

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

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

For the quarterly period ended March 31, 2015

OR

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

Commission File Number 1-36521

TCP INTERNATIONAL HOLDINGS LTD.

(Exact name of registrant as specified in its charter)

Switzerland
(State or other jurisdiction of
incorporation or organization)

Not Applicable
(I.R.S. Employer
Identification No.)

Alte Steinhäuserstrasse 1
6330 Cham, Switzerland
(Address of principal executive offices)

(330) 995-6111
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large Accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-Accelerated filer	<input checked="" type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 3, 2015, 28,046,304 shares of common stock were outstanding.

TCP INTERNATIONAL HOLDINGS LTD.
10-Q Table of Contents

	Page
Part I – Financial Information	
Item 1. Condensed Consolidated Financial Statements	
Condensed Consolidated Balance Sheets	1
Condensed Consolidated Statements of Comprehensive (Loss) Income	2
Condensed Consolidated Statements of Cash Flows	3
Notes to Condensed Consolidated Financial Statements	4
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	11
Item 3. Quantitative and Qualitative Disclosures About Market Risk	18
Item 4. Controls and Procedures	19
Part II – Other Information	21
Item 1. Legal Proceedings	21
Item 6. Exhibits	21
Signature	22
Exhibit Index	23

PART I—FINANCIAL INFORMATION**Item 1. Condensed Consolidated Financial Statements.****TCP INTERNATIONAL HOLDINGS LTD. AND SUBSIDIARIES**
Condensed Consolidated Balance Sheets
(Unaudited)
(Amounts in thousands, except per share data)

	March 31, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 57,967	\$ 31,354
Restricted cash	6,885	7,367
Accounts receivable, less allowance for doubtful accounts of \$1,158 and \$1,428 at March 31, 2015 and December 31, 2014, respectively	62,154	95,089
Inventories	126,801	122,342
Prepays and other current assets	15,663	28,217
Deferred income taxes	14,152	17,557
Total current assets	283,622	301,926
Property, plant and equipment, net of accumulated depreciation of \$43,569 and \$41,826 at March 31, 2015 and December 31, 2014, respectively	70,925	72,037
Land rights, net	4,085	4,126
Deferred costs	16,360	16,145
Intangible assets, net of accumulated amortization of \$1,069 and \$1,009 at March 31, 2015 and December 31, 2014, respectively	2,127	2,345
Deferred income taxes, long-term	7,360	7,094
Other long-term assets	1,629	1,737
Total assets	\$ 386,108	\$ 405,410
Liabilities and Shareholders' Equity		
Current liabilities:		
Short-term loans and current portion of long-term debt	\$ 85,003	\$ 74,637
Accounts payable	117,763	129,194
Accrued expenses and other current liabilities	58,285	77,826
Total current liabilities	261,051	281,657
Long-term debt, net of current portion	5,288	5,340
Income taxes payable, long-term	8,076	7,891
Legal settlements, net of current portion	24,404	24,311
Other long-term liabilities	501	508
Total liabilities	299,320	319,707
Commitments and contingencies (Note 8)		
Shareholders' equity:		
Common stock, CHF 1.00 par value; 41,107 shares authorized; 28,201 issued and 28,046 outstanding at March 31, 2015 and 27,732 issued and outstanding at December 31, 2014	30,587	30,101
Additional paid-in capital	69,333	68,063
Treasury shares, at cost (155 shares at March 31, 2015)	(418)	—
Accumulated other comprehensive income	10,272	9,290
Retained deficit	(22,986)	(21,751)
Total shareholders' equity	86,788	85,703
Total liabilities and shareholders' equity	\$ 386,108	\$ 405,410

See accompanying notes to unaudited condensed consolidated financial statements.

TCP INTERNATIONAL HOLDINGS LTD. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive (Loss) Income
(Unaudited)
(Amounts in thousands, except per share data)

	Three Months Ended March 31,	
	2015	2014
Net sales	\$ 98,775	\$ 101,117
Cost of goods sold	74,617	76,330
Gross profit	24,158	24,787
Selling, general and administrative expenses	21,000	16,963
Litigation settlements	90	100
Operating income	3,068	7,724
Other expense (income):		
Interest expense	1,651	2,307
Interest income	(89)	(27)
Foreign exchange losses (gains), net	550	(674)
Income before income taxes	956	6,118
Income tax expense	2,191	2,197
Net (loss) income	\$ (1,235)	\$ 3,921
Other comprehensive (loss) income:		
Foreign currency translation adjustments	982	(656)
Comprehensive (loss) income	\$ (253)	\$ 3,265
Net (loss) income per share-basic and diluted	\$ (0.04)	\$ 0.19

See accompanying notes to unaudited condensed consolidated financial statements.

TCP INTERNATIONAL HOLDINGS LTD. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(Amounts in thousands)

	Three Months Ended March 31,	
	2015	2014
Cash flows from operating activities:		
Net (loss) income	\$ (1,235)	\$ 3,921
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,131	2,190
Deferred income tax expense	2,969	790
Share-based compensation expense	1,756	—
Loss on disposal of equipment	15	18
Changes in operating assets and liabilities:		
Accounts receivable	33,758	432
Inventories	(5,082)	3,002
Prepaid expenses and other assets	12,910	2,132
Accounts payable	(8,272)	(11,860)
Accrued and other liabilities	(19,059)	(10,117)
Net cash provided by (used in) operating activities	19,891	(9,492)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(3,824)	(4,084)
Decrease (increase) in restricted cash	455	(2,062)
Repayment of related party finance receivables	—	84
Other investing activities, net	—	2
Net cash used in investing activities	(3,369)	(6,060)
Cash flows from financing activities:		
Borrowings under foreign short-term bank loans	52,877	43,627
Repayments of foreign short-term bank loans	(28,884)	(32,994)
(Repayment) borrowings on line of credit agreement, net	(13,432)	6,372
Repayments of long-term debt	(51)	(67)
Payment of related party finance liability	—	(74)
Payment of debt issuance costs	(245)	—
Net cash provided by financing activities	10,265	16,864
Effect of exchange rate changes on cash and cash equivalents	(174)	(194)
Increase in cash and cash equivalents	26,613	1,118
Cash and cash equivalents at beginning of period	31,354	21,903
Cash and cash equivalents at end of period	\$ 57,967	\$ 23,021
Supplemental disclosure of non-cash activities:		
Purchase of property and equipment included in accounts payable	\$ 3,067	\$ 6,417
Deferred offering costs not yet paid	\$ —	\$ 347

See accompanying notes to unaudited condensed consolidated financial statements.

TCP INTERNATIONAL HOLDINGS LTD. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(Unaudited)

(Amounts in thousands, except per share data)

(1) Nature of Operations

TCP International Holdings Ltd. (TCP or the Company), together with its subsidiaries, designs, develops, manufactures and delivers high quality energy-efficient lamps, fixtures and internet-based lighting control solutions. The Company's broad portfolio of LED and compact fluorescent lamps (CFLs), fixtures and internet-based lighting solutions are offered through thousands of retail and consumer and industrial distributors throughout the United States, Canada, Asia, Latin America and Europe/Middle East/Africa (EMEA).

(2) Significant Accounting Policies

(a) Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company included herein have been prepared pursuant to accounting principles generally accepted in the United States of America (U.S. GAAP) for interim reporting. Certain information and footnote disclosures normally included in our annual consolidated financial statements have been condensed or omitted pursuant to Article 10 of Regulation S-X of the U.S. Securities and Exchange Commission (SEC). The accompanying consolidated balance sheet at December 31, 2014, has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by U.S. GAAP for a complete set of annual financial statements.

Financial statements prepared in accordance with U.S. GAAP require management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and other disclosures. In the opinion of management, these unaudited condensed consolidated financial statements include all normal and recurring adjustments necessary for a fair presentation of the financial position and the results of our operations and cash flows for the interim periods presented.

The results of operations for any interim period are not necessarily indicative of the results of operations for the full year. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes to consolidated financial statements as of and for the year ended December 31, 2014, included in the Company's Annual Report on Form 10-K filed on April 15, 2015.

(b) Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. As of March 31, 2015 and December 31, 2014, \$52,476 and \$31,056, respectively, of the Company's cash and cash equivalents were held outside the United States.

(c) Fair Value Measurements

As of March 31, 2015 and December 31, 2014, the Company did not have any assets or liabilities that were required to be measured at fair value on a recurring basis. Cash and cash equivalents, restricted cash, accounts receivable, accounts payable, and short-term borrowings and loans are carried at historical costs, which approximate their fair value due to their relatively short-term maturities. The fair value of the Company's long-term debt was \$5,648 and \$5,718 at March 31, 2015 and December 31, 2014, respectively. The fair value of the Company's long-term debt is based on a discounted cash flow analysis that utilizes Level 2 inputs. These inputs include observable market-based interest rates on debt with similar creditworthiness, terms and maturities.

(d) Earnings Per Share

Basic net (loss) income per share is computed by dividing net (loss) income by the weighted average number of common shares outstanding during the period. Diluted net (loss) income per share is computed by dividing net (loss) income by the weighted average number of common shares outstanding during the period and potentially dilutive common share equivalents, except in cases where the effect of including the common share equivalents would be antidilutive. Potential common share equivalents consist of common shares issuable upon vesting of restricted share units (RSUs) calculated using the treasury stock method. For the three months ended March 31, 2015, 664 common shares underlying RSUs were antidilutive and excluded from diluted average shares outstanding. For the three months ended March 31, 2014, there were no RSUs outstanding.

The following table presents the calculation of basic and diluted net (loss) income per share for the three months ended March 31, 2015 and 2014:

	Three Months Ended March 31,	
	2015	2014
Numerator:		
Net (loss) income	\$ (1,235)	\$ 3,921
Denominator:		
Weighted average shares outstanding	27,837	20,553
Dilutive effect of RSUs	—	—
Diluted average shares outstanding	27,837	20,553
Net (loss) income per share, basic	(0.04)	0.19
Net (loss) income per share, diluted	(0.04)	0.19

(e) Recently Issued Accounting Pronouncements

Accounting Standards Adopted in 2015

In April 2015, the FASB issued ASU No. 2015-3, *Simplifying the Presentation of Debt Issuance Costs*, which requires that all costs incurred to issue debt be presented in the balance sheet as a direct deduction from the carrying value of the debt. Prior to the issuance of this ASU, debt issuance costs were required to be presented in the balance sheet as an asset. Upon adoption, the standard requires prior period financial statements to be retrospectively adjusted. This ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2015 with early adoption permitted in certain circumstances. The Company adopted this pronouncement as of March 31, 2015. As a result of adopting this pronouncement, the Company recorded \$35 of net debt issuance costs at March 31, 2015, as a deduction to short-term loans and current portion of long-term debt, and reclassified \$176 of debt issuance costs at December 31, 2014, from prepaids and other current assets to short-term loans and current portion of long-term debt in its condensed consolidated balance sheets. The adoption of this pronouncement did not have an impact on the Company's condensed consolidated statements of comprehensive (loss) income and cash flows.

Accounting Standards Not Yet Adopted

In May 2014, the FASB issued ASU No. 2014-9, *Revenue from Contracts with Customers*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective on January 1, 2017. Early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. The Company has not yet selected a transition method nor has it evaluated the effect that ASU 2014-9 will have on the consolidated financial statements.

In August 2014, FASB issued ASU No. 2014-15, *Preparation of Financial Statements – Going Concern (Subtopic 205-40), Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. Under U.S. GAAP, continuation of a reporting entity as a going concern is presumed as the basis for preparing financial statements unless and until the entity's liquidation becomes imminent. Even when an entity's liquidation is not imminent, there may be conditions or events that raise substantial doubt about the

entity's ability to continue as a going concern. In those situations, financial statements should continue to be prepared under the going concern basis of accounting, but the amendments in this ASU should be followed to determine whether to disclose information about the relevant conditions and events. This ASU is effective for annual periods ending after December 15, 2016. Early application is permitted. The Company does not believe that the adoption of this ASU would require additional disclosure within its condensed consolidated financial statements.

(3) Share-based Compensation

Share-based compensation awards under our 2014 Omnibus Incentive Plan (the 2014 Plan) are valued at fair value, as determined using the closing price of the Company's shares on the New York Stock Exchange on the date of grant. The Company recognizes share-based compensation expense on a straight-line basis over the requisite service period of each award, net of estimated forfeitures.

For the three months ended March 31, 2015, share-based compensation expense of \$1,756 was recorded through selling, general and administrative expenses. As of March 31, 2015, unrecognized compensation expense was \$4,332, which is expected to be recognized over a remaining weighted average period of 10 months.

The following table summarizes additional information concerning unvested employee RSUs:

	Units	Weighted Average Grant Date Fair Value
Unvested at December 31, 2014	1,124	\$ 9.09
Vested	(455)	9.05
Forfeited	(11)	8.27
Unvested at March 31, 2015	658	\$ 9.13

The total vesting date fair value of employee RSUs that vested during the three months ended March 31, 2015, was \$1,247.

The 2014 Plan provides for nonemployee directors of the Company to receive an automatic annual grant of restricted share units worth approximately \$60 based on the fair market value of the Company's common shares on the date of each annual meeting of shareholders. A pro-rata number of restricted share units are granted to directors appointed between annual meetings of shareholders. The Company granted 14 restricted share units to nonemployee directors during 2014.

(4) Inventories

Inventories consisted of the following:

	March 31, 2015	December 31, 2014
Raw materials	\$ 17,721	\$ 18,577
Work in process	17,237	12,361
Finished goods	91,843	91,404
Total inventories	\$ 126,801	\$ 122,342

(5) Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	March 31, 2015	December 31, 2014
Accrued payroll and related expenses	\$ 23,040	\$ 27,931
Accrued legal settlements	9,174	8,843
Accrued rebates	2,609	9,551
Income taxes payable	1,505	6,559
Accrued product warranties	1,176	1,186
Other	20,781	23,756
Total accrued expenses and other current liabilities	\$ 58,285	\$ 77,826

(6) Financing Agreements

Debt consisted of the following:

	March 31, 2015	December 31, 2014
Short-term loans:		
Revolving line of credit, LIBOR rate loans	\$ —	\$ 3,432
Revolving line of credit, prime rate loans	—	10,000
Short-term bank loans, net of debt issuance costs of \$211 and \$176 at March 31, 2015 and December 31, 2014, respectively	84,799	61,001
	84,799	74,433
Long-term debt:		
Mortgage note payable	5,457	5,502
Capital leases	35	42
	5,492	5,544
Total debt	90,291	79,977
Less short-term portion	(85,003)	(74,637)
Long-term portion	\$ 5,288	\$ 5,340

Revolving Line of Credit: The remaining borrowing capacity under the revolving line of credit was \$37,302 at March 31, 2015. Interest on the London Interbank Offered Rate (LIBOR) rate loans and prime rate loans was 3.4% and 5.5%, respectively, at March 31, 2015. Interest on the LIBOR rate loans and prime rate loans was 3.4% and 5.5%, respectively, at December 31, 2014. Additionally, a commitment fee of 0.4% per annum is due quarterly for any unused capacity under the revolving line of credit.

As of March 31, 2015, the Company was in violation of the fixed charge ratio covenant within its Revolving Credit and Security Agreement as a result of the expiration of modifications to the fixed charge ratio to exclude payments related to the Geo Foundation litigation. The lender has waived this event of default.

Short-term Bank Loans: These loans primarily are comprised of short-term notes with various financial institutions in China with maturities ranging from April 2015 to March 2016. The original term for all of the loans was one year or less. Such loans are generally rolled over for an additional 12 months upon maturity. The weighted average interest rate on these loans was 4.1% and 4.3% as of March 31, 2015 and December 31, 2014, respectively.

(7) Concentrations of Customer Risk

Net sales to Walmart and The Home Depot accounted for 23.9% and 21.9%, respectively, of consolidated net sales for the three months ended March 31, 2015. Net sales to Walmart and The Home Depot accounted for 26.4% and 18.3%, respectively, of consolidated net sales for the three months ended March 31, 2014.

Walmart and The Home Depot accounted for 21.8% and 11.8%, respectively, of total accounts receivable at March 31, 2015 and Walmart and The Home Depot accounted for 18.4% and 20.5%, respectively, of total accounts receivable at December 31, 2014. The Company does not have any off-balance-sheet credit exposure related to its customers.

(8) Commitments and Contingencies

Legal Matters

GE Lighting Solutions, LLC

In January 2013, GE Lighting Solutions, LLC filed a lawsuit in the U.S. District Court for the Northern District of Ohio, naming the Technical Consumer Products, Inc., a wholly owned subsidiary of the Company, as a defendant. The litigation alleges that Technical Consumer Products, Inc., by importing, making, selling, offering to sell, and/or using eleven specific LED lamps, is infringing on two GE patents related to LED lamp heat dissipation. To date, GE has not specified a monetary amount for its alleged damages but has indicated that it will seek a reasonable royalty for its two patents. Following decisions by the Court limiting the scope of the case to the sale of accused products after January 1, 2013, the Company has recorded a liability of \$1,390 and \$1,300 at March 31, 2015 and December 31, 2014, respectively, for the probable resolution of this matter. The Company believes that it is reasonably possible that the settlement of this matter may exceed the recorded liability based on the royalty rates demanded by GE during early, informal settlement discussions that could lead to a claim for royalties up to \$5,500.

Laura Hauser vs. Technical Consumer Products, Inc.

On February 26, 2015, Laura Hauser filed a complaint in the Court of Common Pleas of Cuyahoga County, Ohio, against the Company, its wholly-owned subsidiary Technical Consumer Products, Inc., and Ellis Yan, alleging that Mr. Yan mistreated Ms. Hauser in connection with her employment as the General Counsel and Secretary of the Company. In addition to asserting a number of tort claims against Mr. Yan, Ms. Hauser asserted a claim against the Company for respondeat superior. Ms. Hauser has not formally specified the alleged damages she is seeking for this matter. The Company believes Ms. Hauser's claim against the Company is without merit and intends to vigorously defend itself. As this litigation is in the early onset of discovery, the Company is unable to determine the probability and amount of loss, if any, related to this litigation.

On February 26, 2015, Ms. Hauser also filed a complaint with the U.S. Department of Labor-OSHA alleging that the Company committed retaliatory employment practices in violation of the whistleblower provisions of the Sarbanes-Oxley Act and the Consumer Product Safety Act (*Laura Hauser v. TCP International Holdings Ltd. et al*). Ms. Hauser filed an amended complaint on March 16, 2015, against the Company and Mr. Yan asserting that the parties reduced Ms. Hauser's responsibilities and placed her on administrative leave in part due to alleged protected activities. On March 16, 2015, OSHA initiated an investigation regarding Ms. Hauser's claims. The Company believes Ms. Hauser's claims lack merit and will fully cooperate with OSHA's investigation.

Securities Litigation

Following press reports of the Hauser litigation filed in Cuyahoga County, Ohio, putative shareholders filed two securities class action complaints in the United States District Court for the Northern District of Ohio, a securities class action complaint in the United States District Court for the Southern District of New York and a securities class action complaint in the Court of Common Pleas of Cuyahoga County, Ohio. The putative shareholders assert a number of alleged securities violations against the Company, certain current and former officers and directors of the Company, and the underwriters of the Company's IPO, including violations of Sections 11, 12(a)(2), and 15 of the Securities Act of 1933, and violations of Section 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. The claims generally involve alleged material misstatements and omissions in connection with the IPO prospectus and registration statement and seek an unspecified amount of damages. The Company plans to seek consolidation of the securities class action complaints filed in the Northern District of Ohio and the Southern District of New York. The Company believes these claims lack merit and intends to vigorously defend itself. As this litigation is in the early onset of discovery, the Company is unable to determine the probability and amount of loss, if any, related to this litigation.

Other

In the normal course of business, the Company is subject to various other legal claims, actions, and complaints. The Company recorded a liability for certain asserted claims that the Company believed were probable and estimable of \$80 and \$25 at March 31, 2015 and December 31, 2014, respectively.

The Company records a liability when it believes that it is probable that a loss has been incurred and the amount can be reasonably estimated. The Company evaluates developments in on-going legal matters that could affect the amount of

[Table of Contents](#)

liability that has been previously accrued at each reporting period, and makes adjustments as appropriate. The Company expenses legal fees in the period in which they are incurred. Although the Company believes it has substantial defenses in these various matters, litigation is inherently unpredictable, and excessive verdicts do occur. The Company could incur judgments or enter into settlements of claims in the future that could have a material adverse effect on its results of operations, financial position and cash flows in any particular period.

Refund of U.S. Customs Import Tariffs: In October 2012, U.S. Customs and Boarder Protection (U.S. Customs) issued a ruling stipulating the import tariff classification on certain of the Company's LED lamps, thereby raising the duty rate on such lamps to 6.0% ad valorem. In January 2013, the Company filed a Ruling Reconsideration with U.S. Customs and, in June 2013, began filing monthly Submissions of Protest for import entries retroactively to February 2012. In April 2014, the Company began receiving refunds relating to the protested entries and in July 2014, the Company received a notification of acceptance of its Ruling Reconsideration that affirmed a lower import tariff on the future import of certain of its LED lamps. Based on the U.S. Customs' revocation ruling and the favorable ruling on the Company's protests, the Company believes that it may continue to receive refunds from pending protests with U.S. Customs over the next 9 months related to the overpayment of LED tariffs that could total \$1,340 in the aggregate. As the ultimate outcome of the pending protests cannot be determined with precision, no amount for the possible collection of future refunds has been recognized at March 31, 2015. For the three months ended March 31, 2015, the Company has received refunds of \$1,042, which have been recorded as a reduction of cost of goods sold within the condensed consolidated statements of comprehensive (loss) income.

Other Matters: The Company has recorded a liability for unpaid indirect taxes in China assumed as part of a prior acquisition of one of its subsidiaries that remain outstanding. Based on current tax regulations in China, the Company may be liable for interest on this unpaid tax balance. At March 31, 2015, the Company believes it is reasonably possible, but not probable, that up to \$4,264 of interest could be assessed for these unpaid taxes, and therefore no liability for interest in connection with these taxes has been recorded at March 31, 2015.

(9) Segment and Geographic Information

The Company operates as a single reportable segment. The chief operating decision maker reviews financial information on a consolidated basis for purposes of allocating resources and assessing performance. Net sales are attributed to geographic areas based on the location of the customer. Net sales and property, plant and equipment by geographic area and net sales by product line are presented below:

	Three Months Ended March 31,	
	2015	2014
Net sales by geographical area:		
United States	\$ 81,412	\$ 81,624
Canada	3,452	3,647
EMEA	6,024	5,859
Asia	4,684	6,659
Latin America	3,203	3,328
Total net sales	<u>\$ 98,775</u>	<u>\$ 101,117</u>
Net sales by product line:		
CFL	\$ 52,555	\$ 59,405
LED	40,611	36,322
Linear and fixtures	2,089	3,687
Other	3,520	1,703
Total net sales	<u>\$ 98,775</u>	<u>\$ 101,117</u>

	March 31, 2015	December 31, 2014
Property, plant and equipment, net:		
United States	\$ 12,994	\$ 12,927
Asia	57,411	58,457
EMEA	512	643
Latin America	8	10
Total property, plant and equipment, net	<u>\$ 70,925</u>	<u>\$ 72,037</u>

(10) Income Taxes

Our effective income tax rate of 229.2% for the three months ended March 31, 2015, was higher than the U.S. federal income tax rate primarily due to a \$1,275 shortfall charged to income tax expense from the issuance of common shares underlying RSUs with a fair value upon vesting that was less than the fair value at grant date, as well as net operating losses with no benefit in certain European operating companies.

Our effective income tax rate of 35.9% for the three months ended March 31, 2014, differs from U.S. federal income tax rate as the favorable impact of earnings in lower tax rate jurisdictions was offset by non-deductible expenses in China related to certain employment costs and interest on uncertain tax positions.

(11) Equity

The following table presents changes in shareholders' equity:

	Common stock		Additional paid-in capital	Treasury Shares	Accumulated other comprehensive income	Retained deficit	Total equity
	Shares	Amount					
Balances at December 31, 2014	27,732	\$ 30,101	\$ 68,063	\$ —	\$ 9,290	\$ (21,751)	\$ 85,703
Net loss	—	—	—	—	—	(1,235)	(1,235)
Share-based compensation expense	—	—	1,756	—	—	—	1,756
Issuance of common shares upon vesting of restricted share units	469	486	(486)	(418)	—	—	(418)
Currency translation adjustment	—	—	—	—	982	—	982
Balances at March 31, 2015	<u>28,201</u>	<u>\$ 30,587</u>	<u>\$ 69,333</u>	<u>\$ (418)</u>	<u>\$ 10,272</u>	<u>\$ (22,986)</u>	<u>\$ 86,788</u>

(12) Subsequent Events

On April 15, 2015, Ellis Yan, the Company's Chief Executive Officer, entered into a Mutual Separation Agreement whereby he will not renew his employment agreement upon its expiration on June 30, 2015. Mr. Yan will remain a Director and continue to serve as Chairman of the Board of Directors. Under the terms of his Mutual Separation Agreement, Mr. Yan will receive severance comprised of continuing salary for three years. In addition, Mr. Yan is entitled to either continuation of medical, dental and health benefit plans or reimbursement of premiums for similar coverage. The Company expects to record severance expense of approximately \$2,100 in the second quarter of 2015 following Mr. Yan's termination of employment, which will be paid over a 3-year period.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion of our financial condition and results of operations in conjunction with the unaudited condensed consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q and with our audited consolidated financial statements included in our Annual Report on Form 10-K, filed with the Securities and Exchange Commission on April 15, 2015. In addition to historical condensed consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Quarterly Report on Form 10-Q, particularly in Risk Factors included in Part II, Item 1A.

Overview

We are a leading global provider of energy efficient LED and CFL lighting technologies. We design, develop, manufacture and deliver high quality energy efficient lamps, fixtures and internet-based lighting control solutions. Our internally developed driver, optical system, thermal management and power management technologies deliver a high standard of efficiency and light quality. Our broad portfolio of advanced LED and CFL lamps and fixtures enables us to address a wide range of applications required by our retail and commercial and industrial (C&I) customers. We have established the largest number of Energy Star® compliant lighting products for LEDs and CFLs combined. The lighting market is characterized by rapid product innovation and, as a result, we have maintained integrated product design and manufacturing capabilities to allow us to quickly respond to the rapidly evolving demands of our customers. Our products are currently offered through thousands of retail and C&I distributors. Since our inception in 1993, we have sold more than one billion energy efficient lighting products.

Currently, we sell the majority of our products in the United States and Canada. Our net sales in the United States and Canada are principally made through our retail channel, most notably through The Home Depot and Walmart, as well as through various C&I distributors, including HD Supply, Regency, Rexel, CED and Grainger. In addition, we have significant sales, marketing and distribution infrastructure outside of the United States and Canada, especially in EMEA, Asia and Latin America.

Key Metrics and Factors Affecting Our Results of Operations

Our results of operations during the three months ended March 31, 2015 and 2014 were most affected by the following key factors:

Impact of changing product mix. CFL lamp sales historically have represented the majority of our overall product mix, having comprised 53.2% and 58.8% of net sales for the three months ended March 31, 2015 and 2014, respectively. The decline in CFL sales as a percentage of our net sales principally is the result of the successful expansion of our LED products, which grew from 35.9% of our net sales for the three months ended March 31, 2014 to 41.1% of net sales for three months ended March 31, 2015. LED products traditionally have had higher gross margins than our CFL products.

Composition of channel mix. We sell principally through two channels: retail and C&I. Sales through the retail channel represent the largest portion of our business, accounting for 54.8% and 51.4% of our net sales for the three months ended March 31, 2015 and 2014, respectively. We are actively engaged in expanding our C&I channel, which accounted for 43.6% and 46.2% of our net sales for the three months ended March 31, 2015 and 2014, respectively. From a channel perspective, our C&I customers generally require a more specialized product offering and purchase in much smaller volumes than do our retail customers. Accordingly, we typically are able to obtain higher gross margins for lighting products sold in our C&I channel compared with our retail channel.

Product Validation Review. Consistent with our commitment to high quality products, in the first quarter of 2015 we chose to conduct additional levels of quality control on our products. We engaged an outside testing firm to support these efforts, which, while ongoing, have affirmed the quality and safety of our product line. However, these additional levels of quality control caused significant delays in deliveries to our customers and resulted in a reduction of net sales for the three months ended March 31, 2015 compared with the same period in 2014. Separately, the Audit Committee's investigation, described in Item 3 - "Legal Proceeding," in our Annual Report on Form 10-K filed April 15, 2015, resulted in increased expenses due to the involvement of independent testing, legal and advisory firms.

Adjusted EBITDA and Adjusted EPS

We present the non-GAAP financial measures "Adjusted EBITDA" and "Adjusted EPS" as supplemental measures of our performance. These non-GAAP financial measures are not measures of financial performance or liquidity calculated in accordance with accounting principles generally accepted in the United States, referred to herein as U.S. GAAP, and should be

[Table of Contents](#)

viewed as a supplement to, not a substitute for, our results of operations and balance sheet information presented on the basis of U.S. GAAP.

We define EBITDA as net (loss) income before interest expense, income taxes, depreciation and amortization, and Adjusted EBITDA as EBITDA before net foreign exchange losses (gains), litigation settlements, share-based compensation expense and other nonrecurring items.

We define Adjusted EPS as net (loss) income per share, diluted, from continuing operations excluding net foreign exchange losses (gains), share-based compensation expense and other nonrecurring items.

Adjusted EBITDA and Adjusted EPS are not necessarily comparable to similarly titled measures reported by other companies. Adjusted EBITDA may exclude certain financial information that some may consider important in evaluating our financial performance. Adjusted EBITDA and Adjusted EPS may not be indicative of historical operating results, and we do not intend for either of them to be predictive of future results of operations. We believe that our use of Adjusted EBITDA and Adjusted EPS as metrics assists our board, management and investors in comparing our operating performance on a consistent basis. Factors in this determination include removing the impact of our capital structure (specifically interest expense, net), asset base (specifically depreciation and amortization) and tax structure, as well as certain items that affect inter-period comparability, such as variability due to unrealized foreign exchange losses (gains), litigation settlements, non-cash share-based compensation expense and other nonrecurring items, which affect results in a given period or periods.

The following table presents a reconciliation of EBITDA and Adjusted EBITDA to net (loss) income, which is the most directly comparable U.S. GAAP measure, for the three months ended March 31, 2015 and 2014.

	Three Months Ended March 31,	
	2015	2014
Net (loss) income	\$ (1,235)	\$ 3,921
Adjustments:		
Interest expense, net	1,562	2,280
Income tax expense	2,191	2,197
Depreciation and amortization	2,131	2,190
EBITDA	4,649	10,588
Adjustments:		
Foreign exchange losses (gains), net	550	(674)
Litigation settlements	90	100
Share-based compensation expense	1,756	—
Refund of U.S. Customs import tariffs	(1,042)	—
Adjusted EBITDA	\$ 6,003	\$ 10,014

[Table of Contents](#)

The following table presents a reconciliation of Adjusted net (loss) income and Adjusted EPS to net (loss) income and net (loss) income per share, diluted, which are the most directly comparable U.S. GAAP measures, for the three months ended March 31, 2015 and 2014.

	Three Months Ended March 31, 2015		Three Months Ended March 31, 2014	
	Net Loss	Per Share (Diluted)	Net Income	Per Share (Diluted)
Net (loss) income and net (loss) income per share, diluted	\$ (1,235)	\$ (0.04)	\$ 3,921	\$ 0.19
Adjustments, net of tax:				
Foreign exchange losses (gains), net	595	0.02	(522)	(0.03)
Litigation settlements	57	—	63	—
Share-based compensation expense	1,187	0.04	—	—
Refund of U.S. Customs import tariffs	(662)	(0.02)	—	—
Adjusted net (loss) income and Adjusted EPS	\$ (58)	\$ —	\$ 3,462	\$ 0.16

Results of Operations

Comparison of the Three Months Ended March 31, 2015 and 2014

	Three Months Ended March 31,			
	2015		2014	
	(in thousands)			
	Amount	As a % of Sales	Amount	As a % of Sales
Net sales	\$ 98,775	100.0 %	\$ 101,117	100.0 %
Cost of goods sold	74,617	75.5 %	76,330	75.5 %
Gross profit	24,158	24.5 %	24,787	24.5 %
Selling, general and administrative expenses	21,000	21.3 %	16,963	16.8 %
Litigation settlements	90	n/m	100	n/m
Operating income	3,068	3.1 %	7,724	7.6 %
Other expenses:				
Interest expense, net	1,562	1.6 %	2,280	2.3 %
Foreign exchange losses (gains), net	550	0.6 %	(674)	(0.7)%
Income before income taxes	956	1.0 %	6,118	6.1 %
Income tax expense	2,191	2.2 %	2,197	2.2 %
Net (loss) income	\$ (1,235)	(1.3)%	\$ 3,921	3.9 %
Other Financial Data:				
Adjusted EBITDA	\$ 6,003	6.1 %	\$ 10,014	9.9 %

[Table of Contents](#)

Net sales. The following table shows our net sales by region and by product line:

	Three Months Ended March 31,			
	2015		2014	
	(in thousands)			
	Amount	As a % of Sales	Amount	As a % of Sales
United States and Canada	\$ 84,864	85.9%	\$ 85,271	84.3%
Asia	4,684	4.8%	6,659	6.6%
EMEA	6,024	6.1%	5,859	5.8%
Latin America	3,203	3.2%	3,328	3.3%
Total net sales	\$ 98,775	100.0%	\$ 101,117	100.0%

	Three Months Ended March 31,			
	2015		2014	
	(in thousands)			
	Amount	As a % of Sales	Amount	As a % of Sales
CFL	\$ 52,555	53.2%	\$ 59,405	58.8%
LED	40,611	41.1%	36,322	35.9%
Linear and fixtures	2,089	2.1%	3,687	3.6%
Other	3,520	3.6%	1,703	1.7%
Total net sales	\$ 98,775	100.0%	\$ 101,117	100.0%

Net sales of \$98.8 million for the three months ended March 31, 2015 decreased by \$2.3 million, or 2.3%, compared with the three months ended March 31, 2014. Net sales in our retail channel of \$54.1 million increased \$2.1 million, or 4.0%, and net sales in our C&I channel of \$43.1 million decreased \$3.6 million, or 7.8%, compared with the three months ended March 31, 2014.

Sales of our LED product line increased \$4.3 million, or 11.8%. The increase primarily is attributable to our continued business focus on growing the LED product line that resulted in an increase in LED sales of \$3.1 million with Walmart and \$2.8 million with C&I distributors in the United States and Canada, partially offset by lower sales in Asia.

Sales of our CFL product line decreased by \$6.9 million, or 11.5%. The decrease mainly is due to lower sales of \$3.1 million with C&I distributors and \$1.2 million with Walmart in the United States and Canada, as well as a decrease in sales of \$1.4 million in Asia largely due to the termination of the Chinese government subsidy program in 2014.

Gross profit. Gross profit and gross profit percentage were consistent with the prior year. Our gross profit percentage for the three months ended March 31, 2015 benefited from favorable product mix due to higher LED sales and a \$1.0 million refund of LED import duties, compared with the three months ended March 31, 2014, that benefited from the recovery of inventory provisions from the sale of excess product.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by \$4.0 million, or 23.8%, primarily due to \$1.8 million of share-based compensation expenses associated with restricted share units granted in June and September 2014 and a \$1.8 million increase in professional fees. The increase in professional fees largely is due to legal fees associated with recently filed litigation as disclosed in Note 8 to the condensed consolidated financial statements, as well as the investigation conducted by our Audit Committee and our product validation review.

Litigation settlements. Litigation settlements is comprised of estimated settlement costs and adjustments to accrual estimates to resolve ongoing litigation. Refer to Note 8 to the condensed consolidated financial statements.

[Table of Contents](#)

Other expenses. Other expense increased by \$0.5 million due to foreign currency losses of \$0.6 million for the three months ended March 31, 2015 compared with foreign currency gains of \$0.7 million for the three months ended March 31, 2014, partially offset by lower interest expense of \$0.7 million. The foreign exchange losses for the three months ended March 31, 2015 were primarily attributable to a weakening British pound sterling, which resulted in the appreciation of U.S. dollar-denominated intercompany payables in certain of our European subsidiaries and a strengthening Swiss franc, which devalued our U.S. dollar-denominated cash and intercompany receivables in Switzerland. These foreign currency losses were partially offset by foreign currency gains due to a weakening Chinese yuan, which resulted in the appreciation of U.S. dollar-denominated third-party and intercompany receivables in Asia. The decrease in interest expense largely resulted from the repayment of short-term bank loans in Asia during the fourth quarter of 2014.

Effective income tax rate. Our effective income tax rate increased to 229.2% in the three months ended March 31, 2015 from 35.9% in the same period last year. Our effective income tax rate of 229.2% was higher than the U.S. federal income tax rate primarily due a \$1.3 million shortfall charged to income tax expense from the issuance of common shares underlying RSUs with a fair value upon vesting that was less than the fair value at grant date, as well as net operating losses with no benefit in certain of our European operating companies. Our effective income tax rate of 35.9% for the three months ended March 31, 2014 differs from U.S. federal income tax rate as the favorable impact of earnings in lower tax rate jurisdictions was offset by non-deductible expenses in China related to certain employment costs and interest on uncertain tax positions.

Liquidity and Capital Resources

At March 31, 2015, we had \$58.0 million in cash and cash equivalents, excluding restricted cash, compared with \$31.4 million at December 31, 2014. At March 31, 2015, \$52.5 million of our cash and cash equivalents, excluding restricted cash, was held outside of the United States.

We had no borrowings outstanding under our revolving line of credit at March 31, 2015. As of March 31, 2015, we were in violation of the fixed charge ratio covenant within our Revolving Credit and Security Agreement as a result of the expiration of modifications to the fixed charge ratio to exclude payments related to the Geo Foundation litigation. The lender agreed to waive this event of default.

Our short-term bank loans with a maturity of one year or less increased \$23.8 million, primarily to finance our anticipated working capital requirements in the second quarter of 2015. For the three months ended March 31, 2015, our average short-term bank loan balance was \$73.6 million, with the highest month-end balance of \$84.8 million as of March 31, 2015. We had \$16.6 million of bankers' acceptances outstanding with our suppliers and maintain restricted cash balances of \$6.9 million as collateral for these bankers' acceptances at March 31, 2015.

We believe our existing cash and cash equivalents, short-term debt borrowings and the existing line of credit, along with the proceeds from our initial public offering, will be sufficient to meet our working capital requirements for at least the next twelve months.

Cash Flows

Following is a summary of our cash flows for the three months ended March 31, 2015 and 2014:

	Three Months Ended March 31,	
	2015	2014
Net cash provided by (used in) operating activities	\$ 19,891	\$ (9,492)
Net cash used in investing activities	(3,369)	(6,060)
Net cash provided by financing activities	10,265	16,864
Effect of exchange rate changes on cash and cash equivalents	(174)	(194)
Increase in cash and cash equivalents	\$ 26,613	\$ 1,118

Net Cash Used in Operating Activities

Net cash provided by operating activities was \$19.9 million for the three months ended March 31, 2015, compared with net cash used in operating activities of \$9.5 million for the three months ended March 31, 2014. Cash provided in the three months ended March 31, 2015, was due to a decrease in accounts receivable of \$33.8 million and a decrease in prepaid expenses and other assets of \$12.9 million primarily due to the collection of VAT refunds in Asia. These cash inflows partially were offset by a decrease of \$19.1 million in accrued and other liabilities largely due to the payment of customer rebates, employee bonuses and income taxes, as well as a \$8.3 million decrease in accounts payable and a \$5.1 million increase in inventory.

Cash used in the three months ended March 31, 2014 was due to a decrease in accounts payable of \$11.9 million attributable to timing of payments and lower purchase volume, and a decrease in accrued and other liabilities of \$10.1 million largely due to payment of customer rebates, employee bonuses and income taxes. These uses of cash partially were offset by earnings of \$3.9 million, a decrease in inventory of \$3.0 million due to our efforts to reduce inventory levels and a decrease in prepaid expense and other assets of \$2.1 million mainly from the collection of VAT refunds.

Net Cash Used in Investing Activities

Net cash used in investing activities was \$3.4 million for the three months ended March 31, 2015, compared with \$6.1 million for the three months ended March 31, 2014, a decrease of \$2.7 million. The decrease in cash used for investing activities in the three months ended March 31, 2015, was primarily due to a decrease in our restricted cash balances related to our use of bankers' acceptances to pay our suppliers from December 31, 2014 to March 31, 2015, compared with an increase in restricted cash from December 31, 2013 to March 31, 2014.

Net Cash Provided by Financing Activities

Net cash provided by financing activities for the three months ended March 31, 2015, principally was attributable to net bank borrowings of \$10.6 million largely to finance our anticipated working capital requirements in the second quarter of 2015. Net cash provided by financing activities for the three months ended March 31, 2014, principally was due to net bank borrowings of \$17.0 million to finance our increase in working capital, largely related to the growth in inventory to support the expansion of our LED offerings.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, other than operating leases entered into in the ordinary course of our business, that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that may be material to investors.

Capital Expenditures

There have been no material changes to the Company's capital expenditure commitments during the three months ended March 31, 2015.

Contractual Obligations

There have been no material changes to our contractual obligations during the three months ended March 31, 2015, other than the decrease in the revolving line of credit and the increase in short-term bank loans described in Liquidity and Capital Resources included in Part I, Item 2 included herein.

Critical Accounting Policies and Estimates

There have been no material changes to the Company's critical accounting policies and estimates as compared to the critical accounting policies and estimates described in our Annual Report on Form 10-K filed April 15, 2015.

Recent Accounting Pronouncements

Refer to Note 2 to the Condensed Consolidated Financial Statements included in Part I, Item 1 included herein for a discussion of recent accounting pronouncements and their effect on us.

Forward-Looking Statements

The Company has made forward-looking statements in this Quarterly Report on Form 10-Q within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties that may cause actual results to differ materially from those that we expect. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “anticipates,” “believes,” “contemplates,” “continue,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “should,” “target” or “will” or the negative of these words or other similar terms or expressions that concern the Company’s expectations, strategy, plans or intentions. The Company claims the protection of the Safe Harbor for Forward-Looking Statements contained in the Private Securities Litigation Reform Act of 1995 for all forward-looking statements.

Forward-looking statements are not guarantees of performance. The following important factors, in addition to those discussed elsewhere in this Quarterly Report on Form 10-Q, could affect our the future results and could cause those results or other outcomes to differ materially from those expressed or implied our forward-looking statements:

- changes in the competitive and technological environment in our industry, particularly with respect to LED and CFL technologies;
- changes in legislation that phases out inefficient lamp technologies;
- our relationship with retail and third-party distributors;
- the cost and availability of raw materials, including phosphor, and components for our lighting products;
- regulatory requirements and approvals for our current and future lighting products;
- global economic conditions, which affect end user demand for our lighting products;
- changes in China’s economic, political and social conditions, Chinese labor supply and Chinese labor regulations;
- fluctuations in the value of the foreign currencies in countries in which we have operations, including China (yuan), Canada (Canadian dollar), the Netherlands (Euro), United Kingdom (pound sterling), Brazil (Real) and Switzerland (Swiss franc) versus the U.S. dollar;
- our ability to protect our intellectual property and avoid infringing on others’ intellectual property;
- our expected treatment under Swiss and U.S. federal tax legislation and the impact that Swiss tax and corporate legislation may have on our operations;
- the outcome of ongoing litigation; and
- effectiveness of our remediation plan for our material weakness.

Because forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Undue reliance should not be placed on such statements, which speak only as of the date of this document or the date of any document that may be incorporated by reference into this document.

Consequently, readers of this Quarterly Report on Form 10-Q should consider these forward-looking statements only as the Company’s current plans, estimates and beliefs. The Company does not undertake and specifically declines any obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect future events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events. The Company undertakes no obligation to update or revise any forward-looking statements in this Quarterly Report on Form 10-Q to reflect any new events or any change in conditions or circumstances.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to several financial risks, including, among others, market risk (changes in exchange rates, changes in interest rates and market prices), concentration risk and commodity risk. For a full discussion of market risks at year-end, refer to Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2014, incorporated by reference herein.

Interest rate risk. We are currently exposed to interest rate risk related to our fixed-rate bank debt in Asia due to their short-term maturity and our intention to refinance these borrowings. As of March 31, 2015, we had \$84.8 million of

[Table of Contents](#)

outstanding short-term bank loans primarily with various Chinese banks. The weighted average interest rate on these loans as of March 31, 2015, was 4.1%. Potential movement of the weighted average interest rate of +/-1%, on a theoretical refinancing of these loans, would increase or decrease interest expense and cash paid for interest on an annualized basis by \$0.8 million based on the balance outstanding at March 31, 2015.

Concentration risk. We are exposed to concentration risk due to our concentration of business activity with The Home Depot and Walmart, which were our only customers that individually exceeded 10% of net sales for either the three months ended March 31, 2015 and 2014. Net sales to Walmart and The Home Depot accounted for 23.9% and 21.9%, respectively, of consolidated net sales for the three months ended March 31, 2015. Net sales to Walmart and The Home Depot accounted for 26.4% and 18.3%, respectively, of consolidated net sales for the three months ended March 31, 2014.

Commodity risk. The manufacturing of our products relies heavily on the availability and price of certain commodity materials including petroleum based plastics, copper, and rare earth metals, principally phosphors. As of March 31, 2015 the cost of phosphors was approximately ¥253/kg (\$51/kg) compared with ¥243/kg (\$38/kg) as of December 31, 2014.

Item 4. Controls and Procedures.

(a) Disclosure controls and procedures.

As required by Rule 13a-15(b) and Rule 15d-15(e) of the Securities Exchange Act of 1934, the Company's management, including the Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining effective disclosure controls and procedures, as defined under Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934. As of December 31, 2014, an evaluation was performed under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on this evaluation, management concluded as of March 31, 2015 our disclosure controls and procedures were ineffective due to a material weakness existing in our internal control over financial reporting as of December 31, 2014 (described below), which has not been fully remediated as of March 31, 2015.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected and corrected on a timely basis. The following material weakness related to our control environment existed as of March 31, 2015:

- Our Chief Executive Officer's actions were inconsistent with setting an appropriate tone at the top by failing to adhere to the Company's established policies and procedures. Our Chief Executive Officer bypassed reporting lines established to enable the execution of authorities and responsibilities, which facilitate the flow of information to manage the activities of the Company and ensures that financial reporting matters could be adequately evaluated in a timely manner.

The control environment deficiency described above could have resulted in a failure to prevent or detect a material misstatement in our financial statements due to the omission of information or inappropriate conclusions regarding information required to be recorded, processed, summarized, and reported in the Company's SEC reports. Notwithstanding the identified material weakness, management believes the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q fairly represent in all material respects our financial condition, results of operations and cash flows at and for the periods presented in accordance with U.S. GAAP.

Remediation

To address the material weakness identified in our control environment, the Company is taking the following action to remediate the material weakness:

- Our Chief Executive Officer, Ellis Yan, agreed to not renew his employment agreement upon its expiration on June 30, 2015. As of such date, Mr. Yan will no longer be an executive, officer or employee of the Company or any of its subsidiaries, although he will remain a director of the Company and serve as its Chairman. Our board of directors is commencing a search for a Chief Executive Officer and expects to have a replacement by the end of 2015.
- Mr. Yan entered into an agreement with the Company in which he has agreed, through the date of termination of his service as an employee of the Company, to obtain the prior approval of the Company's board of directors before taking certain specified actions on behalf of the Company.

[Table of Contents](#)

- We are conducting a thorough review of our organizational structure and the roles and responsibilities within each functional group, and are looking to add executive resources within our operations and engineering departments and elsewhere, as appropriate, by the end of 2015.
- The Company has begun taking action to improve internal communication regarding its policies and procedures, and the dissemination of information among the various functional areas that are key to the accurate and timely preparation of SEC reports.

We plan to continue to review and make necessary changes to our internal control environment, as well as policies and procedures, to improve the overall effectiveness of internal control over financial reporting. Although we expect to complete our remediation plan during 2015, we cannot estimate how long it will take to complete the process or the costs of actions required. We will continue to assess the effectiveness of our remediation efforts in connection with our evaluation of our internal control over financial reporting. Prior to the completion of our remedial measures, there remains risk that the processes and procedures on which we currently rely will fail to be sufficiently effective, which could result in material misstatement of our financial position or results of operations and require a restatement. See "Risks Related to Our Business" in Item 1A of our Annual Report on Form 10-K file April 15, 2015.

(b) Changes in internal control over financial reporting.

Other than the material weakness identified above, there have not been any changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) that occurred during the quarter ended March 31, 2015 that had materially affected, or were reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

Refer to Note 8 of the Condensed Consolidated Financial Statements included in Part I, Item I of this Quarterly Report on Form 10-Q for a discussion of legal proceedings.

Item 6. Exhibits.

See Exhibit Index following the signature page for exhibits filed with this Quarterly Report on Form 10-Q.

SIGNATURES

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

By: TCP INTERNATIONAL HOLDINGS LTD.
/s/ Brian Catlett
Brian Catlett
Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal Accounting Officer)

Date: May 8, 2015

[Table of Contents](#)

EXHIBIT INDEX	DESCRIPTION
10.1	Executive Employment Agreement between Technical Consumer Products, Inc. and Brian Catlett, dated February 1, 2014
10.2	Executive Employment Agreement between Technical Consumer Products, Inc. and Laura Hauser, dated May 1, 2013
31.1	Certification of Chief Executive Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

* XBRL (Extensible Business Reporting Language) information is furnished and not filed herewith, is not a part of a registration statement or Prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (the "Agreement") is entered into as of February 1, 2014 (the "Effective Date") by and between Technical Consumer Products, Inc., a Delaware corporation ("TCP"), as the employer; and Brian Catlett ("Executive"), as the employee. TCP and Executive are referred to collectively in this Agreement as the "Parties" and individually as a "Party".

RECITALS

TCP has agreed to employ Executive and Executive has agreed to accept such employment, subject to the terms and conditions set forth herein.

Therefore, in consideration of the promises and the mutual covenants and agreements set forth herein, the Parties agree to enter into this Agreement as follows:

1. Position and Duties

(a) TCP hereby employs Executive as its Chief Financial Officer or such other position of reasonably comparable or greater status and responsibilities, as determined by the Board of Directors of TCP (the "Board") or the Chief Executive Officer of TCP (the "CEO"), and Executive agrees to serve TCP as such, upon the terms and conditions hereof.

(b) Executive shall report to the CEO, and Executive's primary responsibilities shall be as (i) Chief Financial Officer (ii) such other duties as assigned by the Board or the CEO as are customary to persons in the same or similar capacity of an enterprise comparable to TCP. Executive will be a member of the TCP's Executive Team with responsibility for determining the long-term direction and goals of TCP, and for developing strategies and tactics to meet those goals, along with all other duties as assigned by TCP. Executive shall also discharge such duties and authority as are generally incident to such position, or to such other senior management position as TCP shall determine, provided that such other position shall be comparable in authority and responsibility to the position specified above.

(c) Executive agrees to devote all of Executive's employment time and attention to the affairs of TCP and use Executive's best efforts to promote the business and interests of TCP and that Executive will not engage, directly or indirectly, in any other occupation during the term of employment; it being acknowledged by the Parties that, absent a breach of Sections 5 or 6 of this Agreement, it will not be a violation of this Agreement for Executive to (i) engage in and serve such civic, community, charitable, educational or religious organizations as Executive may reasonably select and (ii) manage Executive's personal, financial and legal affairs, so long as the activities in (i) and (ii) do not unreasonably interfere with the performance of Executive's duties and obligations under this Agreement. Executive further acknowledges and agrees that Executive owes a fiduciary duty of loyalty, fidelity and allegiance to act at all times in the best interests of TCP, and not to do any act which would injure the business, interests, or reputation of TCP or any of its subsidiaries. Executive represents and warrants to TCP that Executive is under no contractual commitments inconsistent with Executive's duties and obligations set forth in this Agreement.

2. Term

The term of employment hereunder ("Term") shall commence on the Effective Date hereof and shall continue for a period of three (3) years (unless earlier terminated pursuant to any of Section 7 of this

Agreement) (the "Initial Term"). Unless earlier terminated, Executive's employment with the TCP shall automatically renew for successive one (1) year periods following the Initial Term (each such extension being referred to as a "Renewal Term"; and the Initial Term and all Renewal Terms being collectively referred to as the "Term of Employment") unless written notice is provided by either Executive or TCP to the other Party no later than ninety (90) days prior to the expiration of the then current Term of Employment that renewal of the Agreement is not desired.

3. Compensation

In consideration of, and in exchange for, the services to be provided by Executive (including, without limitation, all services to be rendered by Executive as an officer and/or other duties may be assigned by TCP), Executive shall receive the amounts and benefits set for hereunder.

(a) Base Salary. Executive's annual base salary (the "Base Salary") shall be \$265,000.00, which Base Salary will be payable in accordance with the payroll practices and procedures of TCP for executive and management level employees, as in effect from time to time. All amounts payable under this Section 3, including without Limitation the Base Salary, shall be paid less all applicable taxes, social security payments and other items that TCP is required by Law to withhold or deduct therefrom. The Base Salary shall be subject to annual review by the CEO or the Board, if applicable, but may not be decreased during the then current Term hereof. If any change to the Base Salary is made pursuant to the previous sentence, Executive's new level of Base Salary shall be Executive's Base Salary for purpose of this Agreement.

(b) Incentive Bonus. During the Term of this Agreement, Executive shall be eligible to receive in addition to the Base Salary an incentive bonus (the "Incentive Bonus") for each of TCP's fiscal years ending during the Term in an amount of up to 50% of the Base Salary upon the achievement of the management objectives set out for each fiscal year by the CEO or the Board, as applicable. The Incentive Bonus shall be paid as promptly as possible after the determination that the Incentive Bonus was earned, in accordance with the preceding sentence, but in all events, if earned, by March 15th of the year immediately following the close of the applicable fiscal year. Nothing contained hereunder shall prohibit the Board from suspending or declining to make a payment of the Incentive Bonus if it is deemed necessary by the Board or the CEO as to bonus payments for all executive officers.

(c) Stock Option. Executive shall be eligible for such equity-based awards, if any, as may be commensurate with Executive's position and performance, if, when and as determined by the Board in its discretion. Any such award shall be subject to all terms determined by the Board or, if applicable, as set forth in any applicable equity plan.

4. Other Benefits

During the Term of this Agreement and for services rendered hereunder, Executive shall also be entitled to receive other benefits which are, and may be in the future, generally available to TCP full-time employees and members of TCP's Executive Team, subject to eligibility and other applicable requirements, which benefits may include:

(a) Group Insurance. Group insurance programs as in effect from time to time, with normal benefits and contributions to apply, including Health, Dental, Vision, Disability, and Life (including family coverage) as applicable.

- (b) 401(k) and Other Retirement Plans. Any qualified pension or profit sharing plan established by TCP and any other benefit plans or programs established by TCP as in effect from time to time.
- (c) Other Benefits. Annual vacation, paid holidays, sick leave, long term disability policies of insurance, and other similar benefits as provided from time to time by TCP to TCP's Executive Team.
- (d) Reimbursement of Business Related Expenses. Prompt reimbursement for reasonable expenses incurred by Executive in performing services hereunder during the Term, in accordance with the policies and procedures then in effect and established by TCP for its employees.
- (e) Car Allowance. Executive shall receive a monthly car allowance of \$800.00.
- (f) Other. Notwithstanding the foregoing, TCP may, in its discretion, at any time and from time to time, change or revoke any of its employee or executive benefits plans, programs or policies and Executive shall not be deemed, by virtue of this Agreement, to have any vested interest in any such plans, programs or policies, but shall be entitled to participate in any such plans, programs or policies on the same basis and terms as are applicable to all senior executives of TCP generally.

5. Restrictive Covenants

(a) Non-Competition: Non-Solicitation. The Parties hereto recognize that Executive's services are unique and the Restrictive Covenants on Executive set forth in this Section 5 are essential to protect the business (including trade secret and other confidential information disclosed by TCP to, learned or developed by Executive during the course of employment by TCP) and good will of TCP. As part of the consideration for the compensation and benefits to be paid to Executive hereunder, Executive agrees that during the Term of this Agreement, or if later, through the date Executive ceases to be employed by TCP, and for a period of 24 months thereafter (the "Covenant Period"), Executive shall not:

(i) Own, manage, control or participate in the ownership, management or control of, or be employed or engaged by or otherwise affiliated or associated as a consultant, independent contractor or otherwise with, any other corporation, limited liability company, partnership, proprietorship, firm, association or other business entity, or otherwise engage in any business that is engaged in any manner in, or otherwise competes with, the business of TCP or any of the TCP's affiliates or subsidiaries (A) as conducted during the Term of Employment or, if later, through the date Executive ceases to be employed by TCP, or, (B) to Executive's knowledge, planned to conduct business during the Term of Employment or, if later, through the date Executive ceases to be employed by TCP, in each instance in any geographic area where TCP or any of TCP's affiliates or subsidiaries conducted or, to Executive's knowledge, planned to conduct business (such geographic area, the "Territory"). Notwithstanding the foregoing, the ownership of not more than one percent (1%) of the stock of any publicly traded corporation will not be deemed a violation of this covenant;

(ii) Approach, solicit or otherwise transact any business in any manner pertaining to suppliers or customers of TCP or any of its subsidiaries or affiliates, or take any action to cause such suppliers or customers to not transact business in any manner with TCP or any of its subsidiaries or affiliates, which, in any manner, would have, or is likely to have, an adverse effect upon TCP or any of its subsidiaries or affiliates; and

(iii) Induce any employee of TCP or any of its subsidiaries or affiliates, or suppliers or agents of TCP or any of its subsidiaries or affiliates to terminate his or her employment with TCP or any of its subsidiaries, affiliates or suppliers, or hire or assist in the hiring of any such employee by any person or entity not affiliated with TCP.

For purposes of this Agreement, "affiliate" shall mean any entity which owns or controls, is owned or controlled by, or is under common ownership or control, with TCP.

(b) Non-Disparagement. During the Term of Employment and for a period of five (5) years thereafter, the Parties will not, directly or indirectly, make any public or private statement (whether orally or in writing) that disparages, denigrates or maligns the other, or their respective businesses, activities, operations, affairs, reputations, or prospects.

6. Confidentiality

Executive acknowledges that it is the policy of TCP and its subsidiaries or affiliates to maintain as secret and confidential all valuable and unique information herebefore or hereafter acquired, developed or used by TCP and its subsidiaries relating to the business, operations, employees and customers of TCP and its subsidiaries or affiliates, which information gives TCP and its subsidiaries or affiliates a competitive advantage in the industry, and which information includes, but is not limited to, technical knowledge, know-how or trade secrets and information concerning the operations, sales, personnel, suppliers, customers, costs, profits, markets, pricing policies, and other confidential materials, as well as any of the foregoing that is owned by third parties and that TCP or its subsidiaries or affiliates have a duty to hold confidential (the "Confidential Information").

(a) Non-Disclosure. Executive recognizes that the services to be performed by Executive are special and unique, and that by reason of Executive's duties, Executive will acquire or learn Confidential Information. Executive recognizes that all such Confidential Information is the sole and exclusive property of TCP and its subsidiaries or affiliates. As part of consideration of the compensation and benefits to be paid to Executive under this Agreement, Executive agrees not to disclose the Confidential Information to anyone outside TCP, and not to use the Confidential Information other than for the performance of Executive's duties hereunder, either during or after the employment by TCP, except as authorized by TCP in connection with performance of the duties set forth in this Agreement, or other duties assigned by TCP from time to time.

(b) Return of Confidential Information. Executive agrees to deliver promptly upon termination of employment with TCP, or at any time requested by TCP, all memos, notes, records, reports, manuals, drawings, and any other documents containing any Confidential Information, including all copies of such materials which Executive may then possess or have under Executive's control.

(c) Ownership of Trade Secrets: Assignment of Rights. Excluding those brought to TCP and its subsidiaries or affiliates by Executive and disclosed by Executive in TCP standard Employee Confidentiality Agreement executed as of the Effective Date, Executive agrees that all know-how, documents, reports, plans, proposals, marketing and sales plans, client lists, client files and materials made by Executive or by TCP and its subsidiaries (the "Work Product") are the property of TCP and its subsidiaries and shall not be used by Executive in any way adverse to the interests of TCP and its subsidiaries or affiliates. Executive assigns to TCP and its subsidiaries any rights that Executive may have in any such Work Product. Executive shall not deliver, reproduce or in any way allow such documents or things to be

delivered or used by any third party without specific direction or consent of the Board. Executive assigns to TCP and its subsidiaries or affiliates any rights, which Executive may have in any such trade secret or proprietary information. Likewise, Executive shall not disclose to TCP and its subsidiaries or affiliates, use in TCP and its subsidiaries or affiliates business, or cause TCP and its subsidiaries or affiliates to use, any information or material that is a trade secret of others.

7. Termination

Notwithstanding any other term or provision contained in this Agreement, this Agreement and the employment hereunder may be terminated prior to the expiration under the following circumstances:

- (a) Death. Upon Executive's death, this Agreement shall automatically terminate.
- (b) Disability. Upon Executive becoming "Permanently Disabled", which, for purposes of this Agreement, shall mean Executive's incapacity due to physical or mental illness or cause or other disability, which results in the Executive being substantially unable to perform the essential functions of Executive's duties after reasonable accommodations made by TCP, as reasonably determined by the Board, for (i) a period of ninety (90) consecutive days, or (ii) a period of ninety (90) calendar days out of any period of three hundred and sixty (360) consecutive calendar days during the Term of Employment, then TCP shall have the right to terminate this Agreement upon thirty (30) days written notice to Executive.
- (c) Termination by TCP for Cause. Upon a written notice to Executive from TCP, TCP may terminate this Agreement for Cause. For purpose of this Agreement, "Cause" shall mean termination by action of the Board because of Executive's:
 - (i) Substantial or repeated failure to perform without good reason (other than physical or mental disability or death) the duties set forth in this Agreement or as reasonably directed by the CEO or the Board that are consistent with the scope and nature of Executive's duties and responsibilities;
 - (ii) Gross negligence, self dealing (without prior consent of TCP) or willful misconduct of Executive in connection with the performance of Executive's duties hereunder, including without limitation, misappropriation of funds or property of TCP, securing or attempting to secure personally any profit in connection with any transaction entered into on behalf of TCP or any willful act or gross negligence having the effect of injuring the reputation, business or business relationships of TCP and its subsidiaries or affiliates;
 - (iii) material violation of any statutory or common law duty of loyalty to TCP or its subsidiaries or affiliates;
 - (iv) Conviction of, a plea of nolo contendere, or a guilty plea to a felony or a crime of moral turpitude, fraud, embezzlement or theft; or
 - (v) Any material breach of any covenants under this Agreement or other material policy of TCP.

As to clause (i) and (v), "Cause" will exist only if such breach or default is not cured in all material respects within fifteen (15) days after written notice thereof has been given to Executive by TCP; provided that circumstances did not then exist or subsequently arise that would permit TCP to terminate Executive

for "Cause" pursuant to clause (ii), (iii) or (iv); and provided, further, that no opportunity to cure shall be provided if such breach or default is not curable.

(d) Termination by TCP without Cause. Upon fifteen (15) days prior written notice to Executive, TCP may terminate this Agreement without any Cause;

(e) Termination by Executive with Good Reason. Executive shall also have the right to terminate this Agreement upon not less than fifteen (15) days prior written notice to TCP, within sixty (60) days after occurrence of the following "Good Reason" (except that if TCP has provided notice of termination for "Cause", Executive may not terminate this Agreement for "Good Reason"):

(i) Material diminution in the nature of Executive's title, duties, authorities and responsibilities set forth in this Agreement by TCP unless Executive expressly consents, or relocates Executive's principal place of employment by more than fifty (50) miles from TCP's current location from which Executive works;

(ii) Material reduction in the nature of Executive's compensation as established under this Agreement unless Executive expressly consents (this Section 7(e)(ii) does not apply to any reduction by TCP with respect to a general readjustment of all executive officers' compensation level for reasonable business purposes);

(iii) Change in reporting structure materially and adversely affecting Executive without prior written consent by Executive; or

(iv) A material breach by TCP of any material sections of this Agreement.

As to clause (i) through (iv), "Good Reason" will exist only if such diminution, reduction, change or breach is not cured in all material respects within fifteen (15) days after written notice thereof has been given to TCP by Executive provided, that no opportunity to cure shall be provided if such diminution, reduction, change or breach is not curable.

(f) Termination by Executive without Good Reason. Executive may terminate this Agreement and resign from Executive's employment hereunder without any Good Reason upon not less than sixty (60) days prior written notice to TCP.

8. Severance Benefits

Upon termination of this Agreement regardless of any reason, including Cause, Executive will receive (i) continuation of health insurance benefits to the extent required by applicable law, and (ii) any Base Salary earned, but unpaid, any unused vacation time, any Incentive Bonus earned, but unpaid, from a prior calendar year, and any business expenses incurred in accordance with TCP's reasonable requirements with respect to the reporting and documentation of such expenses, but not yet reimbursed, up to the date of termination and, except as set forth below or in any applicable benefit or option plan or as otherwise required by law, TCP shall have no further payment obligations hereunder. Executive shall also be entitled to receive severance benefits described below:

(a) Termination by TCP without Cause: Termination by Executive with Good Reason or Non-Renewal. If (x) the Term of Employment expires and this Agreement is not renewed by TCP (other than because the Executive gave notice of her election not to renew the Term of Employment), or (y) this

Agreement and Executive's employment hereunder is terminated by TCP before the expiration of the Term without Cause pursuant to Section 7(d), or by Executive for Good Reason as defined in Section 7(e) (any such event in (x) or (y), a ("Termination Event") , Executive shall receive, conditioned on the Executive's execution, delivery and non revocation (and the expiration of any applicable period of revocation) of a fully enforceable release in the form attached as Exhibit A, within thirty (30) days of the date of the Termination Event, all of the following for a period of eighteen months (18) months from the date of the Termination Event (the "Severance Period"):

(i) Payment equal to Executive's then Base Salary payable by TCP in regular installments in accordance with the payroll practices and procedures of TCP for its executive and management level employees, as then in effect; and

(ii) The earned but unpaid Bonus for the preceding fiscal year before the effective date of termination, and prorated Bonus for the current fiscal year (provided however, no such Bonus need be paid until the date it is calculated for the full fiscal year pursuant to Section 3(b) above and any applicable plan and then only paid if such Bonus is earned pursuant to Section 3(b) above and any applicable plan); and

(iii) Continuation of TCP's medical, dental, and other health benefit plans on terms no less favorable than those provided to employees of TCP (provided that Executive continues to make the required employee contributions) Executive's, or his eligible beneficiaries, COBRA rights shall commence after the Severance Period in accordance with applicable state and federal laws; and

(iv) Executive shall be paid on the date Executive's employment is terminated any accrued or unused vacation.

(v) For purposes of clarification the provisions of this Section 8(a) shall remain enforceable regardless of whether there is a Change of Control as defined in Section 8(b) herein.

(vi) Payments provided above shall commence or be paid beginning on the first payroll date on or after the 30th day following the date of the Termination Event.

(vii) Notwithstanding anything to the contrary contained herein including in clause (vi) above, if the Company has any stock which is publicly traded on an established securities market or otherwise and the Executive is a "specified employee" of the Company within the meaning of Section 409A of the Code and the Treasury Regulations thereunder, any payments that would otherwise be paid during the six month period following the date of the Termination Event that constitute "deferred compensation" within the meaning of Section 409A of the Code and the Treasury Regulations thereunder, taking into account all applicable exceptions such as the exception for an involuntary separation from service set forth in Treasury Regulations Section 1.409A-1 (n), will be deferred and paid on the date which is six months and one day following the date of the Termination Event.

(b) Change in Control. In the event of a Change in Control (as defined below), as a result of which Executive is not offered the same or comparable position in the surviving company, Executive may, within sixty (60) days of the effective date of such Change in Control, terminate this Agreement, upon not less than thirty (30) days prior written notice, with the effects as provided herein for a termination by Executive with Good Reason. In addition to the Severance Benefits provided in the above Section 8 (a),

the Stock Option offered to Executive, if any, shall accelerate and become vested and exercisable immediately as of the effective date of termination.

For purposes of this Agreement, "Change of Control" shall mean:

(i) TCP merges or consolidates with any other corporation (other than one of TCP's subsidiaries or parents), as a result of which TCP is not the surviving company, or the shares of TCP voting stock outstanding immediately after such transaction do not constitute, become exchanged for or converted into more than 50% of the Voting Shares of the surviving company;

(ii) TCP sells or disposes of all or substantially all of its assets to any other person or entity; or

(iii) Any third person or entity (other than present stockholders of TCP or their affiliates) shall become directly the Beneficial Owner, as defined by Rule 13(d) -3 under the Securities Exchange Act of 1934, of at least 50% of the Voting Shares of TCP's then outstanding voting securities.

For purposes of this Agreement, Voting Shares shall mean the combined voting securities entitled to vote in election of directors of a corporation, including TCP, the merged or consolidated, or the new surviving company. "Change of Control" does not include any transfers among present stockholders (or their affiliates) of TCP or among TCP and its subsidiaries or affiliates, or offerings of debt or equity funding of TCP in which TCP receives the proceeds of such sale.

(c) In the event of Executive's death during the Severance Period all remaining payments shall be paid in a lump sum to Executive's estate.

9. Liability Insurance and Indemnification

TCP shall provide Executive with not less than the same directors and officers liability insurance coverage as provided to each other member of the TCP Executive Team. In the event TCP enters into indemnification agreements with other members of the TCP Executive Team, TCP shall enter into substantially the same agreement with Executive.

10. Arbitration, Remedies and Survival

(a) Agreement. Except as otherwise provided in this Agreement, the Parties agree that any dispute or controversy arising out of, relating to, or in connection with this Agreement, or the interpretation, validity, construction, performance, breach, or termination thereof, shall be settled by confidential, final and binding arbitration conducted in Cleveland, Ohio or such other location agreed by the Parties hereto, in accordance with the National Rules for the Resolution of Employment Disputes then in effect of the American Arbitration Association. In the arbitration, the Parties will be entitled to all remedies that would have been available if the matter were litigated in a court of law. The decisions of the arbitrator shall be final, conclusive and binding on the Parties to the arbitration. Judgment may be entered on the arbitrator's decision in any court having jurisdiction. The Parties will be entitled to reasonable discovery of essential matters as determined by the arbitrator. The fees and expenses of the arbitration, including but not limited to legal fees and arbitrator's fees, shall be borne as the arbitrators may determine to be appropriate. A judgment on the arbitration award may be entered in any court of competent subject matter jurisdiction in Cuyahoga County, Ohio.

(b) Remedies. Executive acknowledges that he has been employed for Executive's unique talents and that Executive's leaving the employment of TCP would seriously hamper the business of TCP and that TCP will suffer irreparable damage if any provisions of Sections 5 and 6 hereof are not performed strictly in accordance with their terms or are otherwise breached. Executive expressly agrees and understands that the remedy at law for any breach by Executive of Sections 5 and 6 will be inadequate and that the damages flowing from such breach are not readily susceptible to being measured in monetary terms. Accordingly TCP will be entitled, among other remedies, to immediate injunctive relief and may obtain a temporary restraining order restraining any threatened or further breach. Nothing in this Paragraph 10(b) will be deemed to limit TCP's remedies at law or in equity for any breach by Executive of any of the provisions of this Agreement which may be pursued or availed of by TCP. In the event any court of competent jurisdiction determines that the specified time period or geographical area set forth in Sections 5 and 6 is unenforceable, then a lesser time period or geographical area that is determined by the court to be enforceable shall be enforced. In the event Executive violates any legally enforceable provision of Sections 5 or 6 as to which there is a specific time period during which Executive is prohibited from taking certain actions or engaging in certain activities, then, in such event the violation will toll the running of the time period from the date of the violation until the violation ceases.

(c) Survival. Sections 5, 6, 8 and 10 shall survive any termination of this Agreement or the employment relationship of Executive by TCP.

11. Section 409A.

The parties intend for this Agreement to comply with Section 409A of the Code. Any term used in this Agreement which is defined in Section 409A of the Code or the Treasury Regulations thereunder shall have the meaning set forth therein unless otherwise specifically defined herein. Any obligations under this Agreement that arise in connection with the Executive's "termination of employment", "termination" or other similar references shall only be triggered if the termination of employment or termination qualifies as a "separation from service" within the meaning of Section 1.409A-1 (h) of the Treasury Regulations. The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and Treasury Regulations thereunder in order to preserve the payments and benefits provided hereunder without additional cost to either party. The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption or exception from, or the conditions of, Section 409A of the Code. Each payment under this Agreement, including each installment of Base Salary payable pursuant to Section 8(a)(i) of this Agreement, shall be considered a separate payment and not one of a series of payments for purposes of Section 409A of the Code. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A of the Code, including, where applicable, the requirement that

(i) any reimbursement shall be for expenses incurred during such period of time specified in this Agreement, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred and (iv) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

12. Miscellaneous

(a) Governing Law. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Ohio.

(b) Entire Agreement. This Agreement represents the entire understanding and agreement between TCP and Executive concerning Executive's employment relationship with TCP. This Agreement may not be amended or modified except in writing by the Parties.

(c) Notices. Any notices or other communications under this Agreement shall be in writing, signed by the party making the same, and shall be delivered by personally or sent by certified or registered mail, postage prepaid, addressed as follows:

If to Executive : Brian Catlett

If to TCP : Technical Consumer Products, Inc.
325 Campus Dr.
Aurora, OH, 44202
Attn.: Chief Executive Officer

(d) Severability. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

(e) Withholding. TCP may withhold from any amounts payable under this Agreement all federal, state, city or other taxes as shall be required to be withheld pursuant to any law or government regulation or ruling.

(f) Waiver. The failure of either party to insist upon strict adherence or compliance by the other party with one or more of the covenants and restrictions contained herein, on one or more occasions, shall not be construed as a waiver, nor shall such course of action deprive either party of the right to require strict compliance therewith.

(g) Interpretation. The interpretation, construction and validity of this agreement shall be governed by the laws of the state of Ohio. The parties hereby irrevocably consent to the jurisdiction and venue of any state or federal court in Ohio, with respect to any action brought under or relating to any term of this Agreement.

(h) Assignment. This Agreement shall be binding upon and shall inure to the benefit of TCP and its successors and assigns and shall be binding upon and shall inure to the benefit of Executive and his heirs, estate and personal representatives. Executive's interests hereunder is non-assignable.

(i) Headings and Captions. The headings and captions set forth under each of the Articles, sections and subsections of this Agreement are for convenience of reference and shall not be construed or interpreted to define, limit, abridge or assist in the interpretation and/or scope or intent of this Agreement, which in lieu thereof must be read in its entirety.

(j) Counterparts. This Agreement may be executed in one or more counterparts, each counterpart

being deemed an original, and the counterparts collectively being one and the same instrument.

(k) No Rights Under Company Documentation. In the event a provision of this Agreement conflicts with an employee handbook or manual, employment application, corporation memorandum, or other materials provided to employees in connection with their employment with TCP, the provision contained in this Agreement shall govern.

(l) Unemployment Compensation Benefits. TCP shall not challenge an application for unemployment compensation benefits to Executive, provided that such application is submitted following the expiration of the Severance Period.

IN WITNESS WHEREOF, the undersigned have executed this Amended and Restated Employment Agreement.

TCP, Inc.

EXECUTIVE

By: /s/ Ellis Yan
Title: President & CEO

By: /s/ Brian Catlett
Print name: Brian Catlett
Address: 21111 Byron
Road
Shaker Heights,
OH

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (the "Agreement") is entered into as of May 1, 2013 (the "Effective Date") by and between Technical Consumer Products, Inc., a Delaware corporation ("TCP"), as the employer; and Laura Hauser ("Executive"), as the employee. TCP and Executive are referred to collectively in this Agreement as the "Parties" and individually as a "Party".

RECITALS

TCP has agreed to employ Executive and Executive has agreed to accept such employment, subject to the terms and conditions set forth herein.

Therefore, in consideration of the promises and the mutual covenants and agreements set forth herein, the Parties agree to enter into this Agreement as follows:

1. Position and Duties

(a) TCP hereby employs Executive as its General Counsel or such other position of reasonably comparable or greater status and responsibilities, as determined by the Board of Directors of TCP (the "Board") or the Chief Executive Officer of TCP (the "CEO"), and Executive agrees to serve TCP as such, upon the terms and conditions hereof.

(b) Executive shall report to the CEO, and Executive's primary responsibilities shall be as (i) General Counsel (ii) such other duties as assigned by the Board or the CEO as are customary to persons in the same or similar capacity of an enterprise comparable to TCP. Executive will be a member of the TCP's Executive Team with responsibility for determining the long-term direction and goals of TCP, and for developing strategies and tactics to meet those goals, along with all other duties as assigned by TCP. Executive shall also discharge such duties and authority as are generally incident to such position, or to such other senior management position as TCP shall determine, provided that such other position shall be comparable in authority and responsibility to the position specified above.

(c) Executive agrees to devote all of Executive's employment time and attention to the affairs of TCP and use Executive's best efforts to promote the business and interests of TCP and that Executive will not engage, directly or indirectly, in any other occupation during the term of employment; it being acknowledged by the Parties that, absent a breach of Sections 5 or 6 of this Agreement, it will not be a violation of this Agreement for Executive to (i) engage in and serve such civic, community, charitable, educational or religious organizations as Executive may reasonably select and (ii) manage Executive's personal, financial and legal affairs, so long as the activities in (i) and (ii) do not unreasonably interfere with the performance of Executive's duties and obligations under this Agreement. Executive further acknowledges and agrees that Executive owes a fiduciary duty of loyalty, fidelity and allegiance to act at all times in the best interests of TCP, and not to do any act which would injure the business, interests, or reputation of TCP or any of its subsidiaries. Executive represents and warrants to TCP that Executive is under no contractual commitments inconsistent with Executive's duties and obligations set forth in this Agreement.

2. Term

The term of employment hereunder ("Term") shall commence on the Effective Date hereof and shall continue for a period of three (3) years (unless earlier terminated pursuant to any of Section 7 of this

Agreement) (the "Initial Term"). Unless earlier terminated, Executive's employment with the TCP shall automatically renew for successive one (1) year periods following the Initial Term (each such extension being referred to as a "Renewal Term"; and the Initial Term and all Renewal Terms being collectively referred to as the "Term of Employment") unless written notice is provided by either Executive or TCP to the other Party no later than ninety (90) days prior to the expiration of the then current Term of Employment that renewal of the Agreement is not desired.

3. Compensation

In consideration of, and in exchange for, the services to be provided by Executive (including, without limitation, all services to be rendered by Executive as an officer and/or other duties may be assigned by TCP), Executive shall receive the amounts and benefits set for hereunder.

(a) Base Salary. Executive's annual base salary (the "Base Salary") shall be \$250,000.00, which Base Salary will be payable in accordance with the payroll practices and procedures of TCP for executive and management level employees, as in effect from time to time. All amounts payable under this Section 3, including without limitation the Base Salary, shall be paid less all applicable taxes, social security payments and other items that TCP is required by law to withhold or deduct therefrom. The Base Salary shall be subject to annual review by the CEO or the Board, if applicable, but may not be decreased during the then current Term hereof. If any change to the Base Salary is made pursuant to the previous sentence, Executive's new level of Base Salary shall be Executive's Base Salary for purpose of this Agreement.

(b) Incentive Bonus. During the Term of this Agreement, Executive shall be eligible to receive in addition to the Base Salary an incentive bonus (the "Incentive Bonus") for each of TCP's fiscal years ending during the Term in an amount of up to 50% of the Base Salary upon the achievement of the management objectives set out for each fiscal year by the CEO or the Board, as applicable. Executive is guaranteed an Incentive Bonus in the amount of \$100,000 for year one and the greater of \$100,000 or 50% of Base Salary for year two. The Incentive Bonus shall be paid as promptly as possible after the determination that the Incentive Bonus was earned, in accordance with the preceding sentence, but in all events, if earned, by March 15th of the year immediately following the close of the applicable fiscal year. Nothing contained hereunder shall prohibit the Board from suspending or declining to make a payment of the Incentive Bonus if it is deemed necessary by the Board or the CEO as to bonus payments for all executive officers.

(c) Stock Option. Executive shall be eligible for such equity-based awards, if any, as may be commensurate with Executive's position and performance, if, when and as determined by the Board in its discretion. Any such award shall be subject to all terms determined by the Board or, if applicable, as set forth in any applicable equity plan.

4. Other Benefits

During the Term of this Agreement and for services rendered hereunder, Executive shall also be entitled to receive other benefits which are, and may be in the future, generally available to TCP full-time employees and members of TCP's Executive Team, subject to eligibility and other applicable requirements, which benefits may include:

(a) Group Insurance. Group insurance programs as in effect from time to time, with normal benefits and contributions to apply, including Health, Dental, Vision, Disability, and Life (including family

coverage) as applicable.

(b) 401(k) and Other Retirement Plans. Any qualified pension or profit sharing plan established by TCP and any other benefit plans or programs established by TCP as in effect from time to time.

(c) Other Benefits. Annual vacation, paid holidays, sick leave, long term disability policies of insurance, and other similar benefits as provided from time to time by TCP to TCP's Executive Team.

(d) Reimbursement of Business Related Expenses. Prompt reimbursement for reasonable expenses incurred by Executive in performing services hereunder during the Term, in accordance with the policies and procedures then in effect and established by TCP for its employees.

(e) Car Allowance. Executive shall receive a monthly car allowance of \$800.00.

(f) Other. Notwithstanding the foregoing, TCP may, in its discretion, at any time and from time to time, change or revoke any of its employee or executive benefits plans, programs or policies and Executive shall not be deemed, by virtue of this Agreement, to have any vested interest in any such plans, programs or policies, but shall be entitled to participate in any such plans, programs or policies on the same basis and terms as are applicable to all senior executives of TCP generally.

5. Restrictive Covenants

(a) Non-Competition; Non-Solicitation. The Parties hereto recognize that Executive's services are unique and the Restrictive Covenants on Executive set forth in this Section 5 are essential to protect the business (including trade secret and other confidential information disclosed by TCP to, learned or developed by Executive during the course of employment by TCP) and good will of TCP. As part of the consideration for the compensation and benefits to be paid to Executive hereunder, Executive agrees that during the Term of this Agreement, or if later, through the date Executive ceases to be employed by TCP, and for a period of 24 months thereafter (the "Covenant Period"), Executive shall not:

(i) Own, manage, control or participate in the ownership, management or control of, or be employed or engaged by or otherwise affiliated or associated as a consultant, independent contractor or otherwise with, any other corporation, limited liability company, partnership, proprietorship, firm, association or other business entity, or otherwise engage in any business that is engaged in any manner in, or otherwise competes with, the business of TCP or any of the TCP's affiliates or subsidiaries (A) as conducted during the Term of Employment or, if later, through the date Executive ceases to be employed by TCP, or, (B) to Executive's knowledge, planned to conduct business during the Term of Employment or, if later, through the date Executive ceases to be employed by TCP, in each instance in any geographic area where TCP or any of TCP's affiliates or subsidiaries conducted or, to Executive's knowledge, planned to conduct business (such geographic area, the "Territory"). Notwithstanding the foregoing, the ownership of not more than one percent (1%) of the stock of any publicly traded corporation will not be deemed a violation of this covenant;

(ii) Approach, solicit or otherwise transact any business in any manner pertaining to suppliers or customers of TCP or any of its subsidiaries or affiliates, or take any action to cause such suppliers or customers to not transact business in any manner with TCP or any of its subsidiaries or affiliates, which, in any manner, would have, or is likely to have, an adverse effect upon TCP or any of its subsidiaries or affiliates; and

(iii) Induce any employee of TCP or any of its subsidiaries or affiliates, or suppliers or agents of TCP or any of its subsidiaries or affiliates to terminate his or her employment with TCP or any of its subsidiaries, affiliates or suppliers, or hire or assist in the hiring of any such employee by any person or entity not affiliated with TCP.

For purposes of this Agreement, "affiliate" shall mean any entity which owns or controls, is owned or controlled by, or is under common ownership or control, with TCP.

(b) Non-Disparagement. During the Term of Employment and for a period of five (5) years thereafter, the Parties will not, directly or indirectly, make any public or private statement (whether orally or in writing) that disparages, denigrates or maligns the other, or their respective businesses, activities, operations, affairs, reputations, or prospects.

6. Confidentiality

Executive acknowledges that it is the policy of TCP and its subsidiaries or affiliates to maintain as secret and confidential all valuable and unique information herebefore or hereafter acquired, developed or used by TCP and its subsidiaries relating to the business, operations, employees and customers of TCP and its subsidiaries or affiliates, which information gives TCP and its subsidiaries or affiliates a competitive advantage in the industry, and which information includes, but is not limited to, technical knowledge, know-how or trade secrets and information concerning the operations, sales, personnel, suppliers, customers, costs, profits, markets, pricing policies, and other confidential materials, as well as any of the foregoing that is owned by third parties and that TCP or its subsidiaries or affiliates have a duty to hold confidential (the "Confidential Information").

(a) Non-Disclosure. Executive recognizes that the services to be performed by Executive are special and unique, and that by reason of Executive's duties, Executive will acquire or learn Confidential Information. Executive recognizes that all such Confidential Information is the sole and exclusive property of TCP and its subsidiaries or affiliates. As part of consideration of the compensation and benefits to be paid to Executive under this Agreement, Executive agrees not to disclose the Confidential Information to anyone outside TCP, and not to use the Confidential Information other than for the performance of Executive's duties hereunder, either during or after the employment by TCP, except as authorized by TCP in connection with performance of the duties set forth in this Agreement, or other duties assigned by TCP from time to time.

(b) Return of Confidential Information. Executive agrees to deliver promptly upon termination of employment with TCP, or at any time requested by TCP, all memos, notes, records, reports, manuals, drawings, and any other documents containing any Confidential Information, including all copies of such materials which Executive may then possess or have under Executive's control.

(c) Ownership of Trade Secrets: Assignment of Rights. Excluding those brought to TCP and its subsidiaries or affiliates by Executive and disclosed by Executive in TCP standard Employee Confidentiality Agreement executed as of the Effective Date, Executive agrees that all know-how, documents, reports, plans, proposals, marketing and sales plans, client lists, client files and materials made by Executive or by TCP and its subsidiaries (the "Work Product") are the property of TCP and its subsidiaries and shall not be used by Executive in any way adverse to the interests of TCP and its subsidiaries or affiliates. Executive assigns to TCP and its subsidiaries any rights that Executive may have in any such Work Product. Executive shall not deliver, reproduce or in any way allow such documents or things to be

delivered or used by any third party without specific direction or consent of the Board. Executive assigns to TCP and its subsidiaries or affiliates any rights, which Executive may have in any such trade secret or proprietary information. Likewise, Executive shall not disclose to TCP and its subsidiaries or affiliates, use in TCP and its subsidiaries or affiliates business, or cause TCP and its subsidiaries or affiliates to use, any information or material that is a trade secret of others.

7. Termination

Notwithstanding any other term or provision contained in this Agreement, this Agreement and the employment hereunder may be terminated prior to the expiration under the following circumstances:

- (a) Death. Upon Executive's death, this Agreement shall automatically terminate.
- (b) Disability. Upon Executive becoming "Permanently Disabled", which, for purposes of this Agreement, shall mean Executive's incapacity due to physical or mental illness or cause or other disability, which results in the Executive being substantially unable to perform the essential functions of Executive's duties after reasonable accommodations made by TCP, as reasonably determined by the Board, for (i) a period of ninety (90) consecutive days, or (ii) a period of ninety (90) calendar days out of any period of three hundred and sixty (360) consecutive calendar days during the Term of Employment, then TCP shall have the right to terminate this Agreement upon thirty (30) days written notice to Executive.
- (c) Termination by TCP for Cause. Upon a written notice to Executive from TCP, TCP may terminate this Agreement for Cause. For purpose of this Agreement, "Cause" shall mean termination by action of the Board because of Executive's:
 - (i) Substantial or repeated failure to perform without good reason (other than physical or mental disability or death) the duties set forth in this Agreement or as reasonably directed by the CEO or the Board that are consistent with the scope and nature of Executive's duties and responsibilities;
 - (ii) Gross negligence, self dealing (without prior consent of TCP) or willful misconduct of Executive in connection with the performance of Executive's duties hereunder, including without limitation, misappropriation of funds or property of TCP, securing or attempting to secure personally any profit in connection with any transaction entered into on behalf of TCP or any willful act or gross negligence having the effect of injuring the reputation, business or business relationships of TCP and its subsidiaries or affiliates;
 - (iii) material violation of any statutory or common law duty of loyalty to TCP or its subsidiaries or affiliates;
 - (iv) Conviction of, a plea of nolo contendere, or a guilty plea to a felony or a crime of moral turpitude, fraud, embezzlement or theft; or
 - (v) Any material breach of any covenants under this Agreement or other material policy of TCP.

As to clause (i) and (v), "Cause" will exist only if such breach or default is not cured in all material respects within fifteen (15) days after written notice thereof has been given to Executive by TCP; provided that circumstances did not then exist or subsequently arise that would permit TCP to terminate Executive

for "Cause" pursuant to clause (ii), (iii) or (iv); and provided, further, that no opportunity to cure shall be provided if such breach or default is not curable.

(d) Termination by TCP without Cause. Upon fifteen (15) days prior written notice to Executive, TCP may terminate this Agreement without any Cause;

(e) Termination by Executive with Good Reason. Executive shall also have the right to terminate this Agreement upon not less than fifteen (15) days prior written notice to TCP, within sixty (60) days after occurrence of the following "Good Reason" (except that if TCP has provided notice of termination for "Cause", Executive may not terminate this Agreement for "Good Reason"):

(i) Material diminution in the nature of Executive's title, duties, authorities and responsibilities set forth in this Agreement by TCP unless Executive expressly consents, or relocates Executive's principal place of employment by more than fifty (50) miles from TCP's current location from which Executive works;

(ii) Material reduction in the nature of Executive's compensation as established under this Agreement unless Executive expressly consents (this Section 7(e)(ii) does not apply to any reduction by TCP with respect to a general readjustment of all executive officers' compensation level for reasonable business purposes);

(iii) Change in reporting structure materially and adversely affecting Executive without prior written consent by Executive; or

(iv) A material breach by TCP of any material sections of this Agreement.

As to clause (i) through (iv), "Good Reason" will exist only if such diminution, reduction, change or breach is not cured in all material respects within fifteen (15) days after written notice thereof has been given to TCP by Executive provided, that no opportunity to cure shall be provided if such diminution, reduction, change or breach is not curable.

(f) Termination by Executive without Good Reason. Executive may terminate this Agreement and resign from Executive's employment hereunder without any Good Reason upon not less than sixty (60) days prior written notice to TCP.

8. Severance Benefits

Upon termination of this Agreement regardless of any reason, including Cause, Executive will receive (i) continuation of health insurance benefits to the extent required by applicable law, and (ii) any Base Salary earned, but unpaid, any unused vacation time, any Incentive Bonus earned, but unpaid, from a prior calendar year, and any business expenses incurred in accordance with TCP's reasonable requirements with respect to the reporting and documentation of such expenses, but not yet reimbursed, up to the date of termination and, except as set forth below or in any applicable benefit or option plan or as otherwise required by law, TCP shall have no further payment obligations hereunder. Executive shall also be entitled to receive severance benefits described below:

(a) Termination by TCP without Cause: Termination by Executive with Good Reason or Non-Renewal. If (x) the Term of Employment expires and this Agreement is not renewed by TCP (other than because the Executive gave notice of her election not to renew the Term of Employment), or (y) this

Agreement and Executive's employment hereunder is terminated by TCP before the expiration of the Term without Cause pursuant to Section 7(d), or by Executive for Good Reason as defined in Section 7(e) (any such event in (x) or (y), a ("Termination Event"), Executive shall receive, conditioned on the Executive's execution, delivery and non revocation (and the expiration of any applicable period of revocation) of a fully enforceable release in the form attached as Exhibit A, within thirty (30) days of the date of the Termination Event, all of the following for a period of eighteen months (18) months from the date of the Termination Event (the "Severance Period"):

(i) Payment equal to Executive's then Base Salary payable by TCP in regular installments in accordance with the payroll practices and procedures of TCP for its executive and management level employees, as then in effect; and

(ii) The earned but unpaid Bonus for the preceding fiscal year before the effective date of termination, and prorated Bonus for the current fiscal year (provided however, no such Bonus need be paid until the date it is calculated for the full fiscal year pursuant to Section 3(b) above and any applicable plan and then only paid if such Bonus is earned pursuant to Section 3(b) above and any applicable plan); and

(iii) Continuation of TCP's medical, dental, and other health benefit plans on terms no less favorable than those provided to employees of TCP (provided that Executive continues to make the required employee contributions) Executive's, or his eligible beneficiaries, COBRA rights shall commence after the Severance Period in accordance with applicable state and federal laws; and

(iv) Executive shall be paid on the date Executive's employment is terminated any accrued or unused vacation.

(v) For purposes of clarification the provisions of this Section 8(a) shall remain enforceable regardless of whether there is a Change of Control as defined in Section 8(b) herein.

(vi) Payments provided above shall commence or be paid beginning on the first payroll date on or after the 30th day following the date of the Termination Event.

(vii) Notwithstanding anything to the contrary contained herein including in clause (vi) above, if the Company has any stock which is publicly traded on an established securities market or otherwise and the Executive is a "specified employee" of the Company within the meaning of Section 409A of the Code and the Treasury Regulations thereunder, any payments that would otherwise be paid during the six month period following the date of the Termination Event that constitute "deferred compensation" within the meaning of Section 409A of the Code and the Treasury Regulations thereunder, taking into account all applicable exceptions such as the exception for an involuntary separation from service set forth in Treasury Regulations Section 1.409A-1 (n), will be deferred and paid on the date which is six months and one day following the date of the Termination Event.

(b) Change in Control. In the event of a Change in Control (as defined below), as a result of which Executive is not offered the same or comparable position in the surviving company, Executive may, within sixty (60) days of the effective date of such Change in Control, terminate this Agreement, upon not less than thirty (30) days prior written notice, with the effects as provided herein for a termination by Executive with Good Reason. In addition to the Severance Benefits provided in the above Section 8 (a),

the Stock Option offered to Executive, if any, shall accelerate and become vested and exercisable immediately as of the effective date of termination.

For purposes of this Agreement, "Change of Control" shall mean:

(i) TCP merges or consolidates with any other corporation (other than one of TCP's subsidiaries or parents), as a result of which TCP is not the surviving company, or the shares of TCP voting stock outstanding immediately after such transaction do not constitute, become exchanged for or converted into more than 50% of the Voting Shares of the surviving company;

(ii) TCP sells or disposes of all or substantially all of its assets to any other person or entity; or

(iii) Any third person or entity (other than present stockholders of TCP or their affiliates) shall become directly the Beneficial Owner, as defined by Rule 13(d) -3 under the Securities Exchange Act of 1934, of at least 50% of the Voting Shares of TCP's then outstanding voting securities.

For purposes of this Agreement, Voting Shares shall mean the combined voting securities entitled to vote in election of directors of a corporation, including TCP, the merged or consolidated, or the new surviving company. "Change of Control" does not include any transfers among present stockholders (or their affiliates) of TCP or among TCP and its subsidiaries or affiliates, or offerings of debt or equity funding of TCP in which TCP receives the proceeds of such sale.

(c) In the event of Executive's death during the Severance Period all remaining payments shall be paid in a lump sum to Executive's estate.

9. Liability Insurance and Indemnification

TCP shall provide Executive with not less than the same directors and officers liability insurance coverage as provided to each other member of the TCP Executive Team. In the event TCP enters into indemnification agreements with other members of the TCP Executive Team, TCP shall enter into substantially the same agreement with Executive.

10. Arbitration, Remedies and Survival

(a) Agreement. Except as otherwise provided in this Agreement, the Parties agree that any dispute or controversy arising out of, relating to, or in connection with this Agreement, or the interpretation, validity, construction, performance, breach, or termination thereof, shall be settled by confidential, final and binding arbitration conducted in Cleveland, Ohio or such other location agreed by the Parties hereto, in accordance with the National Rules for the Resolution of Employment Disputes then in effect of the American Arbitration Association. In the arbitration, the Parties will be entitled to all remedies that would have been available if the matter were litigated in a court of law. The decisions of the arbitrator shall be final, conclusive and binding on the Parties to the arbitration. Judgment may be entered on the arbitrator's decision in any court having jurisdiction. The Parties will be entitled to reasonable discovery of essential matters as determined by the arbitrator. The fees and expenses of the arbitration, including but not limited to legal fees and arbitrator's fees, shall be borne as the arbitrators may determine to be appropriate. A judgment on the arbitration award may be entered in any court of competent subject matter jurisdiction in Cuyahoga County, Ohio.

(b) Remedies. Executive acknowledges that he has been employed for Executive's unique talents and that Executive's leaving the employment of TCP would seriously hamper the business of TCP and that TCP will suffer irreparable damage if any provisions of Sections 5 and 6 hereof are not performed strictly in accordance with their terms or are otherwise breached. Executive expressly agrees and understands that the remedy at law for any breach by Executive of Sections 5 and 6 will be inadequate and that the damages flowing from such breach are not readily susceptible to being measured in monetary terms. Accordingly TCP will be entitled, among other remedies, to immediate injunctive relief and may obtain a temporary restraining order restraining any threatened or further breach. Nothing in this Paragraph 10(b) will be deemed to limit TCP's remedies at law or in equity for any breach by Executive of any of the provisions of this Agreement which may be pursued or availed of by TCP. In the event any court of competent jurisdiction determines that the specified time period or geographical area set forth in Sections 5 and 6 is unenforceable, then a lesser time period or geographical area that is determined by the court to be enforceable shall be enforced. In the event Executive violates any legally enforceable provision of Sections 5 or 6 as to which there is a specific time period during which Executive is prohibited from taking certain actions or engaging in certain activities, then, in such event the violation will toll the running of the time period from the date of the violation until the violation ceases.

(c) Survival. Sections 5, 6, 8 and 10 shall survive any termination of this Agreement or the employment relationship of Executive by TCP.

11. Section 409A.

The parties intend for this Agreement to comply with Section 409A of the Code. Any term used in this Agreement which is defined in Section 409A of the Code or the Treasury Regulations thereunder shall have the meaning set forth therein unless otherwise specifically defined herein. Any obligations under this Agreement that arise in connection with the Executive's "termination of employment", "termination" or other similar references shall only be triggered if the termination of employment or termination qualifies as a "separation from service" within the meaning of Section 1.409A-1 (h) of the Treasury Regulations. The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and Treasury Regulations thereunder in order to preserve the payments and benefits provided hereunder without additional cost to either party. The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption or exception from, or the conditions of, Section 409A of the Code. Each payment under this Agreement, including each installment of Base Salary payable pursuant to Section 8(a)(i) of this Agreement, shall be considered a separate payment and not one of a series of payments for purposes of Section 409A of the Code. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A of the Code, including, where applicable, the requirement that

(i) any reimbursement shall be for expenses incurred during such period of time specified in this Agreement, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred and (iv) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

12. Miscellaneous

- (a) Governing Law. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Ohio.
- (b) Entire Agreement. This Agreement represents the entire understanding and agreement between TCP and Executive concerning Executive's employment relationship with TCP. This Agreement may not be amended or modified except in writing by the Parties.
- (c) Notices. Any notices or other communications under this Agreement shall be in writing, signed by the party making the same, and shall be delivered by personally or sent by certified or registered mail, postage prepaid, addressed as follows:
- If to Executive : Laura Hauser
- If to TCP : Technical Consumer Products, Inc.
325 Campus Dr.
Aurora, OH, 44202
Attn.: Chief Executive Officer
- (d) Severability. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.
- (e) Withholding. TCP may withhold from any amounts payable under this Agreement all federal, state, city or other taxes as shall be required to be withheld pursuant to any law or government regulation or ruling.
- (f) Waiver. The failure of either party to insist upon strict adherence or compliance by the other party with one or more of the covenants and restrictions contained herein, on one or more occasions, shall not be construed as a waiver, nor shall such course of action deprive either party of the right to require strict compliance therewith.
- (g) Interpretation. The interpretation, construction and validity of this agreement shall be governed by the laws of the state of Ohio. The parties hereby irrevocably consent to the jurisdiction and venue of any state or federal court in Ohio, with respect to any action brought under or relating to any term of this Agreement.
- (h) Assignment. This Agreement shall be binding upon and shall inure to the benefit of TCP and its successors and assigns and shall be binding upon and shall inure to the benefit of Executive and his heirs, estate and personal representatives. Executive's interests hereunder is non-assignable.
- (i) Headings and Captions. The headings and captions set forth under each of the Articles, sections and subsections of this Agreement are for convenience of reference and shall not be construed or interpreted to define, limit, abridge or assist in the interpretation and/or scope or intent of this Agreement, which in lieu thereof must be read in its entirety.
- (j) Counterparts. This Agreement may be executed in one or more counterparts, each counterpart
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being deemed an original, and the counterparts collectively being one and the same instrument.

(k) No Rights Under Company Documentation. In the event a provision of this Agreement conflicts with an employee handbook or manual, employment application, corporation memorandum, or other materials provided to employees in connection with their employment with TCP, the provision contained in this Agreement shall govern.

(l) Unemployment Compensation Benefits. TCP shall not challenge an application for unemployment compensation benefits to Executive, provided that such application is submitted following the expiration of the Severance Period.

IN WITNESS WHEREOF, the undersigned have executed this Amended and Restated Employment Agreement.

TCP, Inc.

EXECUTIVE

By: /s/ Ellis Yan
Title: _____

By: /s/ Laura Hauser
Print name: Laura Hauser
Address: 3713 Longwood
Court
Cleveland
Heights, OH
44118

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of TCP International Holdings Ltd. (the Company) on Form 10-Q for the period ending March 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Brian Catlett, Chief Executive Officer and Chairman of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Brian Catlett
Brian Catlett
Chief Financial Officer and Treasurer

Date: May 8, 2015

