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MCRAE INDUSTRIES INC
Form 10-Q
March 12, 2002

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

Form 10-Q

☒ [X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934.

For the Quarter Ended January 26, 2002.

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 1-8578

McRae Industries, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

56-0706710
(I.R.S. Employer Identification No.)

400 North Main Street
Mt. Gilead, North Carolina 27306
(Address of principal executive offices)

Telephone Number (910) 439-6147
(Registrant's telephone number, including area code)

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 periods that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

Yes ☒ X No ☐ ____
 --- ----

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date.

Common Stock, \$1 Par Value--Class A 1,871,617 shares as of March 7, 2002. Common Stock, \$1 Par Value--Class B 896,882 shares as of March 7, 2002.

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McRae Industries, Inc. and Subsidiaries

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PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

McRae Industries, Inc. and Subsidiaries

CONDENSED CONSOLIDATED BALANCE SHEET

ASSETS

(In thousands, except share and per share data)

January 26, 2002
(Unaudited)

July 28, 2001
(Note)

ASSETS

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Current assets:

Cash and cash equivalents	\$ 3,065	\$ 7,341
Securities	5	5
Accounts and notes receivable, net	9,292	5,442
Inventories (see Note B)	15,211	13,806
Net investment in capitalized leases	567	567
Income tax receivable	274	881
Prepaid expenses and other current assets	143	60
	-----	-----
Total current assets	28,557	28,102
	-----	-----

Property and equipment, net	5,440	5,204
-----------------------------	-------	-------

Other assets:

Receivables, related entities	502	527
Net investment in capitalized leases	720	960
Notes receivable	152	203
Real estate held for investment	652	652
Goodwill	377	392
Cash surrender value of life insurance	2,116	2,041
Other	1,607	896
	-----	-----
Total other assets	6,126	5,671
	-----	-----
	\$40,123	\$38,977
	=====	=====

See notes to condensed consolidated financial statements

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	January 26, 2002 (Unaudited)	July 28, 2001 (Note)
	-----	-----
Liabilities and Shareholders' Equity		
Current liabilities:		
Notes payable, banks - current portion	\$ 407	\$ 407
Accounts payable	3,880	3,545
Accrued employee benefits	200	239
Deferred revenues	937	983
Accrued payroll and payroll taxes	799	578
Income taxes	0	0
Contract contingencies	668	650
Other	520	498
	-----	-----
Total current liabilities	7,411	6,900
	-----	-----
Notes payable, banks, net of current portion	4,373	4,598
Minority interest	102	108
Shareholders' equity:		
Common stock:		
Class A, \$1 par; Authorized 5,000,000 shares; Issued and outstanding, 1,871,617 and 1,861,817 shares, respectively	1,872	1,862
Class B, \$1 par; Authorized 2,500,000 shares; Issued and outstanding, 896,882 and 906,682 shares, respectively	897	907
Additional paid-in capital	791	791
Retained earnings	24,677	23,811
	-----	-----
Total shareholders' equity	28,237	27,371
	-----	-----
	\$40,123	\$38,977
	=====	=====

NOTE - The condensed consolidated balance sheet at July 28, 2001 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

See notes to condensed consolidated financial statements

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McRae Industries, Inc. and Subsidiaries CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (In thousands, except share and per share data) (Unaudited)

	Three Months Ended		Six Months Ended
	January 26, 2002	January 27, 2001	January 26, 2002
	-----	-----	-----
Net revenues	\$ 20,722	\$ 13,835	\$ 35,276
Costs and expenses:			
Cost of revenues	15,380	10,490	26,215
Research & development	197	134	335
Selling, general and administrative	3,670	3,349	6,917
Other expense (income), net	(22)	(73)	(66)
Interest expense	55	124	132
	-----	-----	-----
Total costs and expenses	19,280	14,024	33,533
	-----	-----	-----
Earnings (loss) from continuing operations before income taxes and minority interest	1,442	(189)	1,743
Provision for income taxes	581	(45)	696
Minority shareholder's interest in earnings of subsidiary	(3)	(2)	(6)
	-----	-----	-----
Net earnings (loss) from continuing operations	864	(142)	1,053

See notes to condensed consolidated financial statements

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McRae Industries, Inc. and Subsidiaries CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (In thousands, except share and per share data) (Unaudited)

	Three Months Ended		Six Months Ended
	January 26, 2002	January 27, 2001	January 27, 2002
	-----	-----	-----
Discontinued operations:			
(See Note C)			
Loss from operations of discontinued business	0	(43)	
Income tax benefit	0	17	
Estimated loss on disposal of business, net of income tax benefit of \$185,000 in fiscal 2001	0	0	
	-----	-----	-----
Net earnings (loss)	\$ 864	\$ (168)	\$ 1,050
	=====	=====	=====
Net earnings (loss) per common share-basic:			
Earnings (loss) from continuing operations	\$.31	\$ (.05)	\$.31
Discontinued operations	.00	(.01)	.00
	-----	-----	-----
Net earnings (loss)	\$.31	\$ (.06)	\$.31
	=====	=====	=====
Weighted average number of common shares outstanding	2,768,499	2,768,499	2,768,499
	-----	-----	-----

See notes to condensed consolidated financial statements

McRae Industries, Inc. and Subsidiaries CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (In thousands)

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(Unaudited)

	Six Months Ended January 26, 2002 -----	January 27, -----
Net cash used in operating activities	\$ (2,092) -----	\$ (1,335) -----
Cash flows from investing activities:		
Proceeds from sale of land	0	9
Proceeds from sale of securities	0	56
Purchase of land investment	0	(16
Purchase of minority interest	0	(363
Proceeds from sales of assets	195	70
Net collections from related parties	25	75
Purchase of brand name	(800)	
Capital expenditures	(1,167)	(525
Purchase of officer life insurance	(75)	(76
Net collections of long-term receivables	51 -----	98 -----
Net cash used in investing activities	(1,771) -----	(672) -----
Cash flows from financing activities:		
Principal repayments of notes payable	(226)	(123
Dividends paid	(187) -----	(334) -----
Net cash used in financing activities	(413) -----	(457) -----
Net decrease in cash and cash equivalents	(4,276)	(2,464
Cash and cash equivalents at beginning of period	7,341 -----	7,223 -----
Cash and cash equivalents at end of period	\$ 3,065 =====	\$ 4,759 =====

See notes to condensed consolidated financial statements

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McRae Industries, Inc. and Subsidiaries NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

NOTE A - BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six months ended January 26, 2002 are not necessarily indicative of the results that may be expected for the year ending August 3, 2002. For further information, refer to the consolidated financial statements and footnotes thereto included in the McRae Industries, Inc., Annual Report on Form 10-K for the year ended July 28, 2001.

Certain reclassifications have been made to the prior year's financial statements to conform with the current year's presentation.

NOTE B - INVENTORIES

An actual valuation of inventory under the LIFO method can be made only at the end of each fiscal year based on the inventory levels and costs at that time. Accordingly, interim LIFO calculations are based on management's estimates of expected year-end inventory levels and costs. Because these are subject to forces beyond management's control, interim calculations are subject to change based on the final year-end LIFO inventory valuation.

The components of inventory consist of the following:

	January 26, 2002	July 28, 2001
	-----	-----
Raw materials	\$ 2,975,000	\$ 2,843,000
Work-in-process	1,014,000	746,000
Finished goods	11,222,000	10,217,000
	-----	-----
	\$15,211,000	\$13,806,000
	=====	=====

NOTE C - DISCONTINUED OPERATIONS OF BUSINESS SEGMENT

For the quarter ended January 27, 2001, the printing business reported a net loss of \$26,000, net of \$17,000 of tax benefit. A reserve for estimated loss on discontinuance of this business amounted to \$290,000, net of \$185,000 of tax benefit. Net earnings per share as a result of the discontinued operations were reduced by \$.01 per share for the second quarter of fiscal 2001. The results of the printing and packaging business operations have been reported separately as discontinued operations in the Condensed Consolidated Statement of Operations.

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NOTE D - SUBSEQUENT EVENTS

On February 21, 2002, the Company declared a cash dividend of \$.05 cents per share on its Class A Common Stock payable on March 29, 2002, to shareholders of record on March 15, 2002.

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NOTE E - SUMMARY OF BUSINESS SEGMENTS

	Three Months Ended		Six Months Ended
	January 26, 2002	January 27, 2001	January 26, 2002
	-----	-----	-----
(Dollars in Thousands)			
Net revenues			
Bar Code	\$ 2,470	\$ 3,441	\$ 4,777
Office Products	7,794	3,915	12,179
Military Boots	6,008	4,379	9,946
Western/Work Boots	4,731	2,098	8,674
Eliminations/Other	(281)	2	(300)
	-----	-----	-----
	20,722	13,835	35,276
Net earnings (loss) from continuing operations			
Bar Code	(484)	(189)	(1,002)
Office Products	442	(467)	256
Military Boots	1,638	736	2,487
Western/Work Boots	(271)	(401)	(243)
Eliminations/Other	117	132	245
	-----	-----	-----
	1,442	(189)	1,743
Provision for income taxes (benefit)	581	(45)	696
Minority shareholder's interest	(3)	(2)	(6)
Earnings (loss) from discontinued operations	0	(26)	0
	-----	-----	-----
Net earnings (loss)	\$ 864	\$ (168)	\$ 1,053
	=====	=====	=====

MCRAE INDUSTRIES, INC. AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the attached unaudited condensed consolidated financial statements and notes thereto, and with the Company's Annual Report on Form 10-K for the fiscal year ended July 28, 2001, including the financial information and management's discussion and analysis contained or incorporated by reference therein.

FINANCIAL CONDITION AND LIQUIDITY

As of the end of the second fiscal quarter of 2002, the Company's financial condition continued to be strong with cash and cash equivalents amounting to \$3.1 million. Working capital totaled approximately \$21.1 million and the current ratio was 3.9 to 1.

For the first six months of fiscal 2002, operating activities used approximately \$2.1 million of cash. Net income from operations, adjusted for depreciation and amortization, contributed positive cash flow of approximately \$1.9 million. Trade accounts receivable used approximately \$3.9 million as a result of increased product sales for the quarter in the military boot, western boot, and office products businesses. The quality of the trade accounts receivable remained good, although the average collection days jumped to 47 days from 31 days as of the end of fiscal 2001 as a result of the timing of collection for military boots and office products and the impact of longer payment terms to retailers in the western boot business. Increased inventory levels in the military boot and office products businesses used approximately \$1.8 million of cash primarily attributable to increased product demand. These increases were partially offset by inventory reductions of approximately \$249,000 in the bar code business as a result of decreased product demand and approximately \$163,000 in the western boot business to accommodate the new western and fashion boot styles for 2002. Prior year income tax receivables contributed positive cash flow of approximately \$600,000 as current year tax liabilities have been offset.

For the first six months of fiscal 2002, investing activities used approximately \$1.8 million of cash, \$1.1 million of which was used to purchase the Dan Post western boot brand name and related fixed assets as described in the Form 10-Q for the first fiscal quarter of 2002. Capital expenditures were approximately \$600,000 primarily attributable to the purchase of rental machines for the office products business and production equipment for the footwear businesses.

The Company made quarterly dividend and monthly long-term debt principal payments of approximately \$187,000 and \$226,000, respectively for the current reporting period.

Currently, the Company has two lines of credit with a bank totaling \$4.75 million, all of which was available at January 26, 2002. It is management's opinion that the future cash flows from operations, currently available cash and cash equivalents, and unused lines of credit will be sufficient to meet the Company's foreseeable working capital; capital expenditures; and debt repayment requirements of approximately \$59,000 per month on the Company's \$4.8 million long-term debt.

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SECOND QUARTER FISCAL 2002, COMPARED TO SECOND QUARTER FISCAL 2001

Consolidated net revenues for the second quarter of fiscal 2002 reached \$20.7 million, an increase of 50% over the consolidated net revenues reported for the second quarter of fiscal 2001. This growth in net revenues was primarily attributable to the surge in military combat boot requirements by the U.S. Government ("Government") as a result of the "war on terrorism" which resulted in an increase in military combat boot business net revenues from \$4.4 million to \$6.0 million, the placement of office equipment products in several large county-wide school systems which resulted in an increase in office products business net revenues from \$3.9 million to \$7.8 million, and continued strong demand for the Company's branded western and fashion footwear products which resulted in an increase in western boot business net revenues from \$2.1 million to \$4.7 million. Revenue growth for the current quarter was partially offset by a 28% reduction in bar code business net revenues, which dropped from \$3.4 million to \$2.5 million as a result of the sluggish economy and competitive market pressures.

Consolidated gross profit for the second quarter of fiscal 2002 was \$5.3 million, a 60% increase over the \$3.3 million gross profit for the same period of fiscal 2001. Gross profit as a percentage of net revenues improved nearly 7%, from 24.2% for the second quarter of fiscal 2001 to 25.8% for the same period of fiscal 2002. This increase in gross profit resulted primarily from production efficiencies related to the manufacture of military combat boots that reduced per unit costs and the relative strength of the higher-margin branded western and fashion footwear products in the overall sales mix. The office products and bar code businesses experienced slight reductions in their gross profit margins. The reduced gross margin in the office products business resulted primarily from the dominance of lower margin sales to county-wide school systems in the sales mix. The decrease in gross margin in the bar code business was primarily attributable to competitive market pressures.

Total selling, general and administrative ("SG&A") expenditures for the second quarter of fiscal 2002 amounted to \$3.7 million, an increase of approximately 9.6% over the \$3.3 million reported for the second quarter of fiscal 2001. The increase was primarily attributable to higher sales commissions, warehousing costs, and advertising related expenses associated with the western boot business. The implementation of cost reduction strategies in the bar code and office products businesses resulted in lower SG&A expenditures for these businesses as compared to the second fiscal quarter of 2001 of approximately \$151,000 and \$75,000, respectively.

Net earnings from continuing operations amounted to \$864,000 for the second quarter of fiscal 2002, a significant improvement over the \$142,000 loss reported for the same period of fiscal 2001. This net earnings growth resulted from increased net revenues and effective cost management as noted above.

The Company's military footwear business is currently in the final year of the most recent contract (the Contract) awarded by the United States Government (the Government) in April 1997. Orders under the Contract, which expires in April 2002, accounted for approximately 20% of the Company's net revenues during the six-month period ending January 26, 2002. The Government recently decided to change boot construction specifications on its standard issue combat boot from the current direct molded style, which has historically accounted for a majority of the Government's orders under the Contract, to a new waterproof membrane boot style, which is not compatible with the Company's current manufacturing process. The Company has positioned itself to be able to supply the new waterproof membrane boot style and plans to submit a competitive bid for a Government contract covering these boots, but there are no assurances that the Company will

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be successful in obtaining this contract. The Company's operating results could be materially adversely affected if it is not successful in obtaining a new contract to produce military combat boots for the Government.

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In August 2000, the Company's management decided to phase-out the operation of the printing and packaging business. Net revenues and operating losses for the second quarter of fiscal 2001 for this discontinued business amounted to \$644,000 and \$26,000, respectively.

FIRST SIX MONTHS FISCAL 2002, COMPARED TO FIRST SIX MONTHS FISCAL 2001

Consolidated net revenues for the first six months of fiscal 2002 climbed to \$35.3 million, up 16.2% from the \$30.4 million recorded for the first six months of fiscal 2001. Western boot business net revenues increased nearly 84% from \$4.7 million to \$8.7 million as the demand for the recently purchased branded name products remained high. The office products business experienced a 30% growth in net revenues for the current reporting period from \$9.4 million to \$12.2 million as the cost per copy program continues to draw significant interest from large county-wide school systems. The military combat boot business net revenues were up almost 7% over the previous reporting period from \$9.3 million to \$9.9 million primarily attributable to the surge in Government boot requirements related to the deployment of troops as a result of the events associated with September 11th. The bar code business reported a 32% decrease in net revenues for the first six months of fiscal 2002 as compared to the same period of fiscal 2001 from \$7.0 million to \$4.8 million as a result of the overall economic slowdown and increased market competition.

Consolidated gross profit for the first six months of fiscal 2002 was \$9.1 million compared to \$7.2 million for the first six months of fiscal 2001. This 25% improvement was primarily attributable to increased net revenues in the military boot, western boot, and office products businesses. Gross profit as a percentage of net revenues grew almost 8%, up from 23.9% for fiscal 2001 to 25.7% for fiscal 2002. This rise in margin percentage was primarily the result of efficiencies related to larger production runs in the military boot business, the increased influence of the western branded product sales in the overall product mix, and reduced service and supply costs in the office products business. The gross profit gains were partially offset by the bar code business as margins fell approximately 4% in this business primarily as a result of lower demand for the higher margin internally manufactured products.

Consolidated SG&A expenditures amounted to \$6.9 million for this current fiscal reporting period compared to \$6.7 million for the same period of fiscal 2001. This increase in SG&A expenses was primarily the result of the incremental costs associated with the new western and fashion branded products. Higher sales commissions, advertising and promotion costs, and professional fees in the western boot business were partially offset by lower expenditures for the same categories in the bar code and office products business. Reduced group health insurance costs on a company-wide basis also contributed favorably to the lower SG&A expenses.

Consolidated net earnings for the first six months of fiscal 2002 were \$1.1 million compared to \$100,000 for the first six months of fiscal 2001. This growth in net earnings is the result of increased net revenues, improved gross profit margins, and the implementation of effective cost containment strategies.

Net revenues and operating profits related to the Company's discontinued printing and packaging business for the first six months of fiscal 2001 amounted

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to \$1.4 million and \$26,000, respectively. An estimated loss on the discontinuance of this business amounting to \$290,000, net of the tax benefit, was reserved in the first quarter of fiscal 2001. This business ceased normal operations on April 28, 2001.

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IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

In June 2001, SFAS No. 142, "Goodwill and Other Intangible Assets", was issued and established the accounting and reporting standards for acquired goodwill and other intangible assets. SFAS No. 142 is effective for the Registrant for fiscal years beginning after December 15, 2001. The Registrant is evaluating the effects of this pronouncement on recorded goodwill and trade names.

In July 2001, SFAS No. 143, "Accounting for Asset Retirement Obligations", was issued and established the accounting and reporting standards associated with the retirement of tangible long-lived assets. SFAS No. 143 is effective for the Registrant for fiscal years beginning after June 15, 2002. The Registrant currently has no assets subject to the provisions of this statement.

In August 2001, SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", was issued and established the accounting and reporting requirements associated with long-lived asset impairment and disposal. SFAS No. 144 is effective for the Registrant for fiscal years beginning after December 15, 2001. The Registrant is evaluating the effects of this pronouncement on its long-lived assets.

FORWARD-LOOKING STATEMENTS

In addition to historical information, this Interim Report includes certain forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including but not limited to statements about the Company's ability to meet future working capital, capital expenditure, and debt repayment requirements. These forward-looking statements involve certain risks and uncertainties, including but not limited to the effect of acquisitions, the ability to meet additional financing requirements, the successful development and marketing of new products and services, the effect of competitive products and pricing, risks unique to selling goods to the U.S. Government (including the impact of the war on terrorism, termination of the Contract and changes in the types of military boots used by the U.S. Government), and the effect of general economic conditions, that could cause actual results to differ materially from those in such forward-looking statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to the impact of interest rate changes due to its aggregate \$4.75 million lines of credit and a term loan through its wholly owned subsidiary, American West Trading Company. As of January 26, 2002, there was no outstanding indebtedness under the lines of credit and \$4.7 million was outstanding on the term loan. The Company does not buy or sell derivative financial instruments for trading purposes. Borrowings under the Company's credit facilities described above bear interest at rates based upon the "Prime Rate" or "Prime Rate" less a margin of one-half percent offered by the applicable lender. The Company has not entered into any swap agreements or engaged in any other hedging activities with respect to this variable rate indebtedness. A 10% increase in the interest rates under the Company's credit facilities would increase annual interest expense by approximately \$25,000

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(assuming the Company's aggregate borrowings under the credit facilities averaged \$4.6 million during a fiscal year).

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently party to any material legal proceedings. However, we may from time to time in the future become a party to various legal proceedings incidental to our business.

Items 2 and 3.

These items are not applicable and have been omitted.

Item 4. Submission of Matters to a Vote of Security Holders

At the Company's Annual Meeting of Shareholders held on December 20, 2001, the following individuals were elected to the Board of Directors:

	Votes For		Votes Withheld	
	Class A -----	Class B -----	Class A -----	Class B -----
D. Gary McRae	N/A	761,325	N/A	
William H. Swan	N/A	795,598	N/A	
Hilton J. Cochran	N/A	795,593	N/A	
Victor A. Karam	N/A	761,325	N/A	
James W. McRae	N/A	761,325	N/A	
Brady W. Dickson	1,404,386	N/A	11,628	
Harold W. Smith	1,404,980	N/A	11,034	

The following proposal was approved at the Company's Annual Meeting:

	Affirmative Votes		Negative Votes		Vot Clas
	Class A -----	Class B -----	Class A -----	Class B -----	
Ratify the appointment of Gleiberman Spears Shepherd & Menaker, P.A. as independent certified public accountants for the current fiscal year.	1,407,280	795,569	8,017	52	7

Item 5.

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This item is not applicable and has been omitted.

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Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

- 3.1 Certificate of Incorporation (Incorporated by reference to Exhibit 3.1 to the Registrant's Form S-14, Registration No. 2-85908).
- 3.2 Amendment to the Certificate of Incorporation (Incorporated by reference to Exhibit 3 to the Registrant's Form 10-K for the year ended August 1, 1987).
- 3.3 Restated Bylaws of the Registrant effective May 29, 2001. (Incorporated by reference to Exhibit 3.3 to the Registrant's Form 10-K for the year ended July 28, 2001).

- (b) The Registrant filed a Form 8-K on January 16, 2002 to report the resignation of Gleiberman Spears Shepherd and Menaker, P.A. as the Registrant's principal accountant due to their merger with Grant Thornton LLP. Grant Thornton LLP was retained as the Registrant's principal accountant effective January 16, 2002.

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.

McRae Industries, Inc.
(Registrant)

Date: March 12, 2002

By: /s/ D. Gary McRae

D. Gary McRae
President and CEO
(Principal Executive Officer)

Date: March 12, 2002

By: /s/ Marvin G. Kiser, Sr.

Marvin G. Kiser, Sr.
(Principal Accounting Officer)

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