

GOLDFIELD CORP
Form 10-Q
November 14, 2008
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2008

OR

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

For the transition period from _____ to _____

COMMISSION FILE NUMBER: 1-7525

THE GOLDFIELD CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

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Delaware
(State or other Jurisdiction of

88-0031580
(I.R.S. Employer

Incorporation or Organization)

Identification No.)

1684 West Hibiscus Blvd., Melbourne, Florida, 32901

(Address of Principal Executive Offices)(Zip Code)

(321) 724-1700

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 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 is a large accelerated filer, an accelerated filer, a non-accelerated filer or a 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 Accelerated Filer Non-Accelerated Filer Smaller Reporting Company

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

The number of shares the Registrant's Common Stock outstanding as of November 12, 2008 was 25,451,354.

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THE GOLDFIELD CORPORATION AND SUBSIDIARIES

QUARTERLY REPORT ON FORM 10-Q

FOR THE QUARTER ENDED SEPTEMBER 30, 2008

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****THE GOLDFIELD CORPORATION AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****(Unaudited)**

	September 30, 2008	December 31, 2007
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,295,100	\$ 3,984,613
Accounts receivable and accrued billings, net of allowance for doubtful accounts of \$27,078 as of September 30, 2008 and \$0 as of December 31, 2007	2,098,407	5,881,430
Remediation insurance receivable	31,747	176,827
Current portion of notes receivable	53,382	49,108
Construction inventory		2,218
Real estate inventory	5,908,165	7,788,739
Costs and estimated earnings in excess of billings on uncompleted contracts	1,482,940	1,658,712
Deferred income taxes	413,577	539,100
Income taxes recoverable	1,161,475	551,236
Prepaid expenses	887,800	823,294
Other current assets	24,491	20,239
Total current assets	18,357,084	21,475,516
Property, buildings and equipment, at cost, net of accumulated depreciation of \$17,790,017 as of September 30, 2008 and \$15,643,161 as of December 31, 2007		
Notes receivable, less current portion	316,850	352,305
Deferred charges and other assets, non-current		
Deferred income taxes	279,236	
Land and land development costs	710,495	710,495
Cash surrender value of life insurance	323,947	337,283
Other assets	498,070	187,613
Total deferred charges and other assets, non-current	1,811,748	1,235,391
Total assets	\$ 28,806,243	\$ 32,867,006
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,072,453	\$ 1,984,352
Current portion of notes payable	4,479,857	5,202,466
Current portion of capital leases	313,635	315,619
Reserve for remediation	145,985	198,850
Total current liabilities	7,011,930	7,701,287
Deferred income taxes		346,200

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Other accrued liabilities	28,306	26,894
Notes payable, less current portion	1,328,562	2,184,932
Capital leases, less current portion	341,780	579,357
Total liabilities	8,710,578	10,838,670
Commitments and contingencies		
Minority interest	14,449	3,361
Stockholders' equity		
Preferred stock, \$1 par value, 5,000,000 shares authorized, none issued		
Common stock, \$.10 par value, 40,000,000 shares authorized; 27,813,772 shares issued and 25,451,354 shares outstanding	2,781,377	2,781,377
Capital surplus	18,481,683	18,481,683
Retained earnings	126,343	2,070,102
Treasury stock, 2,362,418 shares, at cost	(1,308,187)	(1,308,187)
Total stockholders' equity	20,081,216	22,024,975
Total liabilities and stockholders' equity	\$ 28,806,243	\$ 32,867,006

See accompanying notes to consolidated financial statements

Table of Contents**THE GOLDFIELD CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF OPERATIONS****(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Revenues				
Electrical construction	\$ 6,869,416	\$ 6,518,999	\$ 18,818,538	\$ 20,531,121
Real estate development	1,070,545	552,364	2,054,572	(2,242,515)
Total revenues	7,939,961	7,071,363	20,873,110	18,288,606
Costs and expenses				
Electrical construction	6,417,692	5,496,723	16,466,838	17,244,833
Real estate development	1,062,364	46,293	1,991,467	(1,729,933)
Selling, general and administrative	806,892	841,222	2,616,309	2,498,556
Depreciation	720,860	757,846	2,429,350	2,265,963
Write down of inventory		473,227	36,502	473,227
Provision for doubtful accounts			27,078	
Loss (gain) on sale of assets	500	(6,927)	7,428	(17,220)
Total costs and expenses	9,008,308	7,608,384	23,574,972	20,735,426
Total operating loss	(1,068,347)	(537,021)	(2,701,862)	(2,446,820)
Other income (expense), net				
Interest income	61,532	53,779	113,628	166,664
Interest expense, net of amount capitalized	(91,064)	(235,381)	(315,153)	(414,085)
Other	85	3,960	16,038	12,482
Minority interest	(18)		(11,088)	
Total other expense, net	(29,465)	(177,642)	(196,575)	(234,939)
Loss from continuing operations before income taxes	(1,097,812)	(714,663)	(2,898,437)	(2,681,759)
Income tax benefit	(400,371)	(456,444)	(1,047,320)	(955,027)
Loss from continuing operations	(697,441)	(258,219)	(1,851,117)	(1,726,732)
Loss from discontinued operations, net of tax	(92,642)	(12,661)	(92,642)	(12,661)
Net loss	\$ (790,083)	\$ (270,880)	\$ (1,943,759)	\$ (1,739,393)
Loss per share of common stock - basic and diluted				
Continuing operations	\$ (0.03)	\$ (0.01)	\$ (0.08)	\$ (0.07)
Discontinued operations	(0.00)	(0.00)	(0.00)	(0.00)
Net loss	\$ (0.03)	\$ (0.01)	\$ (0.08)	\$ (0.07)
Weighted average number of common shares outstanding	basic and diluted	25,451,354	25,451,354	25,451,354

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See accompanying notes to consolidated financial statements

Table of Contents**THE GOLDFIELD CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CASH FLOWS****(Unaudited)**

	Nine Months Ended September 30,	
	2008	2007
Cash flows from operating activities		
Net loss from continuing operations	\$ (1,851,117)	\$ (1,726,732)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	2,429,350	2,265,963
Write down of inventory	36,502	473,227
Provision for doubtful accounts	27,078	
Loss (gain) on sale of assets	7,428	(17,220)
Deferred income taxes	(499,913)	(509,540)
Minority interest	11,088	
Changes in operating assets and liabilities:		
Accounts receivable and accrued billings	3,755,945	590,861
Contracts receivable		10,623,909
Construction inventory	2,218	186,780
Real estate inventory	1,844,072	(9,904,756)
Costs and estimated earnings in excess of billings on uncompleted contracts	175,772	(939,739)
Residential properties under construction		3,784,165
Income taxes recoverable	(610,239)	(456,544)
Prepaid expenses and other assets	(379,215)	(889,929)
Accounts payable and accrued liabilities	73,744	(2,381,531)
Billings in excess of costs and estimated earnings on uncompleted contracts		(24,444)
Net cash provided by operating activities of continuing operations	5,022,713	1,074,470
Net cash used in operating activities of discontinued operations	(427)	(31,230)
Net cash provided by operating activities	5,022,286	1,043,240
Cash flows from investing activities		
Proceeds from the disposal of property and equipment	31,576	118,481
Proceeds from notes receivable	31,181	41,366
Purchases of property and equipment	(969,352)	(3,327,010)
Cash surrender value of life insurance	13,336	(7,910)
Net cash used in investing activities of continuing operations	(893,259)	(3,175,073)
Cash flows from financing activities		
Proceeds from notes payable	445,679	7,682,028
Repayments on notes payable	(2,024,658)	(7,981,312)
Repayments on capital leases	(239,561)	(235,488)
Net cash used in financing activities of continuing operations	(1,818,540)	(534,772)
Net increase (decrease) in cash and cash equivalents	2,310,487	(2,666,605)
Cash and cash equivalents at beginning of period	3,984,613	6,801,600
Cash and cash equivalents at end of period	\$ 6,295,100	\$ 4,134,995

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Supplemental disclosure of cash flow information:

Interest paid, net of amount capitalized	\$ 165,276	\$ 403,296
Income taxes paid	6,938	3,418
Supplemental disclosure of non-cash investing and financing activities:		
Liability for equipment acquired	15,769	
	See accompanying notes to consolidated financial statements	

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THE GOLDFIELD CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

Note 1 Description of Business and Basis of Financial Statement Presentation

Overview

The Goldfield Corporation (the Company) was incorporated in Wyoming in 1906 and subsequently reincorporated in Delaware in 1968. The Company's principal lines of business are electrical construction and real estate development. The principal market for the Company's electrical construction operation is electric utilities in the southeastern and mid-Atlantic region of the United States. The primary focus of the Company's real estate operations is on the development of luxury condominium projects on the east coast of Florida.

Basis of Presentation

In the opinion of management, the accompanying unaudited interim consolidated financial statements include all adjustments necessary to present fairly the Company's financial position, results of operations and changes in cash flows for the interim periods reported. These adjustments are of a normal recurring nature. All financial statements presented herein are unaudited with the exception of the consolidated balance sheet as of December 31, 2007, which was derived from the audited consolidated financial statements. The results of operations for the interim periods shown in this report are not necessarily indicative of results to be expected for the fiscal year. These statements should be read in conjunction with the financial statements included in the Company's annual report on Form 10-K for the year ended December 31, 2007.

Use of Estimates

Generally accepted accounting principles require management to make estimates and assumptions during the preparation of the Company's financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes available, which in turn could impact the amounts reported and disclosed herein.

Recent Accounting Pronouncements

In December 2007, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 141R (revised 2007), Business Combinations. SFAS No. 141R broadens the guidance of SFAS No. 141, extending its applicability to all transactions and other events in which one entity obtains control over one or more other businesses. It broadens the fair value measurement and recognition of assets acquired, liabilities assumed and interests transferred as a result of business combinations. SFAS No. 141R expands on required disclosures to improve financial statement users' abilities to evaluate the nature and financial effects of business combinations. SFAS No. 141R is effective for the Company's fiscal year beginning January 1, 2009. The Company does not expect the adoption of SFAS No. 141R to have a material effect on its consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51. SFAS No. 160 requires that a noncontrolling interest in a subsidiary be reported as equity and the amount of consolidated net income specifically attributable to the noncontrolling interest be identified in the consolidated financial statements. It also calls for consistency in the manner of reporting changes in the parent's ownership interest and requires fair value measurement of any noncontrolling equity investment retained in a deconsolidation. SFAS No. 160 is effective for the Company's fiscal year beginning January 1, 2009. The Company does not expect the adoption of SFAS No. 160 to have a material effect on its consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities - Including an Amendment of FASB Statement No. 115 which became effective for the Company on January 1, 2008. SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. The Company did not elect the fair value option for any of its existing financial instruments on the effective date and has not determined whether or not it will elect this option for any eligible financial instruments it acquires in the future.

In November 2006, the Emerging Issues Task Force (EITF) reached a consensus on EITF Issue No. 06-8, Applicability of the Assessment of a Buyer's Continuing Investment under SFAS No. 66, Accounting for Sales of

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Real Estate, for Sales of Condominiums. EITF No. 06-8 requires condominium sales to meet the continuing involvement criterion of SFAS No. 66 in order for profit to be recognized under the percentage of completion method. EITF No. 06-8 was effective for the Company's fiscal year beginning January 1, 2008. The effect of this EITF was not material to the Company's consolidated financial statements, as there are no projects currently under construction. If the Company is unable to meet the requirements of EITF No. 06-8 on future projects, it will be required to delay revenue recognition until the aggregate investment tests described in SFAS No. 66 and EITF No. 06-8 have been met.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurement. SFAS No. 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS No. 157 was effective for the Company's financial assets and liabilities on January 1, 2008. In February 2008, the FASB approved a deferral of the provisions of SFAS No. 157 relating to nonfinancial assets and liabilities, delaying implementation by the Company until January 1, 2009. SFAS No. 157 has not had a material affect on how the Company determines fair value and is not expected to have one in the future.

Revision/Reclassifications

Certain amounts previously reflected in the prior period consolidated statements of operations have been revised to conform to the Company's 2008 presentation and presentation in 10-K. The income from non-refundable earnest money deposits, recognized when buyers defaulted on their Pineapple House contracts, was previously recorded as other income. Upon further review, management determined that this income should be included in real estate development revenues. The Company reviewed the impact of this error on the prior periods in accordance with SEC Staff Accounting Bulletin No. 99, *Materiality*, and determined that the error was not material to the prior periods. This revision had no effect on the previously reported loss from continuing operations before income taxes, but changed the previously reported total revenues and total operating loss by \$511,000 for the three months ended September 30, 2007 and \$565,000 for the nine months ended September 30, 2007.

Note 2 Contracts Receivable

Contracts receivable represents the amount of revenues recognized in the real estate segment using the percentage-of-completion method for condominium units under firm contract. As of both September 30, 2008 and December 31, 2007, there were no outstanding contracts receivable. As of September 30, 2008 and December 31, 2007, \$0 and \$25,000, respectively, of non-refundable earnest money deposits were held by a third party for the Pineapple House project.

The Company's real estate development operations do not extend financing to buyers and, therefore, sales proceeds are received in full upon closing.

Note 3 Inventory

Construction inventory, which consists of specifically identified condominium construction materials or electrical construction materials, is stated at the lower of cost or market. As of December 31, 2007, all construction inventory consisted of electrical construction materials.

Real estate inventory, which consists of completed condominium units held for sale, are carried at the lower of cost or fair value, less cost to sell. As of September 30, 2008, the Company had fifteen completed condominium units held for sale within the Pineapple House project compared to eighteen at December 31, 2007. In addition, as of September 30, 2008, the Company had no remaining condominium units held for sale within its Oak Park project compared to three units held for sale as of December 31, 2007.

In accordance with SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, real estate inventory considered held for sale is reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If the carrying amount or basis is not expected to be recovered, impairment losses are recorded and the related assets are adjusted to their estimated fair value. Due to the continued deterioration in the national and local housing market, management determined in June 2008 that it was necessary to reduce the selling prices for the remaining Oak Park condominium units, which resulted in a write down of these units in the second quarter of 2008. For the three and nine months ended September 30, 2008, the Company recorded a write down of \$ 0 and \$37,000 related to the Oak Park condominium unit inventory. For the three and nine months ended September 30, 2007, the Company recorded a write down of \$473,000 related to the Pineapple House condominium unit inventory.

Note 4 Notes Payable

As of September 30, 2008, the Company, the Company's wholly owned subsidiaries, Southeast Power Corporation (Southeast Power), Bayswater Development Corporation (Bayswater), Pineapple House of Brevard, Inc.

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(Pineapple House) and Oak Park of Brevard, Inc. (Oak Park), have a loan agreement and a series of related ancillary agreements with Branch Banking and Trust Company (the Bank) providing for a revolving line of credit loan for a maximum principal amount of \$3.0 million, to be used as a Working Capital Loan. The Working Capital Loan terms include interest payable monthly at an annual rate equal to the monthly LIBOR rate plus one and eight-tenths percent (4.29% and 7.04% as of September 30, 2008 and December 31, 2007, respectively). The Working Capital Loan is due and payable on November 26, 2008, unless extended by the Bank at its discretion. As of September 30, 2008 and December 31, 2007, there were no borrowings outstanding under the Working Capital Loan.

As of September 30, 2008, the Company, Southeast Power, Bayswater, Pineapple House and Oak Park, and the Bank, are parties to a loan agreement and a series of related ancillary agreements for a revolving line of credit loan for a maximum principal amount of \$14.0 million to be used by Pineapple House to fund the construction of residential condominium units (the Pineapple House Mortgage). Interest is payable monthly at an annual rate equal to the monthly LIBOR rate plus one and eighty-five one-hundredths percent (4.34% and 7.09% as of September 30, 2008 and December 31, 2007, respectively). As of September 30, 2008, the maturity date of the Pineapple House Mortgage was November 18, 2008. Such maturity date has been extended until May 18, 2010 (see note 10). Borrowings outstanding under this agreement were \$3.4 million and \$4.3 million as of September 30, 2008 and December 31, 2007, respectively. The loan is secured by a Mortgage and Security Agreement.

As of September 30, 2008, the Company, Southeast Power, and the Bank, are parties to a loan agreement and other related ancillary agreements for a revolving line of credit loan for a maximum principal amount of \$3.5 million to be used by Southeast Power for durable equipment purchases (the Equipment Loan). The Company guaranteed Southeast Power's obligations under the Equipment Loan agreement. Interest is payable monthly at an annual rate equal to the monthly LIBOR rate plus one and eight-tenths percent (4.29% and 7.04% as of September 30, 2008 and December 31, 2007, respectively). The maturity date of the Equipment Loan is December 13, 2010. Southeast Power made monthly payments of interest to the Bank in arrears on the principal balance outstanding until July 2007, and for the remaining term of the Equipment Loan, Southeast Power is required to pay monthly installments of principal and interest of \$94,605. Borrowings outstanding under this loan agreement were \$2.4 million and \$3.1 million as of September 30, 2008 and December 31, 2007, respectively. The Equipment Loan is secured by the grant of a continuing security interest in all equipment purchased with the proceeds of the loan, and any replacements, accessions, or substitutions thereof and all cash and non-cash proceeds thereof.

The Company's debt arrangements contain various financial and other covenants, all of which the Company was in compliance with as of September 30, 2008.

Interest costs related to the construction of condominiums are capitalized. During the three and nine month periods ended September 30, 2008, the Company had no capitalized interest costs. During the three and nine month periods ended September 30, 2007, the Company capitalized interest costs of \$0 and \$384,000, respectively.

Note 5 Discontinued Operations

On December 4, 2002, effective November 30, 2002, the Company completed the sale of the capital stock of its mining subsidiaries.

Commitments and Contingencies Related to Discontinued Operations

On September 8, 2003, the United States Environmental Protection Agency (the EPA) issued a special notice letter notifying the Company that it is a potentially responsible party (PRP), along with three other parties, with respect to investigation and removal activities at the Anderson-Calhoun Mine/Mill Site (the Site) in Stevens County, Washington.

The Company sold the Site property in 1964. The Company has investigated the historic operations that occurred at the Site as well as the nature and scope of environmental conditions at the Site that may present concerns to the EPA. Based upon its investigation to date, the Company has determined that its operations at the Site were primarily exploratory and that the Company never engaged in any milling or other processing activities at the Site. The Company's records reflect that between the years 1950 and 1952 it extracted a limited amount (111,670 tons) of surface ore from the Site for off-site processing. The Site has changed owners several times since it was sold by the Company, and the Company believes that a substantial majority of the mining activities and all of the milling and related processing and process waste disposal activities likely were conducted by subsequent owners.

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In April of 2007, the EPA approved as final an Engineering Evaluation/Cost Analysis Report (EE/CA Report) for the Site. The EE/CA Report proposes to adopt as the preferred remedy a removal action primarily focused on addressing ore processing areas and wastes that were created after the Company sold the Site.

On or about October 11, 2007, the EPA issued an Action Memorandum that specifies the nature and scope of the response action that the agency will require with respect to the Site. The Action Memorandum adopted the preferred removal action from the EE/CA Report. The EE/CA Report, following cost estimation procedures applicable to EE/CA documents, estimates that the net present value of the proposed removal action is \$1.5 million. This figure includes amounts for contingencies and is based on currently available information, certain assumptions and estimates. In light of the Company s limited role in the creation of the wastes that are the primary focus of the removal action, the Company believes that the other PRPs, particularly Blue Tee Corporation (successor to American Zinc), will be liable for most of the cleanup costs, as they were directly responsible for all on-site ore processing activities and wastes. However, there can be no assurance as to the scope of the Company s share of liability for cleanup costs.

On about September 10, 2008, EPA issued a letter to the Company demanding payment of certain costs previously incurred by EPA and including a settlement proposal whereby the Company and Combustion Engineering, Inc. would settle with EPA through a cash payment and EPA would look solely to Blue Tee Corporation to implement the removal action set forth in the EE/CA Report. The Company understands that other PRPs received similar letters, including Combustion Engineering, Inc., Blue Tee Corporation, and Washington Resources, Inc. (the current owner of the mineral estate at the Site). The terms of any settlement with EPA (and other PRPs) are currently under negotiation. The Company s portion of a settlement with the EPA would not be expected to have any material adverse effect on the Company s financial position. EPA s settlement offer is based, in part, on the agency s acceptance of the Company s representations to the effect that it is a minimal contributor to the hazardous substances that are the subject of the environmental investigation and removal action. The Company anticipates that the settlement process will be concluded during the first quarter of 2009. Notwithstanding a settlement with EPA, the party that implements the removal action at the Site may, in theory, seek cost recovery from other PRPs at the Site. The Company believes, however, under the facts of this matter, that any such contribution claim against the Company would be resolved favorably in light of the Company s previous contributions to the response action and the Company s minimal role in the generation of the hazardous substances that are the subject of the response action at the Site.

Under the Comprehensive Environmental Response, Compensation and Liability Act, any of the PRPs may be jointly and severally liable to the EPA for the full amount of any response costs incurred by the EPA, including costs related to investigation and remediation, subject to a right of contribution from other PRPs. In practice, PRPs generally agree to perform such response activities, and negotiate among themselves to determine their respective contributions to any such multi-party activities based upon equitable allocation factors that focus primarily on their respective contributions to the contamination at issue.

One of the Company s former general liability insurance carriers (Insurer No. 1) has accepted the defense of this matter and has agreed to pay an 80% share of costs of defense incurred to date, subject to certain reservation of rights as to coverage. During the nine months ended September 30, 2008 and 2007, the Company was reimbursed \$5,000 and \$57,000, respectively. As of September 30, 2008, the Company has received \$363,000 from Insurer No. 1, which represents 76% of the Company s insurable costs incurred from the inception of this matter through September 30, 2008. Another of the Company s former general liability insurance carriers (Insurer No. 2) has also accepted the defense of this matter, subject to certain reservation of rights as to coverage, and has agreed to pay a 20% share of the costs of defense incurred to date. During the nine months ended September 30, 2008 and 2007, the Company was reimbursed \$1,000 and \$0. As of September 30, 2008, the Company has received \$95,000, from Insurer No. 2, which represents 20% of the Company s insurable costs incurred from the inception of this matter through September 30, 2008. As of September 30, 2008 and December 31, 2007, the balance of the receivable for estimated future insurance reimbursements was \$32,000 and \$177,000, respectively. For the three and nine months ended September 30, 2008, the Company has recorded a reduction of \$140,000 to the estimated insurance reimbursements as a change to the net expense within discontinued operations. For the three and nine months ended September 30, 2007, the Company has recorded a reduction of \$20,000 to the estimated insurance reimbursements as a change to the net expense within discontinued operations. The Company cannot predict the extent to which its costs will ultimately be covered by insurance.

Beginning in September 2003, in accordance with FASB Interpretation (FIN) No. 14, Reasonable Estimation of the Amount of a Loss an Interpretation of Statement of Financial Accounting Standards No. 5 (Accounting for Contingencies), and Statement of Position No. 96-1, Environmental Remediation Liabilities, the Company has

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recognized a net expense (within discontinued operations) for this matter. There was an increase to the provision of \$9,000 for both the three and nine months ended September 30, 2008 and \$0 for the three and nine months ended September 30, 2007. As of September 30, 2008 and 2007, the cumulative net expense was \$210,000 and \$52,000, respectively. This represents the current estimate of the Company's share of the costs associated with both an emergency removal action previously undertaken by the EPA and actual remediation costs, the professional fees associated with the EE/CA Report and the anticipated professional fees associated through the completed remediation, all reduced by both actual and estimated insurance recoveries. Total actual costs to be incurred at the Site in future periods may vary from this estimate, given inherent uncertainties in evaluating environmental costs. As of September 30, 2008, the Company has recorded a reserve balance for the Company's estimated share of a settlement with the EPA and future professional fees of \$146,000 (accrued as a current liability within discontinued operations). The accrual will be reviewed periodically based upon facts and circumstances available at the time, which could result in changes to its amount.

Assets and liabilities of the discontinued operations have been reflected in the accompanying consolidated balance sheets as follows:

	September 30, 2008	December 31, 2007
Remediation insurance receivable	\$ 31,747	\$ 176,827
Reserve for remediation	\$ 145,985	\$ 198,850

The following table sets forth certain unaudited operating results of the discontinued operations for the three and nine months ended September 30 as indicated:

	2008	2007
Provision for remediation	\$ 148,536	\$ 20,300
Loss from discontinued operations, before income taxes	(148,536)	(20,300)
Income taxes (benefit)	(55,894)	(7,639)
Loss from discontinued operations, net of tax	\$ (92,642)	\$ (12,661)

Note 6 Commitments and Contingencies

In certain circumstances, the Company is required to provide performance bonds to secure its contractual commitments. Management is not aware of any performance bonds issued for the Company that have ever been called by a customer. As of September 30, 2008, outstanding performance bonds issued on behalf of the Company's electrical construction subsidiary amounted to \$15.6 million.

Note 7 Loss Per Share of Common Stock

Basic loss per common share is computed by dividing net income by the weighted average number of common stock shares outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if common stock equivalents, such as stock options outstanding were exercised into common stock that subsequently shared in the earnings or loss of the Company.

As of September 30, 2008 and December 31, 2007, the Company had no common stock equivalents. The computation of the weighted average number of common stock shares outstanding excludes 2,362,418 shares of Treasury Stock for both the three and nine months ended September 30, 2008 and September 30, 2007, respectively.

Note 8 Income Taxes

As of September 30, 2008, the Company had tax net operating loss (NOL) carryforwards of approximately \$649,000 available to offset future taxable income, which if unused will expire in 2028. The Company had alternative minimum tax (AMT) credit carryforwards of approximately \$482,000, which are available to reduce future federal income taxes over an indefinite period. The net current deferred tax asset decreased to

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\$414,000 as of September 30, 2008 from \$539,000 as of December 31, 2007, primarily due to inventory adjustments recognized as condominium units were sold, remediation adjustments and accrued warranty costs recognized, for tax purposes, when paid. The net non-current deferred tax liability decreased to \$0 as of September 30, 2008 from \$346,000 as of December 31, 2007 and a net non-current deferred tax asset of \$279,000 was recorded as of September 30, 2008 primarily due to NOL carryforwards.

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In addition, as of September 30, 2008, the Company's deferred tax assets were largely comprised of NOL carryforwards, AMT credit carryforwards and inventory adjustments on unsold condominium units. Based on historical experience and assumptions with respect to forecasts of future taxable income and tax planning, among others, the Company anticipates being able to generate sufficient taxable income to utilize the NOL carryforwards prior to their expiration date, AMT credit carryforwards, which have no expiration date, and recognize the inventory adjustments as condominium units are sold. Therefore, the Company has not recorded a valuation allowance against the deferred tax assets. The minimum amount of future taxable income required to be generated to fully realize the deferred tax asset is approximately \$3.8 million.

The following table presents our provision for income tax and effective income tax rate from continuing operations for the periods as indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Income tax benefit	\$ (400,371)	\$ (456,444)	\$ (1,047,320)	\$ (955,027)
Effective income tax rate	(36.5)%	(63.9)%	(36.1)%	(35.6)%

The Company's expected tax rate for the year ending December 31, 2008, which was calculated based on the estimated annual operating results for the year, is (36.0)%. The effective tax rate differs from the federal statutory rate of (34)% for the three and nine months ended September 30, 2008 primarily due to state income taxes.

On January 1, 2007, the Company adopted FIN No. 48 Accounting for Uncertainty in Income Taxes an Interpretation of SFAS No. 109, which clarifies the accounting and reporting for uncertainties in income tax law. This Interpretation prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. FIN No. 48 prescribes a more-likely-than-not threshold of a tax position taken or expected to be taken in a tax return being sustained on audit based on the technical merits for financial statement recognition and measurement.

On implementation of FIN No. 48, the Company reviewed prior year tax filings and other corporate records for any uncertain tax positions in accordance with recognition standards established for which the statute of limitations remained open. The Company's federal statute of limitation has expired for years prior to 2005 and relevant state statutes vary. The Company believes that it is reasonably possible that the liability for unrecognized tax benefits related to certain state income tax matters may be settled within the next twelve months. The Company is currently not under any tax audits or examinations and does not expect the assessment of any significant additional tax in excess of amounts reserved. Unrecognized tax benefits were \$44,000 and \$40,000 as of September 30, 2008 and December 31, 2007, respectively.

The Company accrues interest and penalties related to unrecognized tax benefits as interest expense and other general and administrative expenses, respectively, and not as a component of income taxes.

Note 9 Business Segment Information

The Company is currently involved in two segments, electrical construction and real estate development. There were no material amounts of sales or transfers between segments and no material amounts of foreign sales. Any intersegment sales have been eliminated.

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The following table sets forth certain segment information for the periods ended as indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Revenues				
Electrical construction	\$ 6,869,416	\$ 6,518,999	\$ 18,818,538	\$ 20,531,121
Real estate development	1,070,545	552,364	2,054,572	(2,242,515)
Total revenues	7,939,961	7,071,363	20,873,110	18,288,606
Operating expenses				
Electrical construction	7,171,437	6,239,663	19,054,315	19,567,802
Real estate development	1,259,913	675,988	2,553,716	(1,038,816)
Corporate	576,958	692,733	1,966,941	2,206,440
Total operating expenses	9,008,308	7,608,384	23,574,972	20,735,426
Operating income (loss)				
Electrical construction	(302,021)	279,336	(235,777)	963,319
Real estate development	(189,368)	(123,624)	(499,144)	(1,203,699)
Corporate	(576,958)	(692,733)	(1,966,941)	(2,206,440)
Total operating loss	(1,068,347)	(537,021)	(2,701,862)	(2,446,820)
Other income (expense), net				
Electrical construction	(33,016)	(63,079)	(106,765)	(181,337)
Real estate development	(30,535)	(140,688)	(143,625)	(140,689)
Corporate	34,086	26,125	53,815	87,087
Total other expense, net	(29,465)	(177,642)	(196,575)	(234,939)
Net income (loss) before taxes				
Electrical construction	(335,037)	216,257	(342,542)	781,982
Real estate development	(219,903)	(264,312)	(642,769)	(1,344,388)
Corporate	(542,872)	(666,608)	(1,913,126)	(2,119,353)
Total net loss before taxes	\$ (1,097,812)	\$ (714,663)	\$ (2,898,437)	\$ (2,681,759)

Operating loss is total operating revenues less operating expenses inclusive of depreciation and amortization, and selling, general and administrative expenses for each segment. Operating income (loss) excludes interest expense, interest income and income taxes. Corporate expenses are comprised of general and administrative expenses and corporate depreciation and amortization expenses.

The following table sets forth identifiable assets by segment as of the dates indicated:

	September 30, 2008	December 31, 2007
Identifiable assets		
Electrical construction	\$ 17,537,335	\$ 19,844,016
Real estate development	7,848,895	9,356,294
Corporate	3,388,266	3,489,869

Discontinued operations	31,747	176,827
Total	\$ 28,806,243	\$ 32,867,006

Electrical Construction

A significant portion of the Company's electrical construction revenues has historically been derived from two or three utility customers each year. For the three months ended September 30, 2008 and September 30, 2007, the three largest customers accounted for 64% and 77%, respectively, of the Company's electrical construction revenues. For the nine months ended September 30, 2008 and September 30, 2007, the three largest customers accounted for 47% and 50%, respectively, of the Company's electrical construction revenues.

Real Estate Development

In June 2008, management determined it was necessary to reduce the selling prices for the remaining Oak Park condominium units, which resulted in a write down of these units. For the nine months ended September 30, 2008, the Company recorded a write down of \$37,000 related to the Oak Park condominium unit inventory.

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During the nine months ended September 30, 2007, thirteen customers defaulted or provided notification of their intent to default on their contractual obligations to close the purchase of their condominium units at the Pineapple House project. As a result of these defaults, revenues and operating expenses in the real estate development segment for the nine months ended September 30, 2007 reflect the reversal of previously recognized revenues of \$7.2 million and previously recognized cost of sales of \$5.2 million. The cost of sales of these units held for sale is reflected in real estate inventory as of September 30, 2008 and 2007. In addition, in September 2007, management adjusted the carrying value of the Pineapple House units held for sale, resulting in a write down of \$473,000 for the three and nine months ended September 30, 2007.

The real estate development operations did not have revenues from any one customer that exceeded 10% of total revenues for the three months or nine months ended September 30, 2008 and 2007.

Note 10 Subsequent Events

On November 13, 2008, Pineapple House, the Company, Southeast Power and the Bank extended the maturity date of the Pineapple House Mortgage for eighteen months, (until May 18, 2010) with no change to the current terms. In accordance with the terms of the original Pineapple House Mortgage, the availability of future additional advances to fund any construction are contingent upon certain conditions relating to the development of Phases 2 and 3 of Pineapple House.

Table of Contents**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations
Forward-Looking Statements**

We make forward-looking statements within the safe harbor provision of the Private Securities Litigation Reform Act of 1995 throughout this document. You can identify these statements by forward-looking words such as may, will, expect, anticipate, believe, estimate, plan, and continue or similar words. We have based these statements on our current expectations about future events. Although we believe that our expectations reflected in or suggested by our forward-looking statements are reasonable, we cannot assure you that these expectations will be achieved. Our actual results may differ materially from what we currently expect. Factors that may affect the results of our electrical construction operations include, among others: the level of construction activities by public utilities; the timing and duration of construction projects for which we are engaged; our ability to estimate accurately with respect to fixed price construction contracts; and heightened competition in the electrical construction field, including intensification of price competition. Factors that may affect the results of our real estate development operations include, among others: the level of consumer confidence; the continued weakness in the Florida condominium market; our ability to obtain necessary permits from regulatory agencies; our ability to acquire land; our ability to collect contracts receivable and close homes in backlog, particularly related to buyers purchasing homes as investments; increases in interest rates and availability of mortgage financing to our buyers; increases in construction and homeowner insurance and the availability of insurance. Factors that may affect the results of all of our operations include, among others: adverse weather; natural disasters; changes in generally accepted accounting principles; our ability to maintain or increase historical revenues and profit margins; and general economic conditions, both nationally and in our region; adverse legislation or regulations; the availability of skilled construction labor and materials and material increases in labor and material costs; and our ability to obtain additional and/or renew financing, particularly in light of the current disruption in the credit markets. Other important factors which could cause our actual results to differ materially from the forward-looking statements in this document include, but are not limited to, those discussed in this Management's Discussion and Analysis of Financial Condition and Results of Operations, as well as those discussed elsewhere in this report and as set forth from time to time in our other public filings and public statements. In addition to the other information included in this report and our other public filings and releases, a discussion of factors affecting our business is included in our Annual Report on Form 10-K for the year ended December 31, 2007 under Item 1A. Risk Factors and should be considered while evaluating our business, financial condition, results of operations and prospects.

You should read this report completely and with the understanding that our actual future results may be materially different from what we expect. We may not update these forward-looking statements, even in the event that our situation changes in the future. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

Overview

We are a leading provider of electrical construction services in the southeastern United States and a developer of condominiums on the east coast of Florida. Through our subsidiary, Southeast Power Corporation, we are engaged in the construction and maintenance of electric utility facilities for electric utilities and industrial customers and the installation of fiber optic cable for fiber optic cable manufacturers, telecommunication companies and electric utilities. Southeast Power is based in Titusville, Florida, and performs electrical contracting services in the southeastern and mid-Atlantic regions of the United States. As previously announced, we have been awarded jobs in central Colorado and northern Texas, which represent an important initial step in implementing our plans to expand our customer and geographic base into the western United States.

The electrical construction business is highly competitive and fragmented. We compete with other independent contractors, including larger regional and national firms that may have financial, operational, technical and marketing resources that exceed our own. We also face competition from existing and prospective customers establishing or augmenting in-house service organizations that employ personnel who perform some of the same types of service as those provided by us. In addition, a significant portion of our electrical construction revenues is derived from a small group of customers, with several different customers accounting for a substantial portion of our revenues in any given year. For example, in the year ended December 31, 2007, five of our customers accounted for approximately 72% of our consolidated revenues. The loss of, or decrease in current demand from, one or more of these customers would, if not replaced by other business, result in a decrease in revenues, margins and profits which could be material. To moderate the effects of these factors, we focus on the elements of our business that we can control, including excellent customer service, safety and employee development. There are a limited number of skilled workers who can perform the type of work in which we are engaged. When we experience a slow down in demand, particularly one that we expect to be short term, we are hesitant to reduce our work force unnecessarily, as we have, historically, found it difficult to re-build our work force following a reduction.

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We are continuing to experience a slow down in demand for our services and have found it necessary to place additional work crews on several existing jobs in an effort to avoid a reduction in our electrical construction work force. Historically, we have found that moving work crews in the middle of a job and adding additional crews to a job does not improve the productivity on that job and this was the effect in both the current and previous quarters. In early June 2008, we reduced our electrical construction work force by approximately 14%. On June 30, 2008, we announced that we had been awarded new electrical construction contracts aggregating \$12.5 million. In July and August 2008, we rehired the majority of those employees, previously laid off, to meet the anticipated demands of the new contracts we had been awarded. Although work has remained slow throughout the summer and into the fall, we are encouraged by the growth in new business and new territories.

Through our subsidiary Bayswater Development Corporation and its various subsidiaries (Bayswater), we are engaged in the acquisition, development, management and disposition of land and improved properties. The primary focus of our real estate operations has been the development of residential condominium projects along the east coast of Central Florida. Over the past several years we have developed five condominium projects. Our current project, Pineapple House, is an eight-story building in Melbourne, Florida containing thirty-three luxury river view condominium units, of which eighteen units have been sold as of September 30, 2008. It is the first phase of a planned multi-phase development. Our customers generally are pre-retirement, retirement or second home buyers seeking higher quality, maintenance free residences with generous amenities.

As of September 30, 2008, in addition to the fifteen remaining units of Phase I of Pineapple House, we own vacant property on which we plan to build two condominium buildings, which will comprise Phase II and Phase III of the Pineapple House project. Although we have delayed the sales and construction of new projects, we believe the real estate market in our area will ultimately improve and we will resume our plans for this vacant property. However, we can provide no assurance about the real estate market or our future plans. In the quarter ended September 30, 2008, we sold the three remaining units in our Oak Park development, located in Cape Canaveral, Florida. Oak Park was completed in the third quarter of 2006. In June 2008, we had determined it was necessary to reduce the selling prices for the remaining Oak Park condominium units. For the nine months ended September 30, 2008, we recorded a write down of \$37,000 related to the Oak Park condominium unit inventory.

In September 2007, we determined it was necessary to reduce the selling prices for the remaining Pineapple House condominium units, which resulted in an adjustment in the carrying value of these units. For the three and nine months ended September 30, 2007, we recorded a write down of \$473,000 related to the Pineapple House condominium units held for sale.

Looking forward with respect to our real estate development operations, we continue to see weak, and perhaps deteriorating, market conditions, which may continue to have an adverse impact on the sales and pricing of our condominium units, the commencement and development of new projects (including a delay in the commencement of future phases of the Pineapple House project) and on the results of our real estate development operations. We cannot predict whether the Florida condominium market will improve, or when any such improvement may take place. However, we have completed the first phase of the Pineapple House project on budget and in a timely manner, and we believe the project is attractive and of high quality. Furthermore, we are no longer incurring construction costs with respect to this phase and our share of the maintenance costs on the unsold units is expected to be no more than \$100,000 annually.

Critical Accounting Estimates

This discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, including those related to fixed price electrical construction contracts, real estate development projects, deferred income tax assets and environmental remediation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Our management has discussed the selection and development of its critical accounting policies, estimates and related disclosure with the Audit Committee of the Board of Directors.

Table of Contents***Percentage of Completion Electrical Construction Segment***

We recognize revenues from fixed price contracts on a percentage-of-completion basis, using primarily the cost-to-cost method based on the percentage of total costs incurred to date in proportion to total estimated costs to complete the contract. Total estimated costs, and thus contract income, are impacted by several factors including, but not limited to, changes in productivity and scheduling, and the cost of labor, subcontracts, materials and equipment. Additionally, external factors such as weather, site conditions and scheduling that differ from those assumed in the original bid (to the extent contract remedies are unavailable), client needs, client delays in providing approvals, the availability and skill level of workers in the geographic location of the project, a change in the availability and proximity of materials and governmental regulation, may also affect the progress and estimated cost of a project's completion and thus the timing of income and revenue recognition.

The accuracy of our revenues and profit recognition in a given period is almost solely dependent on the accuracy of our estimates of the cost to complete each project. Due to our experience and our detailed approach in determining our cost estimates for all of our significant projects, we believe our estimates to be highly reliable. However, our projects can be complex and in almost every case the profit margin estimates for a project will either increase or decrease to some extent from the amount that was originally estimated at the time of bid. Because we have a number of projects of varying levels of complexity and size in process at any given time these changes in estimates can offset each other without materially impacting our overall profitability. If a current estimate of total costs indicates a loss on a contract, the projected loss is recognized in full when determined. Accrued contract losses as of September 30, 2008 and December 31, 2007 were \$144,000 and \$0, respectively. Revenues from change orders, extra work, variations in the scope of work and claims are recognized when realization is probable.

Percentage of Completion Real Estate Development Segment

For 2007, all revenues associated with real estate development projects that meet the criteria specified by SFAS 66, Accounting for Sales of Real Estate, were recognized using the percentage-of-completion method. Prior to January 1, 2008, under this method, revenue is recognized when (1) construction is beyond a preliminary stage, (2) a substantial percentage (at least one-third) of the condominiums are under firm, non-refundable contracts, except in the case of non-delivery of the unit or interest, (3) sufficient units have already been sold to assure that the entire property will not revert to rental property, consideration is given to the requirements of state laws, the condominium contract and the terms of the financing agreements, (4) collection of the sales price is reasonably assured, (5) deposits equal or exceed 10% of the contract price and (6) sales proceeds and costs can be reasonably estimated. We determine that construction is beyond a preliminary stage when engineering and design work, execution of construction contracts, site clearance and preparation, excavation and the building foundation is complete.

In November 2006, the FASB ratified EITF Issue No. 06-8, Applicability of a Buyer's Continuing Investment under FASB Statement No. 66 for Sales of Condominiums. EITF No. 06-8 requires that in addition to all the requirements noted above, condominium sales must also meet the continuing involvement criterion of SFAS No. 66 in order for profit to be recognized under the percentage of completion method. To meet the continuing involvement criterion, a buyer would be required to either (1) make additional payments during the construction term at least equal to the level annual payments that would be required to fund principal and interest on a customary mortgage for the remaining purchase price of the property or (2) increase the minimum initial investment by an equivalent aggregate amount. EITF No. 06-8 is effective for our current fiscal year. The effect of EITF No. 06-08 was not material to our consolidated financial statements, as there are no projects currently under construction. If we are unable to meet the requirements of EITF No. 06-8 on future projects, we will be required to delay revenue recognition until the aggregate investment tests described in SFAS No. 66 and EITF No. 06-8 have been met. See note 1 to the consolidated financial statements.

We believe that a material difference in total actual project costs versus total estimated project costs is unlikely due to the nature of the fixed price contracts we enter into with the general contractors on our real estate projects.

If a current estimate of total project costs indicates a loss on a project, the projected loss is recognized in full when determined. There were no accrued contract losses as of September 30, 2008 or December 31, 2007. The timing of revenue and expense recognition using the percentage of completion method is contingent on construction productivity. Factors possibly impeding construction productivity include, but are not limited to, supply of labor, materials and equipment, scheduling, weather, permitting and unforeseen events. When a buyer defaults on a contract for sale, revenues and expenses recognized in prior periods are adjusted in the period of default.

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Deferred Tax Assets

We account for income taxes in accordance with SFAS No. 109, Accounting for Income Taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

We consider future taxable income and ongoing prudent and feasible tax planning strategies in assessing the need for a valuation allowance for deferred tax assets. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the deferred tax assets are expected to be recovered or settled. If we determine that we will not be able to realize all or part of our deferred tax assets, a valuation allowance would be recorded to reduce our deferred tax assets to the amount that is more likely than not to be realized. In the event we subsequently determine that we would be able to realize deferred tax assets in excess of our net recorded amount, an adjustment to the previously recorded valuation allowance would increase income in the period that such determination was made.

As of September 30, 2008, our deferred tax assets were largely comprised of NOL carryforwards, AMT credit carryforwards and inventory adjustments on unsold condominium units. Based on historical experience and assumptions with respect to forecasts of future taxable income and tax planning, among others, we anticipate being able to generate sufficient taxable income to utilize the NOL carryforwards prior to their expiration date, AMT credit carryforwards, which have no expiration date, and recognize the inventory adjustments as condominium units are sold. Therefore, we have not recorded a valuation allowance against the deferred tax assets. The minimum amount of future taxable income required to be generated to fully realize the deferred tax assets is approximately \$3.8 million.

Provision for Remediation

In September 2003, we were notified by the EPA that we are a PRP with respect to possible investigation and removal activities at a mine that we formerly owned. See note 5 to the consolidated financial statements for a discussion of this matter.

It is impossible at this stage to estimate the total costs of the remediation at the Anderson-Calhoun Mine/Mill Site or our share of liability for those costs due to various factors, including incomplete information regarding the Site and the other PRPs, uncertainty regarding the extent of actual remediation costs and our equitable share of liability for the contamination.

As of September 30, 2008, the cumulative net expense was \$210,000 (within discontinued operations), which represents the current estimate of our share of the costs associated with both an emergency removal action previously undertaken by the EPA and actual remediation costs, the professional fees associated with the EE/CA Report, the anticipated professional fees estimated through the completed remediation, all reduced by both actual and estimated insurance recoveries. Total actual costs to be incurred at the Site in future periods may vary from this estimate, given inherent uncertainties in evaluating environmental costs. As of September 30, 2008, we have recorded a reserve balance for future applicable costs of \$146,000 (accrued as a current liability within discontinued operations). The accrual will be reviewed periodically based upon facts and circumstances available at the time, which could result in changes to its amount.

Table of Contents**Results of Operations***Nine Months Ended September 30, 2008 Compared to Nine Months Ended September 30, 2007***Segment Information**

The table below is a reconciliation of our operating income attributable to each of our segments for the nine months ended September 30 as indicated:

	2008	2007
Electrical construction		
Revenues	\$ 18,818,538	\$ 20,531,121
Operating expenses		
Cost of goods sold	16,466,838	17,244,833
SG&A	250,804	194,832
Depreciation	2,302,252	2,138,063
Provision for doubtful accounts	27,078	
Loss (gain) on sale of assets	7,343	(9,926)
Total operating expenses	19,054,315	19,567,802
Operating (loss) income	\$ (235,777)	\$ 963,319
Real estate development		
Revenues	\$ 2,054,572	\$ (2,242,515)
Operating expenses		
Cost of goods sold	1,991,467	(1,729,933)
SG&A	508,165	199,083
Depreciation	17,582	18,807
Write down of inventory	36,502	473,227
Total operating expenses	2,553,716	(1,038,816)
Operating loss	\$ (499,144)	\$ (1,203,699)

Continuing Operations**Revenues**

Total revenues for the nine months ended September 30, 2008, increased by 14.1% to \$20.9 million, compared to \$18.3 million for the nine months ended September 30, 2007, reflecting increased revenues in our real estate development segment offset by lower revenues in our electrical construction segment.

Electrical construction revenues decreased \$1.7 million, or 8.3%, to \$18.8 million for the nine months ended September 30, 2008 from \$20.5 million for the nine months ended September 30, 2007. The decrease in revenues for the nine months ended September 30, 2008, was primarily due to a continued slowdown in demand for our electrical construction services and a reduction in the size of projects in process, resulting from fewer available large projects as core utility customers reduced spending in the current period.

The varying magnitude and duration of electrical construction projects may result in substantial fluctuation in the Company's backlog from time to time. Backlog represents the uncompleted portion of services to be performed under project-specific contracts and the estimated value of future services that we expect to provide under our existing service agreements, including new contractual agreements on which work has not begun. In many instances, our customers are not contractually committed to specific volumes of services and many of our contracts may be terminated with notice, therefore we do not consider any portion of our backlog to be firm. However, our customers become obligated once we

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provide the services they have requested. Our service agreements are typically multi-year agreements, and we include in our backlog the amount of services projected to be performed over the terms of the contracts based on our historical relationships with these customers. Our estimates of a customer's requirements during a particular future period may not be accurate at any point in time. As of September 30, 2008, the electrical construction operation's backlog was approximately \$18.6 million, which included \$4.9 million from fixed price contracts for which revenue is recognized using percentage-of-completion and \$13.7 million from service agreement contracts for which revenue is recognized as work is performed. Of our total backlog, we expect 36% to be completed within the current fiscal year. This compares to a backlog of \$11.2 million at September 30, 2007, of which \$6.9 million represented backlog from fixed price contracts and \$4.3 million represented backlog from service agreement contracts.

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Real estate construction revenues increased to \$2.1 million for the nine months ended September 30, 2008 from \$(2.2 million) for the like period in 2007. In the nine months ended September 30, 2008, we recognized revenues on the sale of three units in the Pineapple House project and three units in the Oak Park project. In the nine months ended September 30, 2007, we recognized the reversal of previously recognized revenues on the Pineapple House project upon the notification from buyers of their intent to default on their contracts.

As of September 30, 2008, our real estate development operation had no backlog.

Operating Results

Total operating loss increased to \$2.7 million for the nine months ended September 30, 2008, from \$2.4 million for the like period in 2007. Electrical construction operations had an operating loss of \$236,000 during the nine months ended September 30, 2008, compared to an operating income of \$963,000 during the nine months ended September 30, 2007. Operating margins on electrical construction operations decreased to (1.3)% for the nine months ended September 30, 2008, from 4.7% for the nine months ended September 30, 2007. As previously noted, there are a limited number of skilled workers who can perform electrical construction services and we are hesitant to reduce our workforce as a short term cost cutting measure due to the difficulties we would subsequently incur to restore our work force with appropriately skilled employees. The decrease in operating margins for the nine months ended September 30, 2008 was largely a result of lost productivity resulting from additional work crews being assigned to available jobs in an attempt to maintain our work force through the current slow down. In addition, operating margins were reduced by the impact of lower revenues on direct overhead costs and a 7.7% increase in depreciation expense. As a percentage of electrical construction revenues, depreciation expense increased to 12.2% for the nine months ended September 30, 2008 from 10.4% for the nine months ended September 30, 2007.

Real estate development operations had an operating loss of \$499,000 for the nine months ended September 30, 2008, compared to an operating loss of \$1.2 million for the nine months ended September 30, 2007, an improvement of \$705,000. The operating loss for the nine months ended September 30, 2008, reflects the continuing slow down in the Florida real estate market and the write down of the Oak Park inventory to estimated fair value, which is a direct result of the difficult market.

Costs and Expenses

Total costs and expenses, and the components thereof, increased 13.7% to \$23.6 million for the nine months ended September 30, 2008 from \$20.7 million for the nine months ended September 30, 2007.

Electrical construction cost of goods sold decreased to \$16.5 million for the nine months ended September 30, 2008 from \$17.2 million for the nine months ended September 30, 2007, a decrease of 4.5%. The decrease in costs reflects the lower level of construction activities, which were partially offset by an increase in personnel costs incurred on several jobs as discussed above.

Real estate development cost of goods sold increased to \$2.0 million for the nine months ended September 30, 2008 from \$(1.7 million) for the nine months ended September 30, 2007. The current period costs reflect costs associated with the sale of units in both the Pineapple House project and the Oak Park project. In the prior year period the negative cost of sales is due to the reversal of previously recognized costs associated with the reversal of revenues due to buyer defaults on condominium purchases in the Pineapple House development.

The following table sets forth selling, general and administrative (SG&A) expenses for each respective segment for the nine months ended September 30 as indicated:

	2008	2007
Electrical construction	\$ 250,804	\$ 194,832
Real estate development	508,165	199,083
Corporate	1,857,340	2,104,641
Total	\$ 2,616,309	\$ 2,498,556

For the nine months ended September 30, 2008, total SG&A expenses increased 4.7% to \$2.6 million compared to \$2.5 million for the nine months ended September 30, 2007. The increase in the SG&A expense for the nine months ended September 30, 2008 is mainly due to an increase in property taxes due to the completion of Pineapple

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House, and additional carrying costs of both Pineapple House and the related condominium association. These increases were partially offset by a decrease in professional services within the corporate segment. As a percentage of revenues, SG&A expenses decreased to 12.5% for the nine months ended September 30, 2008 from 13.7% for the nine months ended September 30, 2007, due primarily to the increase in revenues in the current period, particularly the positive revenues in the real estate development segment.

The following table sets forth the depreciation expense for each respective segment for the nine months ended September 30 as indicated:

	2008	2007
Electrical construction	\$ 2,302,252	\$ 2,138,063
Real estate development	17,582	18,807
Corporate	109,516	109,093
Total	\$ 2,429,350	\$ 2,265,963

The depreciation expense was \$2.4 million for the nine months ended September 30, 2008, compared to \$2.3 million for the nine months ended September 30, 2007, an increase of 7.2%. The increase in depreciation expense is mainly due to an increase in capital expenditures in 2006 and 2007, primarily within the electrical construction segment for equipment upgrades and fleet expansion.

Income Taxes

The following table presents our provision for income tax and effective income tax rate from continuing operations for the nine months ended September 30 as indicated:

	2008	2007
Income tax benefit	\$ (1,047,320)	\$ (955,027)
Effective income tax rate	(36.1)%	(35.6)%

Our expected tax rate for the year ending December 31, 2008, which was calculated based on the estimated annual operating results for the year, is (36.0)%. The effective tax rate differs from the federal statutory rate of (34)% for the nine months ended September 30, 2008 primarily due to state income taxes.

Discontinued Operations

Effective November 30, 2002, we completed the sale of the capital stock of our mining subsidiaries. Following the sale, in September 2003, we were notified by the EPA that we are a PRP with respect to possible investigation and removal activities at a mine we previously owned, as described in note 5 to the consolidated financial statements contained herein. During the nine months ended September 30, 2008 a net increase of \$149,000 was recorded to the provision for remediation, mainly due to a decrease in the expected reimbursable amount from the insurers. In addition, during the nine months ended September 30, 2007, a reduction of \$20,000 was recorded in the amount expected to be reimbursed by one of our former general liability insurance carriers.

Table of Contents**Three Months Ended September 30, 2008 Compared to Three Months Ended September 30, 2007****Segment Information**

The table below is a reconciliation of our operating income attributable to each of our segments for the three months ended September 30 as indicated:

	2008	2007
Electrical construction		
Revenues	\$ 6,869,416	\$ 6,518,999
Operating expenses		
Cost of goods sold	6,417,692	5,496,723
SG&A	71,111	33,304
Depreciation	682,219	716,563
Loss (gain) on sale of assets	415	(6,927)
Total operating expenses	7,171,437	6,239,663
Operating (loss) income	\$ (302,021)	\$ 279,336
Real estate development		
Revenues	\$ 1,070,545	\$ 552,364
Operating expenses		
Cost of goods sold	1,062,364	46,293
SG&A	191,966	150,551
Depreciation	5,583	5,917
Write down of inventory		473,227
Total operating expenses	1,259,913	675,988
Operating loss	\$ (189,368)	\$ (123,624)

Continuing Operations**Revenues**

Total revenues for the three months ended September 30, 2008 increased by \$869,000 to \$7.9 million, compared to \$7.1 million for the three months ended September 30, 2007. This increase is due to an increase in revenues in both the electrical construction and real estate development segments in the current year compared to the prior year period.

Electrical construction revenues increased \$350,000, or 5.4%, to \$6.9 million for the three months ended September 30, 2008 from \$6.5 million for the three months ended September 30, 2007. Revenues for the three months ended September 30, 2008 and September 30, 2007, were not significantly changed and the number and size of jobs in both periods were similar.

Real estate construction revenues increased by \$518,000 to \$1.1 million for the three months ended September 30, 2008 from \$552,000 for the like period in 2007. The change in revenues for the three months ended September 30, 2008, compared to 2007, was mainly due to the sale of one unit in the Pineapple House project and three units in the Oak Park project in the current quarter, whereas in the prior year quarter revenues consisted primarily of the income from non-refundable earnest money deposits recognized when buyers defaulted on their Pineapple House contracts.

Operating Results

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Total operating loss increased to \$1.1 million for the three months ended September 30, 2008, compared to \$537,000 for the like period in 2007. Electrical construction operations had an operating loss of \$302,000 during the three months ended September 30, 2008, compared to operating income of \$279,000 during the three months ended September 30, 2007, a decrease of \$581,000. Operating margins on electrical construction operations decreased to (4.4)% for the three months ended September 30, 2008, from 4.3% for the three months ended September 30, 2007. As previously noted, there are a limited number of skilled workers who can perform electrical construction services and we are hesitant to reduce our workforce as a short term cost cutting measure due to the difficulties we would subsequently incur to restore the work force with appropriately skilled employees. The decrease in operating margins for the three months ended September 30, 2008 was largely a result of lost productivity as additional work crews were assigned to available jobs in an attempt to maintain our work force through the current slow down.

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Real estate development operations had an operating loss of \$189,000 for the three months ended September 30, 2008, compared to \$124,000 for the three months ended September 30, 2007, a change of \$66,000. The operating loss for the three months ended September 30, 2008, reflects the continuing slow down in the Florida real estate market.

Costs and Expenses

Total costs and expenses, and the components thereof, increased by \$1.4 million to \$9.0 million for the three months ended September 30, 2008, from \$7.6 million for the three months ended September 30, 2007.

Electrical construction cost of goods sold increased to \$6.4 million for the three months ended September 30, 2008, from \$5.5 million for the three months ended September 30, 2007, an increase of \$921,000. The increase in costs reflects the increase in revenues in the current period.

Real estate development cost of goods sold increased to \$1.1 million for the three months ended September 30, 2008, from \$46,000 for the three months ended September 30, 2007. In the current quarter, the cost of goods sold relates primarily to the cost of the four condominium units sold during the quarter. In the prior year quarter, the costs incurred are related to the Pineapple House Condominium Association.

The following table sets forth SG&A expenses for each respective segment for the three months ended September 30 as indicated:

	2008	2007
Electrical construction	\$ 71,111	\$ 33,304
Real estate development	191,966	150,551
Corporate	543,815	657,367
Total	\$ 806,892	\$ 841,222

The SG&A expenses were \$807,000 for the three months ended September 30, 2008, compared to \$841,000 for the three months ended September 30, 2007, a decrease of 4.1%. The decrease in SG&A expenses is primarily due to a decrease in compensation in the corporate segment. This decrease was partially offset by an increase in legal expenses within the electrical construction segment and an increase in selling expenses in the real estate segment related to the sale of four condominium units during the third quarter of 2008. As a percentage of revenues, SG&A expenses decreased to 10.1% for the three months ended September 30, 2008 from 11.9% for the three months ended September 30, 2007, due primarily to the increase in revenues in the current quarter.

The following table sets forth the depreciation expense for each respective segment for the three months ended September 30 as indicated:

	2008	2007
Electrical construction	\$ 682,219	\$ 716,563
Real estate development	5,583	5,917
Corporate	33,058	35,366
Total	\$ 720,860	\$ 757,846

Depreciation expense was \$721,000 for the three months ended September 30, 2008, compared to \$758,000 for the three months ended September 30, 2007, a decrease of 4.9%. The decrease in depreciation expense is mainly due to a reduction in capital expenditures in 2008 compared to 2007.

Income Taxes

The following table presents our provision for income tax and effective income tax rate from continuing operations for the three months ended September 30 as indicated:

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	2008	2007
Income tax benefit	\$ (400,371)	\$ (456,444)
Effective income tax rate	(36.5)%	(63.9)%

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Our expected tax rate for the year ending December 31, 2008, which was calculated based on the estimated annual operating results for the year, is (36.0)%. The effective tax rate differs from the federal statutory rate of (34)% for the three months ended September 30, 2008 primarily due to state income taxes.

Discontinued Operations

Effective November 30, 2002, we completed the sale of the capital stock of our mining subsidiaries. Following the sale, in September 2003, we were notified by the EPA that we are a PRP with respect to possible investigation and removal activities at a mine we previously owned, as described in note 5 to the consolidated financial statements contained herein. During the three months ended September 30, 2008 a net increase of \$149,000 was recorded to the provision for remediation, mainly due to a decrease in the expected reimbursable amount from the insurers. In addition, during the three months ended September 30, 2007, a reduction of \$20,000 was recorded in the amount expected to be reimbursed by one of our former general liability insurance carriers.

Liquidity and Capital Resources**Working Capital Analysis**

Our primary cash needs have been for working capital and capital expenditures. Our primary sources of cash have been cash flow from operations and borrowings under our lines of credit. As of September 30, 2008, we had cash and cash equivalents of \$6.3 million and working capital of \$11.3 million, as compared to cash and cash equivalents of \$4.0 million and working capital of \$13.8 million as of December 31, 2007. In addition, we have \$3.0 million in an unused revolving line of credit as of September 30, 2008. We anticipate that this cash on hand, our credit facilities and our future cash flows from operating activities will provide sufficient cash to enable us to meet our future operating needs and debt requirements, as well as to ensure our ability to grow.

Cash Flow Summary

Net cash flows for each of the nine month periods ended September 30 were as follows:

	2008	2007
Net cash provided by operating activities	\$ 5,022,286	\$ 1,043,240
Net cash used in investing activities	(893,259)	(3,175,073)
Net cash used in financing activities	(1,818,540)	(534,772)
Net increase (decrease) in cash and cash equivalents	\$ 2,310,487	\$ (2,666,605)

Operating Activities

Cash flows from operating activities are comprised of income from continuing operations adjusted to reflect the timing of cash receipts and disbursements therefrom.

Cash provided by our operating activities totaled \$5.0 million in the nine months ended September 30, 2008, compared to \$1.0 million for the same period in 2007. Our cash flows are influenced by the level of operations, operating margins, the types of services we provide, as well as the stages of our projects in both the electrical construction and real estate segments.

The change in net cash provided by operating activities in the current period compared to the prior year period is primarily due to the decrease in cash used within the real estate segment in the current period, as Pineapple House is completed and no new project has been started. In addition, there was a decrease in accounts receivable and accrued billings due to cash collections from customers in the electrical construction segment.

Days of Sales Outstanding Analysis

We evaluate fluctuations in our accounts receivable and costs and estimated earnings in excess of billings on uncompleted contracts for the electrical construction segment by comparing days of sales outstanding (DSO). We calculate DSO as of the end of any period by utilizing the preceding three months of electrical construction revenues to determine sales per day. We then divide accounts receivable and accrued billings,

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net of allowance for doubtful accounts, at the end of the period by sales per day to calculate DSO for accounts receivable. To calculate DSO for costs and estimated earnings in excess of billings, we divide costs and estimated earnings in excess of billings on uncompleted contracts by sales per day.

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For the quarters ended September 30, 2008 and 2007, our DSO for accounts receivable were 27 and 60, respectively, and our DSO for costs and estimated earnings in excess of billings on uncompleted contracts were 20 and 47, respectively. As of October 31, 2008, we have received approximately 87.5% of our September 30, 2008 outstanding trade accounts receivable balance. In addition as of October 31, 2008, we have invoiced our customers for approximately 62.8% of the balance in costs and estimated earnings in excess of billings as of September 30, 2008.

Investing Activities

Net cash used in investing activities during the nine months ended September 30, 2008 was \$893,000, compared to \$3.2 million for the same period in 2007. Our investing activities for the nine months ended September 30, 2008 and 2007 consist primarily of capital expenditures of \$970,000 and \$3.3 million, respectively, partially offset by proceeds from the sale of property and equipment. These purchases are mainly attributable to our electrical construction segment for the upgrading and replacement of equipment.

Financing Activities

Cash used in financing activities during the nine months ended September 30, 2008 was \$1.8 million, compared to \$535,000 during the same period in 2007. Our financing activities for the current period consist of repayments on notes payable of \$1.3 million for the Pineapple House Mortgage and \$745,000 on the Equipment Loan and repayments on capital leases of \$240,000. These were partially offset by borrowings made within the real estate segment of \$446,000 to pay final billings for the Pineapple House project and finance interest accrued on the balance of the Pineapple House Mortgage. Our financing activities for the prior year period consisted of borrowings made within the real estate segment of \$5.6 million used for the development of Pineapple House and borrowing under our Equipment Loan of \$2.1 million used for capital expenditures by the electrical construction segment. These borrowings were partially offset by loan repayments of \$7.1 million towards the Pineapple House Mortgage and \$870,000 in the electrical construction segment and repayments on the capital lease obligations of \$235,000. See note 4 to the consolidated financial statements for more information regarding these borrowings.

We have paid no cash dividends on our Common Stock since 1933, and it is not expected that we will pay any cash dividends on our Common Stock in the immediate future.

Forecast

We anticipate our cash on hand, cash flows from operations and credit facilities will provide sufficient cash to enable us to meet our working capital needs, debt service requirements and planned capital expenditures for at least the next twelve months. However, our revenues, results of operations and cash flows, as well as our ability to seek additional financing, may be negatively impacted by factors including, but not limited to, a decline in demand for electrical construction services and/or condominiums in the markets served, general economic conditions, heightened competition, availability of construction materials, the continued disruption in the credit markets generally and its effect on the availability and cost of credit and adverse weather conditions.

Item 4T. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management timely. An evaluation was performed under the supervision and with the participation of our management, including John H. Sottile, our Chief Executive Officer and Stephen R. Wherry, our Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of September 30, 2008. Based upon that evaluation, our management, including our Chief Executive Officer and our Chief Financial Officer, concluded that our disclosure controls and procedures were effective as of September 30, 2008.

Changes in Internal Controls over Financial Reporting

No changes in our internal controls over financial reporting occurred during the third quarter of 2008 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

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Based on current regulations, Section 404 of the Sarbanes-Oxley Act required our management to provide an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2007, and our independent registered public accounting firm will be required to audit the effectiveness of internal control over financial reporting as of December 31, 2009. We have performed the necessary system and process documentation in preparation for the evaluation and testing required for management to make this assessment and for our independent registered public accounting firm to provide their attestation report.

Limitations of the Effectiveness of Controls

A control system, no matter how well conceived and operated, can provide only reasonable assurance, not absolute assurance that the objectives of the control system are met. Because of inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that the design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies and procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Accordingly, our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our disclosure control system are met and, as set forth above, our CEO and CFO have concluded, based on their evaluation, that our disclosure controls and procedures were effective as of September 30, 2008 to provide reasonable assurance that the objectives of the disclosure control system were met.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings **Environmental**

For information in response to this Item, see the discussion regarding the special notice letter the Company received from the EPA regarding the Anderson-Calhoun mine/mill site in note 5 to the consolidated financial statements in this Form 10-Q.

Litigation

We are involved in disputes and legal actions from time to time in the ordinary course of our business. For a description of the material pending legal proceedings to which we are a party, please see our Annual Report on Form 10-K for the year ended December 31, 2007. There has been no material change in this information since the filing of our Annual Report on Form 10-K for the year ended December 31, 2007.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2007.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Since September 17, 2002, we have had a stock repurchase plan which, as last amended by the Board of Directors on September 18, 2008, permits the purchase of up to 3,500,000 shares until September 30, 2009. We did not purchase any of our Common Stock during the nine months ended September 30, 2008 or 2007. As of September 30, 2008, we have a maximum of 1,154,940 shares that may be purchased under our publicly announced stock repurchase plan. Since the inception of the repurchase plan, we have repurchased 2,345,060 shares of our Common Stock at a cost of \$1,289,467 (average cost of \$0.55 per share). We may repurchase our shares either in the open market or through private transactions. The volume of the shares to be repurchased is contingent upon market conditions and other factors.

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Item 6. Exhibits

- *10-1 Allonge to Promissory Note of The Goldfield Corporation relating to Loans of up to \$14.0 million
- *31-1 Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, 15 U.S.C. Section 7241
- *31-2 Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, 15 U.S.C. Section 7241
- *32-1 **Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350
- *32-2 **Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350

* Filed herewith.

** These exhibits are intended to be furnished in accordance with Regulation S-K Item 601(b)(32)(ii) and shall not be deemed to be filed for purposes of Section 18 of the Securities Act of 1934 or incorporated by reference into any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference.

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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.

Dated: November 14, 2008

THE GOLDFIELD CORPORATION

By: */s/ JOHN H. SOTTILE*
John H. Sottile
Chairman of the Board, President and Chief Executive Officer
(Principal Executive Officer)

/s/ STEPHEN R. WHERRY
Stephen R. Wherry
Senior Vice President, Chief Financial Officer, Treasurer and
Assistant Secretary (Principal Financial and Accounting Officer)