19,812
Foreign currency translation	—	(4,248)	(4,248)
December 31, 2014	$505	$66,134	$66,639

Intangible assets other than goodwill primarily consist of trade names, customer relationships, patents, and technology assets established in connection with acquisitions. These intangible assets, other than certain trade names, are amortized over their estimated useful lives. The Company performs an annual impairment assessment for the indefinite lived trade names which had a carrying value of $11,256 and $2,509 at December 31, 2014 and 2013, respectively. In performing this assessment the Company uses an income approach, based primarily on level 3 inputs, to estimate the fair value of the trade name. The Company records an impairment charge if the carrying value of the trade name exceeds the estimated fair value at the date of assessment.
Intangible assets at December 31, 2014 and 2013 consisted of the following:

		2014			2013		
	Weighted Average Useful Life (years)	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Trade Names - Indefinite Lived		$11,256	$ —	$11,256	$2,509	$—	$2,509
Trade Names	5.3	280	(110)	170	280	(78)	202
Customer Relationships	5.1	41,332	(7,964)	33,368	7,968	(4,515)	3,453
Technology	9.0	27,642	(2,552)	25,090	5,502	(918)	4,584
Patents	2.2	10,888	(8,538)	2,350	10,899	(7,448)	3,451

Non-Compete	0.0	150	(149)	1	150	(94)	56
		$91,548	$ (19,313)	$72,235	$27,308	$(13,053)	$14,255

Intangible amortization expense was $6,466, $2,769 and $2,188 in 2014, 2013 and 2012, respectively. Estimated annual amortization expense for intangible assets with finite lives for the next five years is: $10,449 in 2015; $10,447 in 2016; $9,539 in 2017, $9,086 in 2018 and $8,521 in 2019.

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4. Discontinued Operations

On June 20, 2014, the Company completed the sale of the assets and associated liabilities of its wholly-owned subsidiaries WEK Industries, Inc. and Whiteridge Plastics LLC (collectively “WEK”) for approximately $20.7 million, which includes a working capital adjustment of approximately $0.8 million. Of the total proceeds from the sale of WEK, approximately $1.0 million are held in escrow to be received in December 2015. The Company recorded a gain on the sale of WEK of approximately $3.0 million, net of tax of $1.6 million. WEK is a premier blow molder of custom engineered plastic components for the heavy truck, recreational vehicle, marine, appliance and consumer products industries. WEK was previously reported as part of our former Engineered Products Segment.

During the second quarter of 2014, the Company’s Board of Directors approved the commencement of the sale process to divest its Lawn and Garden business to allow it to focus resources on its core growth platforms. The Lawn and Garden business serves the North American horticulture market with plastic products such as seedling trays, nursery products, hanging baskets, custom print containers as well as decorative resin planters. The business was sold February 17, 2015 to an entity controlled by Wingate Partners V, L.P., a private equity firm, for $110 million, subject to a working capital adjustment. The sale of the Lawn & Garden business includes manufacturing facilities and offices located in Twinsburg, Ohio, Middlefield, Ohio, Elyria, Ohio, Sparks, Nevada, Sebring, Florida, Brantford, Ontario, and Burlington, Ontario. The terms of the agreement include a $90 million cash payment and a $20 million five year note.

Since the second quarter of 2014, the Lawn and Garden business met the held-for-sale criteria under the requirements of ASC 360. Accordingly, at December 31, 2014 and 2013, the Company has classified and accounted for the assets and liabilities of the Lawn and Garden business and WEK, for periods prior to the sale, as held for sale in the accompanying Consolidated Statements of Financial Position and their operating results, net of tax, as discontinued operations in the accompanying Consolidated Statements of Operations for all periods presented. In addition, the Company performed a fair value assessment of the Lawn and Garden business. The fair value, determined as sales price less cost to sell the business, was less than its carrying value at December 31, 2014, resulting in an $18.9 million impairment charge reported as discontinued operations in the Consolidated Statements of Operations.
Summarized selected financial information for the Lawn and Garden business and WEK for the years ended December 31, 2014, 2013 and 2012 are presented in the following table:

	Year Ended December 31,		
	2014*	2013	2012
Net sales	$204,716	$240,477	$245,616
Income (loss) from discontinued operations before income taxes	$(30,038)	$(394)	5,145
Income tax expense (benefit)	(9,408)	46	1,690
Income (loss) from discontinued operations	(20,630)	(440)	3,455
Net gain on sale of discontinued operations, net of tax of $1.6 million	2,988	—	—
Income (loss) from discontinued operations	$(17,642)	$(440)	3,455

* Includes WEK operating results through June 20, 2014.

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The assets and liabilities of discontinued operations are stated separately as of December 31, 2014 and 2013, respectively, in the Consolidated Statements of Financial Position and are comprised of the following items:

	Year Ended December 31,		
	2014		2013
Assets			
Accounts receivable-net	$29,794		$37,527
Inventories	50,951		53,401
Prepaid expenses and other current assets	1,709		1,832
Goodwill	9,107		9,567
Patents and other intangible assets, net	6,030		6,860
Property, plant and equipment, net	38,168		51,028
Net asset impairment	(18,858	)*	—
Other	874		353
Total Assets Held for Sale	$117,775		$160,568
Liabilities			
Accounts payable	$22,239		$29,366
Accrued expenses and other liabilities	4,883		18,503
Total Liabilities Held for Sale	$27,122		$47,869

*Impairment includes $8.3 million of cumulative translation credit adjustment associated with the Lawn and Garden group.

The Lawn and Garden business restructuring plan, announced in July 2013, detailed the closure of two manufacturing plants: one in Brantford, Ontario and the second in Waco, Texas. The restructuring actions included closure, relocation and employee related costs. Through December 31, 2014, the Lawn and Garden business has incurred approximately $14.5 million of charges under its restructuring plan. Restructuring actions under the plan have been completed.

Restructuring charges related to discontinued operations for the year ended 2014, 2013 and 2012 are presented in the following table:

	Year Ended December 31,		
	2014	2013*	2012*
Severance and personnel	$1,743	$2,614	$487
Other exit costs	3,762	6,189	1,198
Total	$5,505	$8,803	$1,685

*Includes WEK restructuring charges of $0.2 million and $1.2 million in 2013 and 2012, respectively.

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5. Net Income (Loss) Per Common Share

Net income (loss) per common share, as shown on the Consolidated Statements of Operations, is determined on the basis of the weighted average number of common shares outstanding during the periods as follows:

	2014	2013	2012
Weighted average common shares outstanding:			
Basic	32,232,965	33,588,720	33,597,020
Dilutive effect of stock options and restricted stock	471,047	454,705	512,212
Weighted average common shares outstanding diluted	32,704,012	34,043,425	34,109,232

Options to purchase 198,500, 123,900 and 212,000 shares of common stock that were outstanding at December 31, 2014, 2013 and 2012, respectively, were not included in the computation of diluted earnings per share as the exercise prices of these options was greater than the average market price of common shares.

6. Restructuring

The charges related to various restructuring programs implemented by the Company are included in selling, general and administrative ("SG&A") expenses and cost of sales depending on the type of cost incurred. The restructuring charges are presented in the following table.

	2014			2013			2012		
Segment	Cost of sales	Selling, general and administrative	Total	Cost of sales	Selling, general and administrative	Total	Cost of sales	Selling, general and administrative	Total
Distribution	$—	$ 764	$ 764	$—	$ 194	$ 194	$—	$ 727	$ 727
Material Handling	189	260	449	178	47	225	—	—	—
Corporate	—	—	—	—	17	17	—	318	318
Total	$ 189	$ 1,024	$ 1,213	$ 178	$ 258	$ 436	$—	$ 1,045	$ 1,045

During 2014, the Distribution Segment closed its Canadian branches operating under the name Myers Tire Supply International. The restructuring actions included closure, lease cancellation and employee related costs, which amounted to approximately $0.8 million. Restructuring actions under the plan have been completed.

Also during 2014, the Material Handling Segment restructured its sales and finance organization within several of its businesses. Restructuring costs of $0.4 million were incurred related to these actions.

During 2013, the Distribution Segment recorded restructuring costs of $0.2 million related to branch closure and severance costs. The Material Handling Segment incurred costs of $0.2 million related to severance.

In 2012, restructuring costs of $0.7 million for severance and non-cancelable lease costs were offset by a gain of $0.8 million on the sale of four facilities in the Distribution Segment. In addition, the Corporate costs included $0.3 million of restructuring charges related to severance costs.

No accruals remain related to restructuring programs as of December 31, 2014 and 2013. The accrued liability balance for severance costs was $0.3 million as of December 31, 2012.

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7. Other Accrued Expenses

As of December 31, 2014 and 2013, the balance in other accrued expenses is comprised of the following:

	2014	2013
Deposits and amounts due to customers	$10,591	$7,474
Dividends payable	4,267	3,174
Accrued litigation and professional fees	3,458	289
Other accrued expenses	7,856	5,497
	$26,172	$16,434

8. Stock Compensation

The Company's 2008 Incentive Stock Plan (the "2008 Plan") authorizes the Compensation Committee of the Board of Directors to issue up to 3,000,000 shares of various types of stock based awards including stock options, restricted stock and stock appreciation rights to key employees and directors. In general, options granted and outstanding vest over a three year period and expire ten years from the date of grant.

The following tables summarize stock option activity in the past three years:

Options granted in 2014, 2013 and 2012:

Year	Options	Exercise Price
2014	209,500	$20.93
2013	323,400	$14.77
2012	323,950	$12.96

Options exercised in 2014, 2013 and 2012:

Year	Options	Exercise Price
2014	228,064	$9.97 to $17.02
2013	503,321	$8.00 to $18.62
2012	288,794	$8.00 to $12.55

In addition, options totaling 43,252, 164,528 and 113,913 expired or were forfeited during the years ended December 31, 2014, 2013 and 2012, respectively.

Options outstanding and exercisable at December 31, 2014, 2013 and 2012 were as follows:

Year	Outstanding	Range of Exercise Prices	Exercisable	Weighted Average Exercise Price
2014	1,512,756	$9.00 to $20.93	1,066,219	$ 11.58
2013	1,574,572	$9.00 to $18.62	1,057,694	$ 11.48
2012	1,919,021	$8.00 to $18.62	1,355,112	$ 11.63

Stock compensation expense reduced income before taxes approximately $3,115, $2,557 and $2,708 for the years ended December 31, 2014, 2013, and 2012, respectively. These expenses are included in selling, general and administrative expenses in the accompanying Consolidated Statements of Operations. Total unrecognized compensation cost related to non-vested share based compensation arrangements at December 31, 2014 was approximately $3,981 which will be recognized over the next three years, as such compensation is earned.

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The fair value of options granted is estimated using an option pricing model based on assumptions set forth in the following table. The Company uses historical data to estimate employee exercise and departure behavior. The risk free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant and through the expected term. The dividend yield is based on the Company's historical dividend yield. The expected volatility is derived from historical volatility of the Company's shares and those of similar companies measured against the market as a whole. In 2014, 2013 and 2012, the Company used the binomial lattice option pricing model based on assumptions set forth in the following table.

	2014		2013		2012	
Risk free interest rate	2.80	%	1.86	%	2.00	%
Expected dividend yield	2.50	%	2.40	%	2.20	%
Expected life of award (years)	7.0		7.0		5.4	
Expected volatility	50.00	%	50.00	%	50.00	%
Fair value per option share	$7.05		$5.39		$4.93	

The following table provides a summary of stock option activity for the period ended December 31, 2014:

	Shares		Average Exercise Price	Weighted Average Life	Aggregate Intrinsic Value
Outstanding at December 31, 2013	1,574,572		$12.14		
Options Granted	209,500		20.93		
Options Exercised	(228,064	)	12.20		
Canceled or Forfeited	(43,252	)	15.74		
Outstanding at December 31, 2014	1,512,756		13.24	5.08 years	$6,590
Exercisable at December 31, 2014	1,066,219		$11.58	4.47 years	$6,420

The intrinsic value of a stock option is the amount by which the market value of the underlying stock exceeds the exercise price of the option. The intrinsic value of stock options exercised in 2014, 2013 and 2012 was $1,744, $2,588 and $1,502, respectively.

The following table provides a summary of restricted stock activity for the period ended December 31, 2014:

	Shares		Average Grant-Date Fair Value
Unvested shares at December 31, 2013	275,525		
Granted	104,100		$20.93
Vested	(123,829	)	11.75
Forfeited	(19,600	)	17.34
Unvested shares at December 31, 2014	236,196		$16.78

Restricted stock units are rights to receive shares of common stock, subject to forfeiture and other restrictions, which vest over a two or three year period. Restricted shares are considered to be non-vested shares under the accounting guidance for share-based payment and are not reflected as issued and outstanding shares until the restrictions lapse. At that time, the shares are released to the grantee and the Company records the issuance of the shares. Restricted stock awards are valued based on the market price of the underlying shares on the grant date. Compensation expense is recognized on a straight-line basis over the requisite service period. At December 31, 2014, restricted stock awards had vesting periods up through March 2017.

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Explanation of Responses:

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9. Contingencies
The Company is a defendant in various lawsuits and a party to various other legal proceedings, in the ordinary course of business, some of which are covered in whole or in part by insurance.
New Idria Mercury Mine
Effective October 2011, the U.S. Environmental Protection Agency (“EPA”) added the New Idria Mercury Mine site located near Hollister, California to the Superfund National Priorities List because of alleged contaminants discharged to California waterways. The New Idria Quicksilver Mining Company, founded in 1936, and later renamed the New Idria Mining & Chemical Company ("NIMCC") owned and/or operated the New Idria Mine through 1976. In 1981 NIMCC, after another name change, was merged into Buckhorn Metal Products Inc. which was subsequently acquired by Myers Industries in 1987. The EPA contends that past mining operations have resulted in mercury contamination and acid mine drainage at the mine site, in the San Carlos Creek, Silver Creek and a portion of Panoche Creek, and that other downstream locations may also be impacted.
As of the date of this disclosure, no formal claim or allegation relating to the New Idria Mine Site against the Company or its subsidiary Buckhorn Inc. ("Buckhorn") has been received. However, since Buckhorn may be a potentially responsible party (“PRP”) at the New Idria Mercury Mine, the Company recognized an expense of $1.9 million, on an undiscounted basis, in 2011 related to performing a remedial investigation and feasibility study to determine the extent of remediation and the screening of alternatives. Payments of approximately $0.8 million have been incurred and charged against the reserve classified in Other Liabilities on the Consolidated Statements of Financial Position as of December 31, 2014. As investigation and remediation proceed, it is likely that adjustments to the reserved expense will be necessary to reflect new information. Estimates of the Company’s liability are based on current facts, laws, regulations and technology. Estimates of the Company’s environmental liabilities are further subject to uncertainties regarding the nature and extent of site contamination, the range of remediation alternatives available, evolving remediation standards, imprecise engineering evaluation and cost estimates, the extent of remedial actions that may be required, the number and financial condition of other PRPs as well as the extent of their responsibility for the remediation, and the availability of insurance coverage for these expenses. At this time, further remediation cost estimates are not known and have not been prepared.
In November 2011, the EPA completed an interim removal project at the New Idria Mercury Mine site. It is expected this removal action will be part of the final remediation strategy for the site. According to informal reports, EPA’s interim removal project costs were approximately $0.5 million. The Company and Buckhorn have received indications that the EPA intends to seek recovery of the costs of this work and other past costs from the Company and Buckhorn and to initiate the administrative processes whereby the Company and/or Buckhorn would perform the remedial investigation and feasibility study described above.
Guadelupe River Watershed TMDL
A number of parties, including the Company and its subsidiary, Buckhorn, were identified in a planning document adopted in October 2008 by the California Regional Water Quality Control Board, San Francisco Bay Region (“RWQCB”). The planning document relates to the presence of mercury, including amounts contained in mining wastes, in and around the Guadalupe River Watershed (“Watershed”) region in Santa Clara County, California and specifically to the development of a "total maximum daily load" ("TMDL") for mercury deposits into the Watershed. The RWQCB has since completed the development and adoption of the Watershed mercury TMDL. Buckhorn has previously been alleged to be a successor in interest to NIMCC, which owned property and performed mining operations in a portion of the Watershed area. The Company has not been contacted by the RWQCB or by other parties who have been involved in Watershed clean-up efforts that have been initiated as a result of the adoption of the TMDL. Although assertion of a claim by the RWQCB or another party involved in this clean up effort is reasonably possible, it is not possible at this time to estimate the amount of any obligation the Company may incur for these cleanup efforts within the Watershed region, or whether such cost would be material to the Company’s consolidated financial statements.

Other

Buckhorn and Schoeller Arca Systems, Inc. (“SAS”) were plaintiffs in a patent infringement lawsuit against Orbis Corp. and Orbis Material Handling, Inc. (“Orbis”) for alleged breach by Orbis of an exclusive patent license agreement from SAS to Buckhorn. SAS is an affiliate of Schoeller Arca Systems Services B.V. (“SASS B.V.”), a Dutch company. SAS manufactures and sells plastic returnable packaging systems for material handling. In the course of the litigation, it was discovered that SAS had given a patent license agreement to a predecessor of Orbis that pre-dated the one that SAS sold to Buckhorn. As a result, judgment was entered in favor of Orbis, and the court awarded attorney fees and costs to Orbis in the amount of $3.1 million, plus interest and costs. In May 2014, Orbis made demand to SAS that SAS pay the judgment in full, and subsequently in July 2014, Orbis made the same demand to Buckhorn. Although the range of exposure is $0 - $3.1 million, plus interest, Buckhorn’s responsibility as a co-judgment debtor is not specified. Buckhorn believes it is not responsible for any of the award because it is not a party to the Orbis license and will continue to aggressively pursue any and all legal actions both with respect to appealing the award requesting SAS be

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named solely responsible for payment of the judgment, as well as pursuing SAS and SASS B.V. for fraudulently selling an exclusive patent license they could not sell. In August 2014, SASS B.V. informed Buckhorn that SAS may not have the financial ability to pay the judgment and provided financial statements to Buckhorn indicating SAS is in financial distress and while SASS B.V is financially stable, the award is against SAS, not SASS B.V. Given the uncertainty of SAS's financial ability to meet the obligation and the judgment is joint and several, Myers has recorded an expense of $3.0 million during 2014 for the entire amount of the unpaid judgment, despite the belief we will ultimately be successful in the appeal and suing SAS and SASS B.V. The matter is presently under appeal and Buckhorn is also suing SAS and SASS B.V.

When management believes that a loss arising from these matters is probable and can reasonably be estimated, we record the amount of the estimated loss, or the minimum estimated liability when the loss is estimated using a range, and no point within the range is more probable of occurrence than another. As additional information becomes available, any potential liability related to these matters will be assessed and the estimates will be revised, if necessary.

Based on current available information, management believes that the ultimate outcome of these matters will not have a material adverse effect on our financial position, cash flows or overall trends in our results of operations. However, these matters are subject to inherent uncertainties, and unfavorable rulings could occur. If an unfavorable ruling were to occur, there exists the possibility of a material adverse impact on the financial position and results of operations of the period in which the ruling occurs, or in future periods.

10. Long-Term Debt and Loan Agreements

Long-term debt at December 31, 2014 and 2013 consisted of the following:

	2014	2013
Loan Agreement	$137,109	$34,200
4.67% Senior Unsecured Notes due 2021	40,000	—
5.25% Senior Unsecured Notes due 2024	11,000	11,000
5.30% Senior Unsecured Notes due 2024	29,000	—
5.45% Senior Unsecured Notes due 2026	20,000	—
	237,109	45,200
Less unamortized deferred financing costs	680	853
	$236,429	$44,347

On December 13, 2013, the Company entered into a Fourth Amended and Restated Loan Agreement (the "Loan Agreement"). The Loan Agreement provided for a $200 million senior revolving credit facility expiring on December 13, 2018, which replaced the then existing $180 million facility. In addition, on May 30, 2014, the Company entered into a First Amendment to the Loan Agreement (the "Loan Amendment"). The Loan Amendment increased the senior revolving credit facility from $200 million to $300 million through December 2018 and provided for an additional subsidiary of the Company as a borrower and as a guarantor of the credit facility. On July 2, 2014, the Company borrowed approximately $135.3 million under the Loan Agreement to fund the acquisition of Scepter. Amounts borrowed under the agreement are secured by pledges of stock of certain of our foreign and domestic subsidiaries. Under the terms of the Loan Agreement, the Company may borrow up to $300 million, reduced for letters of credit issued. As of December 31, 2014, the Company had $158.6 million available under the Loan Agreement. The Company also had $4.3 million of letters of credit issued related to insurance and other financing contracts in the ordinary course of business at December 31, 2014. Borrowings under the Loan Agreement bear interest at the LIBOR rate, prime rate, federal funds effective rate, the Canadian deposit offered rate, or the eurocurrency reference rate depending on the type of loan requested by the Company, in each case plus the applicable margin as set forth in the Loan Agreement. The average interest rate on borrowings under our loan agreements were 4.00% percent at December 31, 2014 and 3.71% percent at December 31, 2013, which includes a quarterly facility fee on the used and unused portion.

On October 22, 2013, the Company entered into a note purchase agreement for the private placement of Senior Unsecured Notes totaling $100 million with a group of investors. The four series of notes range in face value from $11 million to $40 million, with interest rates ranging from 4.67% to 5.45%, payable semiannually, and expiring between 2021 and 2026. At December 31, 2013, the Company had received $11 million of its 5.25% Senior Unsecured Notes due January 15, 2024 under the note purchase

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agreement. The remaining proceeds of $89 million under the note purchase agreement were subsequently received in January 2014. At December 31, 2014, $100 million was outstanding.
Long-term debt of $236.4 million at December 31, 2014 includes $0.7 million of unamortized deferred financing costs, which is accounted for as a debt valuation account. Amounts outstanding at December 31, 2014 under the Loan Agreement and note purchase agreement mature in 2018 and 2021 to 2026, respectively.
As of December 31, 2014, the Company was in compliance with all of its debt covenants associated with its Loan Agreement and Senior Unsecured Notes. The significant financial covenants include an interest coverage ratio, defined as earnings before interest , taxes, depreciation and amortization divided by interest expense, and a leverage ratio, defined as earnings before interest, taxes, depreciation, and amortization, as adjusted, compared to total debt. The ratios as of December 31, 2014 are shown in the following table:

	Required Level	Actual Level
Interest Coverage Ratio	3.00 to 1 (minimum)	10.14
Leverage Ratio	3.25 to 1 (maximum)	2.78

11. Income Taxes
The effective tax rate from continuing operations was 36.4% in 2014, 33.5% in 2013 and 37.2% in 2012. A reconciliation of the Federal statutory income tax rate to the Company’s effective tax rate is as follows:

	Percent of Income before Income Taxes					
	2014		2013		2012	
Statutory Federal income tax rate	35.0	%	35.0	%	35.0	%
State income taxes — net of Federal tax benefit	(4.5	)	2.9		4.6	
Foreign tax rate differential	1.8		(0.2	)	0.5	
Domestic production deduction	(6.6	)	(3.1	)	(3.0	)
Non-deductible expenses	7.0		1.3		1.0	
Changes in unrecognized tax benefits	(2.5	)	(0.2	)	(0.9	)
Foreign tax incentives	(3.0	)	(2.2	)	(1.4	)
Valuation allowances	9.0		—		0.8	
Other	0.2		—		0.6	
Effective tax rate for the year	36.4	%	33.5	%	37.2	%

Income from continuing operations before income taxes was attributable to the following sources:

	2014		2013	2012
United States	$21,074		$38,089	$42,021
Foreign	(6,991	)	1,696	175
Totals	$14,083		$39,785	$42,196

Income tax expense (benefit) from continuing operations consisted of the following:

	2014				2013				2012		
	Current		Deferred		Current		Deferred		Current		Deferred	
Federal	$8,298		$(1,208	)	$13,273		$(1,413	)	$11,871		$896	
Foreign	(277	)	(710	)	629		(920	)	339		(389	)
State and local	(234	)	(747	)	2,170		(396	)	2,876		96	
	$7,787		$(2,665	)	$16,072		$(2,729	)	$15,086		$603	

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Significant components of the Company’s deferred taxes as of December 31, 2014 and 2013 are as follows:

	2014	2013
Deferred income tax liabilities		
Property, plant and equipment	$11,629	$11,136
Tax-deductible goodwill	7,728	7,890
Non-deductible intangibles	1,843	2,313
State deferred taxes	687	1,150
Other	483	446
	22,370	22,935
Deferred income tax assets		
Compensation	6,716	5,982
Inventory valuation	636	602
Allowance for uncollectible accounts	260	452
Non-deductible accruals	2,631	1,956
Other	15	108
Net operating loss carryforwards	5,050	3,655
	15,308	12,755
Valuation Allowance	(4,326)	(4,264)
	10,982	8,491
Net deferred income tax liability	$11,388	$14,444

ASC 740 Income Taxes requires that deferred tax assets be reduced by a valuation allowance, if based on all available evidence, it is more likely than not that the deferred tax asset will not be realized. Available evidence includes the reversal of existing taxable temporary differences, future taxable income exclusive of temporary differences, taxable income in carryback years and tax planning strategies. At December 31, 2014, the Company has deferred tax assets of $5.1 million resulting from foreign net operating tax loss carryforwards, as well as $4.3 million of related valuation allowances, primarily from Brazil of approximately $14.9 million. These net operating tax loss carryforwards will begin to expire in 2034.

No provision has been recorded for unremitted earnings of foreign subsidiaries as it is the Company’s intention to indefinitely reinvest the earnings of those subsidiaries. Accordingly, at December 31, 2014, the Company had not recorded a deferred tax liability related to investments in its foreign subsidiaries that are essentially permanent in duration. The amount of such temporary differences was estimated to be approximately $15.9 million and may become taxable in the U.S. upon a repatriation of assets or a sale or liquidation of the subsidiaries. It is not practical to estimate the related amount of unrecognized tax liability.

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The following table summarizes the activity related to the Company’s unrecognized tax benefits:

	2014	2013	2012
Balance at January 1	$840	$910	$1,049
Increases related to current year tax positions	—	—	—
Increases related to acquired businesses	—	—	236
Increases related to previous year tax positions	5	—	580
Reductions due to lapse of applicable statute of limitations	(362)	(48)	(256)
Reduction due to settlements	—	(22)	(699)
Balance at December 31	$483	$840	$910

The total amount of gross unrecognized tax benefits that would reduce the Company’s effective tax rate was $0.5 million, $0.8 million and $0.9 million at December 31, 2014, 2013 and 2012, respectively. The amount of accrued interest expense included as a liability within the Company’s Consolidated Statements of Financial Position was $0.1 million as of each of December 31, 2014, 2013 and 2012. The December 31, 2014 balance of unrecognized tax benefits includes approximately $0.5 million of unrecognized tax benefits for which it is reasonably possible that they will be recognized within the next twelve months. This amount represents a decrease in unrecognized benefits related to state income tax audits, and expiring statutes in U.S. Federal, state, and Non-U.S. jurisdictions.

The Company and its subsidiaries file U.S. Federal, state and local, and non-U.S. income tax returns. As of December 31, 2014 the Company is no longer subject to U.S. Federal and state examinations by tax authorities for tax years before 2011 and 2010, respectively. In addition, the Company is subject to non-U.S. income tax examinations for tax years of 2009 through 2014.

12. Retirement Plans

The Company and certain of its subsidiaries have pension and profit sharing plans covering substantially all of their employees. The Company’s frozen defined benefit pension plan (“The Pension Agreement between Akro-Mils and United Steelworkers of America Local No. 1761-02”) provides benefits primarily based upon a fixed amount for each year of service as defined.

Net periodic pension cost for the years ended December 31, 2014, 2013 and 2012 was as follows:

	2014 Underfunded	2013 Underfunded	2012 Underfunded
Interest cost	$280	$259	$287
Expected return on assets	(371)	(333)	(236)
Amortization of net loss	45	111	101
Net periodic pension cost	$(46)	$37	$152

The reconciliation of changes in projected benefit obligations are as follows:

	2014	2013
Accumulated benefit obligation at beginning of year	$6,150	$7,109
Interest cost	280	259
Actuarial (gain) loss	1,235	(738)
Expenses paid	(95)	(74)
Benefits paid	(403)	(406)
Accumulated benefit obligation at end of year	$7,167	$6,150

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Explanation of Responses:

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The assumptions used to determine the net periodic benefit cost and benefit obligations are as follows:

	2014	2013	2012
Discount rate for net periodic pension cost	4.70 %	3.75 %	4.50 %
Discount rate for benefit obligations	3.90 %	4.70 %	3.75 %
Expected long-term return of plan assets	8.00 %	8.00 %	8.00 %

The expected long-term rate of return assumption is based on the actual historical rate of return on assets adjusted to reflect recent market conditions and future expectations consistent with the Company's current asset allocation and investment policy. This policy provides for aggressive capital growth balanced with moderate income production. The inherent risks of equity exposure exists, however, returns generally are less volatile than maximum growth programs. The assumed discount rates represent long-term high quality corporate bond rates commensurate with the liability duration of its plan.

The following table reflects the change in the fair value of the plan's assets:

	2014	2013
Fair value of plan assets at beginning of year	$5,577	$4,528
Actual return on plan assets	316	1,165
Company contributions	318	364
Expenses paid	(95)	(74)
Benefits paid	(403)	(406)
Fair value of plan assets at end of year	$5,713	$5,577

The fair value of plan assets are all categorized as level 1 and were determined based on period end closing prices in active markets. The weighted average asset allocations at December 31, 2014 and 2013 are as follows:

	2014	2013
U.S. Equities securities	82 %	82 %
U.S. Debt securities	17 %	17 %
Cash	1 %	1 %
Total	100 %	100 %

The following table provides a reconciliation of the funded status of the plan at December 31, 2014 and 2013:

	2014	2013
Projected benefit obligation	$7,167	$6,150
Plan assets at fair value	5,713	5,577
Funded status	$(1,454)	$(573)

The funded status shown above is included in other long-term liabilities in the Company's Consolidated Statements of Financial Position at December 31, 2014 and 2013. The Company expects to make a contribution of $288 to the plan in 2015.

Benefit payments projected for the plan are as follows:

2015	$387
2016	385
2017	381
2018	373
2019	379
2020-2024	1,936

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Effective January 1, 2012 the Company changed its profit sharing and 401(k) plan which included an increase in the Company's matching contributions and the frequency of the Company's match. The Myers Industries Profit Sharing and 401(k) Plan is maintained for the Company's U.S. based employees, not covered under defined benefit plans, who have met eligibility service requirements. The Company recognized expense related to the 401(k) employer matching contribution in the amount of $3,018, $2,802 and $2,609 in 2014, 2013 and 2012, respectively.
In addition, the Company has a Supplemental Executive Retirement Plan ("SERP") to provide certain participating senior executives with retirement benefits in addition to amounts payable under the 401(k) plan. Expense (income) related to the SERP was approximately $402, $(152), and $477 for the years ended December 2014, 2013 and 2012, respectively. The SERP liability was based on the discounted present value of expected future benefit payments using a discount rate of 3.90% at December 31, 2014 and 4.70% at December 31, 2013. The SERP liability was approximately $4,280 and $4,270 at December 31, 2014 and 2013, respectively, and is included in Accrued Employee Compensation and Other Long-Term Liabilities on the accompanying Consolidated Statements of Financial Position. The SERP is unfunded.
13. Leases
The Company and certain of its subsidiaries are committed under non-cancelable operating leases involving certain facilities and equipment. Aggregate rental expense for all leased assets was $4,708, $4,199 and $3,421 for the years ended December 31, 2014, 2013 and 2012, respectively.
Future minimum rental commitments are as follows:

Year Ended December 31,	Commitment
2015	$4,861
2016	3,864
2017	2,000
2018	314
2019	3
Thereafter	3,958
Total	$15,000

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14. Industry Segments

During 2014, the Company realigned its reportable segments as a result of organizational changes to better support its ongoing business strategy. The realignment is consistent with the manner in which our Chief Operating Decision Maker evaluates performance and makes resource allocation decisions. Using the criteria of ASC 280 Segment Reporting, the Company currently manages its business under two operating segments: Material Handling and Distribution. Certain business units that formerly reported in the Engineered Products Segment are now part of the Material Handling and Distribution Segments. Historical segment information reflects the effect of these changes. Each of these operating segments is also a reportable segment under the ASC 280 criteria.

None of the reportable segments include operating segments that have been aggregated. Some of these segments contain individual business components that have been combined on the basis of common management, customers, products, production processes and other economic characteristics. The Company accounts for intersegment sales and transfers at cost plus a specified mark-up.

The Material Handling Segment manufactures a broad selection of plastic reusable containers, pallets, small parts bins, bulk shipping containers, storage and organization products and rotationally-molded plastic tanks for water, fuel and waste handling. This segment conducts its primary operations in the United States, but also operates in Brazil and Canada. Markets served encompass various niches of industrial manufacturing, food processing, retail/wholesale products distribution, agriculture, automotive, recreational vehicles, marine vehicles, healthcare, appliance, bakery, electronics, textiles, consumer, and others. Products are sold both directly to end-users and through distributors.

The Distribution Segment is engaged in the distribution of equipment, tools, and supplies used for tire servicing and automotive undervehicle repair and the manufacture of tire repair and retreading products. The product line includes categories such as tire valves and accessories, tire changing and balancing equipment, lifts and alignment equipment, service equipment and tools, and tire repair/retread supplies. The Distribution Segment operates domestically through sales offices, and four regional distribution centers in the United States and in foreign countries through export sales. In addition, the Distribution Segment operates directly in certain foreign markets, principally Central America, through foreign branch operations. Markets served include retail and truck tire dealers, commercial auto and truck fleets, auto dealers, general service and repair centers, tire retreaders, and government agencies.

Total sales from foreign business units and export to countries outside the U.S. were approximately $110.4 million, $95.1 million, and $81.0 million for the years ended December 31, 2014, 2013 and 2012, respectively. Sales made to customers in Brazil accounted for approximately 7.3% of total net sales in 2014, 8.2% in 2013 and 5.3% in 2012. Sales made to customers in Canada accounted for approximately 4.2% of total net sales in 2014, 3.3% in 2013 and 4.4% in 2012.There are no other individual foreign countries for which sales are material. Long-lived assets in foreign countries, consisting of property, plant and equipment, were approximately $44.8 million at December 31, 2014 and $16.9 million at December 31, 2013. The increase in long-lived assets in foreign countries is mainly the result of assets acquired with the Scepter acquisition.

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	2014	2013	2012
Net Sales			
Material Handling	$432,054	$380,605	$337,474
Distribution	191,873	204,460	208,567
Intra-segment elimination	(278)	(332)	(469)
	$623,649	$584,733	$545,572
Income from Continuing Operations Before Income Taxes			
Material Handling	$31,903	$47,428	$51,296
Distribution	16,024	21,727	22,582
Corporate	(25,309)	(24,839)	(27,352)
Interest expense - net	(8,535)	(4,531)	(4,330)
	$14,083	$39,785	$42,196
Identifiable Assets			
Material Handling	$370,501	$240,897	$254,165
Distribution	57,523	63,340	56,674
Corporate	19,034	4,652	7,796
Discontinued Operations	117,775	160,568	166,221
	$564,833	$469,457	$484,856
Capital Additions, Net			
Material Handling	$22,197	$18,787	$18,199
Distribution	1,786	915	1,086
Corporate	187	1,007	576
	$24,170	$20,709	$19,861
Depreciation and Amortization			
Material Handling	$29,013	$21,728	$18,034
Distribution	1,022	859	786
Corporate	1,137	941	656
	$31,172	$23,528	$19,476

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15. Summarized Quarterly Results of Operations (Unaudited)

Thousands of Dollars, Except Per Share Data

Quarter Ended 2014	March-31	June-30	September-30	December-31	Total
Net Sales	$150,485	$152,784	$162,109	$158,271	$623,649
Gross Profit	42,071	42,532	39,961	36,715	161,279
Net income (loss) from continuing operations(1)	4,763	6,327	(3,618)	$1,489	$8,961
Income (loss) from discontinued operations, net(2)	(4,083)	$(578)	$875	(13,856)	$(17,642)
Net income (loss)(1)	680	5,749	(2,743)	$(12,367)	$(8,681)
Income (loss) per common share from continuing operations:					
Basic*	$0.14	$0.20	$(0.11)	$0.05	$0.28
Diluted*	$0.14	$0.19	$(0.11)	$0.05	$0.27
Income (loss) per common share from discontinued operations:					
Basic*	$(0.12)	$(0.02)	$0.02	$(0.44)	$(0.55)
Diluted*	$(0.12)	$(0.02)	$0.02	$(0.44)	$(0.54)
Net income (loss) per share:					
Basic*	$0.02	$0.18	$(0.09)	$(0.39)	$(0.27)
Diluted*	$0.02	$0.17	$(0.09)	$(0.39)	$(0.27)

Quarter Ended 2013(3)	March-31	June-30	September-30	December-31	Total
Net Sales	$144,944	$153,623	$141,442	$144,724	$584,733
Gross Profit	42,085	45,008	42,518	39,943	169,554
Net income from continuing operations	5,796	7,405	6,859	6,382	26,442
Income (loss) from discontinued operations, net	2,087	907	(371)	(3,063)	(440)
Net income	7,883	8,312	6,488	3,319	26,002
Income per common share from continuing operations:					
Basic*	$0.18	$0.22	$0.20	$0.19	$0.78
Diluted*	$0.17	$0.22	$0.20	$0.19	$0.77
Income (loss) per common share from discontinued operations:					
Basic*	$0.06	$0.03	$(0.01)	$(0.09)	$(0.01)
Diluted*	$0.06	$0.03	$(0.01)	$(0.09)	$(0.01)
Net income (loss) per share:					
Basic*	$0.24	$0.25	$0.19	$0.10	$0.77
Diluted*	$0.23	$0.25	$0.19	$0.10	$0.76

(1) During the quarter ended December 31, 2014, the Company recorded out of period, after-tax charges totaling approximately $3.2 million, of which approximately $1.8 million related to periods prior to 2014 primarily as a result of adjustments identified related to inventory and fixed assets at its Brazilian operations within the Material Handling Segment. The Company concluded such adjustments were not material to its consolidated financial statements for any previously reported interim period within 2014 or for any annual period impacted by such adjustments prior to 2014.

(2) During the quarter ended December 31, 2014, the Company recorded an $18.9 million impairment charge attributable to assets held-for-sale at year end. Refer to Note 4 to the Consolidated Financial Statements.
(3) Historical information has been updated to reflect discontinued operations presentation.
*The sum of the earnings per share for the four quarters in a year does not necessarily equal the total year earnings per share due to the computation of weighted shares outstanding during the period.

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.
None.

ITEM 9A. CONTROLS AND PROCEDURES
Evaluation of Disclosure Controls and Procedures
The Company maintains disclosure controls and procedures, as defined under Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, that are designed to ensure that information required to be disclosed in the Company’s reports under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Commission’s rules and forms and that such information is accumulated and communicated to the Company’s management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.
The Company carries out a variety of on-going procedures, under the supervision and with the participation of the Company’s management, including the Company’s Chief Executive Officer and Chief Financial Officer, to evaluate the effectiveness of the design and operation of the Company’s disclosure controls and procedures. Based on the foregoing, the Company’s Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures were ineffective as of December 31, 2014 due to the material weaknesses in the Company's internal control over financial reporting at its Brazilian operations as described below.
Management’s report on internal control over financial reporting, and the report of the independent registered public accounting firm on internal control over financial reporting are titled “Management’s Annual Assessment of and Report on Internal Control Over Financial Reporting” and “Report of Independent Registered Public Accounting Firm”, respectively, and are included herein.
Changes in Internal Control Over Financial Reporting
There have been no changes in our internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.
Management’s Annual Assessment of and Report on Internal Control Over Financial Reporting
Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f). The Company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.
Because of its inherent limitation, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.
Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of the Company’s internal control over financial reporting based on the framework in “Internal Control - Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework). Based on this assessment, management identified deficiencies in both the design and operating effectiveness of the Company’s internal control over financial reporting, which when aggregated, represent two material weaknesses in internal control over (1) the inventory process at our Brazilian operations and (2) the financial statement close process, including insufficient management oversight and monitoring of the controls at our Brazilian operations as of December 31, 2014. Specifically, the management review controls performed at our Brazilian operations were not performed at an appropriate level of precision and as a result, failed to detect errors or identify inadequate support for inventory account balances and the inventory costing process. The financial statement close process at our Brazilian operations lacked sufficient review

controls over account reconciliations and manual journal entries to ensure that account balances and journal entries were supported by accurate and complete information. Additionally, the financial statement close process did not include adequately designed controls to provide for sufficient oversight and monitoring by Segment and Corporate management to detect the errors within our Brazilian operations resulting from the inadequate review controls over account reconciliations and journal entries. As a result of these deficiencies, the Company was required to record adjustments to its 2014 consolidated financial statements. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a

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material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. As a result of these material weaknesses, management concluded that the Company did not maintain effective internal control over financial reporting as of December 31, 2014.

Management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Scepter Corporation Group ("Scepter"), which is included in the 2014 consolidated financial statements of Myers Industries, Inc. and Subsidiaries and constituted 27% of total assets as of December 31, 2014 and 6% and 33% of net sales and net income from continuing operations, respectively, for the year then ended. The Company acquired Scepter on July 2, 2014.

The effectiveness of the Company’s internal control over financial reporting as of December 31, 2014 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report included herein.

Management’s Remediation Activities

We have taken preliminary steps to address the underlying causes of the deficiencies at our Brazilian operations. We plan to enhance our complement of resources at our Brazilian operations with accounting and internal control knowledge through additional hiring and training to implement and perform additional controls over the preparation and review of account reconciliations and approval of manual journal entries. We will develop revised policies and procedures associated with the preparation and retention of supporting documentation for account reconciliations as well as the review and approval of manual journal entries prior to posting to the general ledger. As it relates to inventory, we will also enhance current controls or implement new processes, procedures and controls: i) to adequately complete and review monthly reconciliations of inventory perpetual records to the general ledger; ii) to address the proper treatment of reconciling items identified related to inventory; and iii) to ensure the accuracy of the costing of inventory. Finally, we will implement additional controls to enhance oversight of the financial function in the Brazilian entities and reinforce the need for open communication as issues arise. We plan to remediate all of the control deficiencies underlying these material weaknesses during 2015. We will continue to monitor the effectiveness of these and other processes, procedures and controls at our Brazilian operations and will make any further changes management determines appropriate.

John C. Orr President and Chief Executive Officer	Greggory W. Branning Senior Vice President, Chief Financial Officer and Corporate Secretary

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Report of Independent Registered Public Accounting Firm
The Board of Directors and Shareholders
Myers Industries, Inc.

We have audited Myers Industries, Inc. and Subsidiaries' internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 Framework) (the COSO criteria). Myers Industries, Inc. and Subsidiaries' management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Assessment of and Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.
We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.
A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.
Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.
A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and included in management's assessment. Management has identified deficiencies in both the design and operating effectiveness of the Company's internal control over financial reporting, which when aggregated, represent two material weaknesses in internal control over (1) the inventory reconciliation and costing process at its Brazilian operations and (2) the financial statement close process related to the review of account reconciliations and manual journal entries including Segment and Corporate management oversight and monitoring of the controls, at its Brazilian operations as of December 31, 2014.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of financial position of Myers Industries, Inc. and Subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows for each of the three years in the period ended December 31, 2014. These material weaknesses were considered in determining the nature, timing and extent of audit tests applied in our audit of the 2014 consolidated financial statements, and this report does not affect our report dated March 31, 2015, which expressed an unqualified opinion on those financial statements.

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As indicated in the accompanying Management’s Annual Assessment of and Report on Internal Control Over Financial Reporting, management’s assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Scepter Corporation Group (“Scepter”), which is included in the 2014 consolidated financial statements of Myers Industries, Inc. and Subsidiaries and constituted 27% of total assets as of December 31, 2014, and 6% and 33% of total revenues and net income from continuing operations, respectively, for the year then ended. Our audit of internal control over financial reporting of Myers Industries, Inc. and Subsidiaries also did not include an evaluation of the internal control over financial reporting of Scepter.

In our opinion, because of the effect of the material weaknesses described above on the achievement of the objectives of the control criteria, Myer Industries, Inc. and Subsidiaries has not maintained effective internal control over financial reporting as of December 31, 2014, based on the COSO criteria.

/s/ ERNST & YOUNG LLP
Akron, Ohio
March 31, 2015

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ITEM 9B. Other Information.
None.
PART III

ITEM 10. Directors and Executive Officers of the Registrant
For information about the directors of the Company, see the sections titled “Nominees”, “Director Independence”, “Committees of the Board”, Committee Charters and Policies”, Shareholder Nominations of Director Candidates” and “Corporate Governance Policies” of the Company’s Proxy Statement filed with the Securities and Exchange Commission for the Company’s annual meeting of shareholders to be held on April 24, 2015 (“Proxy Statement”), which is incorporated herein by reference.
Each member of the Company’s Audit Committee is financially literate and independent as defined under the Company’s Independence Criteria Policy and the independence standards set by the New York Stock Exchange. The Board has identified Robert A. Stefanko and Robert B. Heisler, Jr. as “Audit Committee Financial Experts”.
Information about the Executive Officers of Registrant appears in Part I of this Report.
Disclosures by the Company with respect to compliance with Section 16(a) appears under the section entitled “Section 16(a) Beneficial Ownership Reporting Compliance” in the Proxy Statement, and is incorporated herein by reference.
For information about our Code of Ethics see the section titled “Corporate Governance Policies” of our Proxy Statement, which is incorporated herein by reference.

ITEM 11. Executive Compensation
See the sections titled “Executive Compensation and Related Information”, “Compensation Committee Interlocks and Insider Participation", "Compensation Committee Report on Executive Compensation”, “Risk Assessment of Compensation Practices” and “Board Role in Risk Oversight” of the Proxy Statement, which are incorporated herein by reference.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management
See the sections titled “Security Ownership of Certain Beneficial Owners and Management,” and “Election of Directors” of the Proxy Statement, which are incorporated herein by reference.

Plan Category	(A) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(B) Weighted-average Exercise Price of Outstanding Options, Warrants and Rights	(C) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (A))
Equity Compensation Plans Approved by Security Holders(1)	1,748,952	$11.46	633,871
Equity Compensation Plans Not Approved by Security Holders	–0–	–0–	–0–
Total	1,748,952		633,871

(1) This information is as of December 31, 2014 and includes the 2008 Incentive Stock Plan and 1999 Incentive Stock Plan.

ITEM 13. Certain Relationships and Related Transactions
See the sections titled “Policies and Procedures with Respect to Related Party Transactions” and “Director Independence” of the Proxy Statement, which are incorporated herein by reference.

ITEM 14. Principal Accounting Fees and Services

Required information regarding fees paid to and services provided by the Company's independent registered public accounting firm and the pre-approval policies and procedures of the Audit Committee of the Company's Board of Directors is set forth under the section titled "Matters Relating to the Independent Registered Public Accounting Firm" of the Proxy Statement, which is incorporated herein by reference.

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PART IV

ITEM 15. Exhibits, Financial Statement Schedules

The following consolidated financial statements of the Registrant appear in Part II of this Report:

15. (A)(1) Financial Statements

Consolidated Financial Statements of Myers Industries, Inc. and Subsidiaries
Report of Independent Registered Public Accounting Firm
Consolidated Statements of Financial Position As of December 31, 2014 and 2013
Consolidated Statements of Operations For The Years Ended December 31, 2014, 2013 and 2012
Consolidated Statements of Comprehensive Income (Loss) For the Years Ended December 31, 2014, 2013 and 2012
Consolidated Statements of Shareholders' Equity For The Years Ended December 31, 2014, 2013 and 2012
Consolidated Statements of Cash Flows For The Years Ended December 31, 2014, 2013 and 2012
Notes to Consolidated Financial Statements For The Years Ended December 31, 2014, 2013 and 2012

15. (A)(2) Financial Statement Schedules

All schedules are omitted because they are inapplicable, not required, or because the information is included in the consolidated financial statements or notes thereto which appear in Part II of this Report.

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Explanation of Responses:

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15. (B) Exhibits

EXHIBIT INDEX

2(a)	Asset Purchase Agreement, dated as of May 30, 2014, among Scepter Corporation, SHI Properties Inc., CA Acquisition Inc., and Myers Industries, Inc. Reference is made to Exhibit 2.1 to Form 8-K filed with the Commission on July 7, 2014.**
2(b)	Unit Purchase Agreement, dated as of May 30, 2014, among Eco One Holdings, Inc., Crown US Acquisition Company, and Myers Industries, Inc. Reference is made to Exhibit 2.2 to Form 8-K filed with the Commission on July 7, 2014.**
2(c)	Indemnification Agreement, dated as of May 30, 2014 among Scepter Corporation, SHI Properties Inc., Eco One Holdings, Inc., Crown US Acquisition Company, and CA Acquisition Inc. Reference is made to Exhibit 2.3 to Form 8-K filed with the Commission on July 7, 2014.**
2(d)	First Amendment to the Asset Purchase Agreement, Unit Purchase Agreement and Indemnification Agreement, dated as of July 2, 2014, among Scepter Corporation, SHI Properties Inc., CA Acquisition Inc., Eco One Holdings, Inc., Crown US Acquisition Company, and Myers Industries, Inc. Reference is made to Exhibit 2.4 to Form 8-K filed with the Commission on July 7, 2014.**
3(a)	Myers Industries, Inc. Amended and Restated Articles of Incorporation. Reference is made to Exhibit 3(a) to Form 10-K filed with the Commission on March 16, 2005.
3(b)	Myers Industries, Inc. Amended and Restated Code of Regulations. Reference is made to Exhibit 3.1 to Form 8-K filed with the Commission on April 12, 2013.
10(a)	Myers Industries, Inc. Amended and Restated Employee Stock Purchase Plan. Reference is made to Exhibit 10(a) to Form 10-K filed with the Commission on March 30, 2001.
10(b)	Form of Indemnification Agreement for Directors and Officers. Reference is made to Exhibit 10.1 to Form 10-Q filed with the Commission on May 1, 2009.
10(c)	Myers Industries, Inc. Amended and Restated Dividend Reinvestment and Stock Purchase Plan. Reference is made to Exhibit 99 to Post-Effective Amendment No. 2 to Form S-3 filed with the Commission on March 19, 2004.
10(d)	Myers Industries, Inc. Amended and Restated 1999 Incentive Stock Plan. Reference is made to Exhibit 10(f) to Form 10-Q filed with the Commission on August 9, 2006.*
10(e)	2008 Incentive Stock Plan of Myers Industries, Inc. Reference is made to Exhibit 4.3 to Form S-8 filed with the Commission on March 17, 2009.*
10(f)	Amendment No. 1 to the 2008 Incentive Stock Plan of Myers Industries, Inc. Reference is made to Exhibit 10.1 to Form 8-K filed with the Commission on August 3, 2010.*
10(g)	Myers Industries, Inc. Executive Supplemental Retirement Plan. Reference is made to Exhibit (10)(g) to Form 10-K filed with the Commission on March 26, 2003.*
10(h)	Severance Agreement between Myers Industries, Inc. and John C. Orr effective June 1, 2011. Reference is made to Exhibit 10.1 to Form 8-K filed with the Commission on March 7, 2011.*
10(i)	Non-Disclosure and Non-Competition Agreement between Myers Industries, Inc. and John C. Orr dated July 18, 2000. Reference is made to Exhibit 10(j) to Form 10-Q filed with the Commission on May 6, 2003.*
10(j)	Amendment to the Myers Industries, Inc. Executive Supplemental Retirement Plan (John C. Orr) effective June 1, 2008. Reference is made to Exhibit 10.2 to Form 8-K filed with the Commission on June 24, 2008.*
10(k)	Severance Agreement between Myers Industries, Inc. and Gregg Branning dated September 1, 2012. Reference is made to Exhibit 10.1 to Form 8-K filed with the Commission on September 4, 2012.*
10(l)	Third Amendment to the Myers Industries, Inc. Executive Supplemental Retirement Plan (John C. Orr) effective June 1, 2011. Reference is made to Exhibit 10.2 to Form 8-K filed with the Commission on March

	7, 2011.*
10(m)	Amendment No. 2 to the 2008 Incentive Stock Plan of Myers Industries, Inc. Reference is made to Exhibit 10(u) to Form 10-K filed with the Commission on March 4, 2013.*
10(n)	Non-Competition and Confidentiality Agreement between Myers Industries, Inc. and Gregg Branning dated September 1, 2012. Reference is made to Exhibit 10(s) to Form 10-Q filed with the Commission on May 1, 2013.*
10(o)	Performance Bonus Plan of Myers Industries, Inc. Reference is made to Exhibit 10.1 to Form 8-K filed with the Commission on April 30, 2013.*
10(p)	Note Purchase Agreement between Myers Industries, Inc. and the Note Purchasers, dated October 22, 2013, regarding the issuance of $40,000,000 of 4.67% Series A Senior Notes due January 15, 2021, $11,000,000 of 5.25% Series B Senior Notes due January 15, 2024, $29,000,000 of 5.30% Series C Senior Notes due January 15, 2024, and $20,000,000 of 5.45% Series D Senior Notes due January 15, 2026. Reference is made to Exhibit 4.1 to Form 8-K filed with the Commission on October 24, 2013.
10(q)	Fourth Amended and Restated Loan Agreement among Myers Industries, Inc., MYE Canada Operations, Inc., the lenders party thereto, and JPMorgan Chase Bank, National Association, as Agent, dated December 13, 2013. Reference is made to Exhibit 10.1 to Form 8-K filed with the Commission on December 17, 2013.
10(r)	First Amendment to Fourth Amended and Restated Loan Agreement among Myers Industries, Inc., the foreign subsidiary borrowers, the lenders party thereto, and JPMorgan Chase Bank, National Association, as Agent, dated May 30, 2014. Reference is made to Exhibit 10.1 to Form 8-K filed with the Commission on June 4, 2014.
14	Myers Industries, Inc. Code of Ethics and Business Conduct. Reference is made to Exhibit 14 to Form 8-K filed with the Commission on March 11, 2014.
21	List of Direct and Indirect Subsidiaries, and Operating Divisions, of Myers Industries, Inc.
23.1	Consent of Independent Registered Public Accounting Firm.
31(a)	Certification of John C. Orr, President and Chief Executive Officer of Myers Industries, Inc., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

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31(b)	Certification of Greggory W. Branning, Senior Vice President, Chief Financial Officer and Corporate Secretary of Myers Industries, Inc., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certifications of John C. Orr, President and Chief Executive Officer, and Greggory W. Branning, Executive Vice President, Chief Financial Officer and Corporate Secretary, of Myers Industries, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial information from Myers Industries, Inc. Quarterly Report on Form 10-K for the year ended December 31, 2014 filed with the SEC on March 31, 2015, formatted in XBRL includes: (i) Condensed Consolidated Statements of Financial Position at December 31, 2014 and December 31, 2013, (ii) Condensed Consolidated Statements of Operations for the fiscal periods ended December 31, 2014 and 2013, (iii) Condensed Consolidated Statements of Comprehensive Income for the fiscal periods ended December 31, 2014 and 2013, (iv) Condensed Consolidated Statements of Cash Flows for the fiscal periods ended December 31, 2014 and 2013, (v) Condensed Consolidated Statement of Shareholders' Equity for the fiscal period ended December 31, 2014, and (vi) the Notes to Consolidated Financial Statements.

*	Indicates executive compensation plan or arrangement.
**	Pursuant to Item 601(b)(2) of Regulation S-K, certain exhibits and schedules have been omitted from this filing. The registrant agrees to furnish the Commission on a supplemental basis a copy of any omitted exhibit or schedule.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MYERS INDUSTRIES, INC.

/s/ Greggory W. Branning
Greggory W. Branning
Senior Vice President,
Chief Financial Officer and
Corporate Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ John C. Orr JOHN C. ORR	President, Chief Executive Officer and Director (Principal Executive Officer)	March 31, 2015
/s/ Greggory W. Branning GREGGORY W. BRANNING	Senior Vice President, Chief Financial Officer and Corporate Secretary (Principal Financial and Accounting Officer)	March 31, 2015
/s/ William A. Foley WILLIAM A. FOLEY	Director	March 31, 2015
/s/ Vincent Byrd VINCENT BYRD	Director	March 31, 2015
/s/ Robert A. Stefanko ROBERT A. STEFANKO	Director	March 31, 2015
/s/ Richard P. Johnston RICHARD P. JOHNSTON	Director	March 31, 2015
/s/ Edward W. Kissel EDWARD W. KISSEL	Director	March 31, 2015
/s/ Sarah R. Coffin SARAH R. COFFIN	Director	March 31, 2015
/s/ John B. Crowe JOHN B. CROWE	Director	March 31, 2015
/s/ Robert B. Heisler, Jr.	Director	March 31, 2015

ROBERT B. HEISLER, JR.

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