

PARADISE INC  
Form 10-Q  
May 15, 2012

**FORM 10-Q**

---

**U.S. SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

---

**x Quarterly report pursuant to section 13 or 15(d) of the Securities Act of 1934.**

**For the quarterly period ended March 31, 2012**

**or**

**Transition report pursuant to section 13 or 15(d) of the Securities Act of 1934.**

**Commission File No. 0-3026**

---

**PARADISE, INC.**

---

**INCORPORATED IN FLORIDA**

**I.R.S. EMPLOYER IDENTIFICATION NO. 59-1007583**

**1200 DR. MARTIN LUTHER KING, JR. BLVD.,**

**PLANT CITY, FLORIDA 33563**

**(813) 752-1155**

---

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 and 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 x No "

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x 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.

Large accelerated filer " Accelerated filer "

Non-accelerated filer " Smaller reporting company x

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

The number of shares outstanding of each of the issuer's classes of common stock as of May 15, 2012 was 519,600 shares.

PARADISE, INC.

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2012

INDEX

	<u>PAGE</u>
<b>PART I. FINANCIAL INFORMATION</b>	
<b>ITEM 1.</b>	
<b>CONSOLIDATED BALANCE SHEETS:</b>	
<u>Assets</u>	
As of March 31, 2012 (Unaudited), December 31, 2011 and March 31, 2011 (Unaudited)	2
<u>Liabilities and Stockholders' Equity</u>	
As of March 31, 2012 (Unaudited), December 31, 2011 and March 31, 2011 (Unaudited)	3
<b>CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED):</b>	
For the three-month periods ended March 31, 2012 and 2011	4
<b>CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED):</b>	
For the three-month periods ended March 31, 2012 and 2011	5
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)</b>	6-8
<b>ITEM 2.</b>	
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</b>	9-12
<b>ITEM 3.</b>	

**QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK – N/A 12**

**ITEM 4.**

**CONTROLS AND PROCEDURES 12**

**PART II. OTHER INFORMATION**

**ITEMS 1 – 6. 13**

**SIGNATURES 14**

PARADISE, INC.

COMMISSION FILE NO. 0-3026

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

**PARADISE, INC. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

	AS OF MARCH 31, 2012 (UNAUDITED)	AS OF DECEMBER 31, 2011	AS OF MARCH 31, 2011 (UNAUDITED)
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash	\$ 5,532,943	\$ 7,468,908	\$ 4,464,427
Accounts Receivable, Less, Allowances of \$0 (03/31/12), \$1,003,779 (12/31/11) and \$0 (03/31/11)	1,926,687	2,579,362	2,043,199
Inventories:			
Raw Materials	3,766,404	2,214,455	3,806,968
Work in Process	7,449	558,899	22,189
Finished Goods	4,951,215	3,423,163	4,445,682
Deferred Income Tax Asset	234,912	234,912	294,721
Prepaid Expenses and Other Current Assets	195,868	295,413	157,709
Total Current Assets	16,615,478	16,775,112	15,234,895

Edgar Filing: PARADISE INC - Form 10-Q

Property, Plant and Equipment,			
Less, Accumulated Depreciation of			
\$18,628,310 (03/31/12), \$18,505,964 (12/31/11)			
and \$18,130,547 (03/31/11)	4,072,874	4,184,046	4,280,263
Goodwill	413,280	413,280	413,280
Customer Base and Non-Compete Agreement	534,161	565,632	660,046
Other Assets	269,622	222,663	183,261
TOTAL ASSETS	\$ 21,905,415	\$ 22,160,733	\$ 20,771,745

See Accompanying Notes to these Consolidated Financial Statements (Unaudited)

	<b>AS OF MARCH 31, 2012 (UNAUDITED)</b>	<b>AS OF DECEMBER 31, 2011</b>	<b>AS OF MARCH 31, 2011 (UNAUDITED)</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Letter of Credit	\$ 631,230	\$ 313,246	\$ 861,853
Accounts Payable	769,648	358,851	954,206
Accrued Liabilities	531,387	1,218,289	420,038
Income Taxes Payable	47,366	370,678	-
Total Current Liabilities	1,979,631	2,261,064	2,236,097
DEFERRED INCOME TAX LIABILITY	165,891	165,891	147,354
Total Liabilities	2,145,522	2,426,955	2,383,451
<b>STOCKHOLDERS' EQUITY:</b>			
Common Stock: \$0.30 Par Value, 2,000,000 Shares Authorized, 583,094 Shares Issued, 519,600 Shares Outstanding	174,928	174,928	174,928
Capital in Excess of Par Value	1,288,793	1,288,793	1,288,793
Retained Earnings	18,850,636	18,824,521	17,479,037
Accumulated Other Comprehensive Loss	(281,245 )	(281,245 )	(281,245 )
Treasury Stock, at Cost, 63,494 Shares	(273,219 )	(273,219 )	(273,219 )
Total Stockholders' Equity	19,759,893	19,733,778	18,388,294
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 21,905,415</b>	<b>\$ 22,160,733</b>	<b>\$ 20,771,745</b>

**PARADISE, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF INCOME**

**(UNAUDITED)**

	<b>FOR THE THREE MONTHS ENDED MARCH 31,</b>	
	<b>2012</b>	<b>2011</b>
Net Sales	\$3,268,870	\$2,618,939
Costs and Expenses:		
Cost of Goods Sold	2,287,495	2,112,351
Selling, General and Administrative Expense	805,525	805,860
Amortization Expense	35,971	35,790
Total Costs and Expenses	3,128,991	2,954,001
Income (Loss) from Operations	139,879	(335,062 )
Other Income	76,844	154,069
Income (Loss) Before Income Taxes	216,723	(180,993 )
Income Tax (Expense) Benefit	(86,688 )	68,779
Net Income (Loss)	\$130,035	\$(112,214 )
Income (Loss) per Common Share (Basic and Diluted)	\$0.25	\$(0.22 )
Dividend per Common Share	\$0.20	\$0.10

See Accompanying Notes to these Consolidated Financial Statements (Unaudited)





**PARADISE, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CASH FLOWS****(UNAUDITED)**

	<b>FOR THE THREE MONTHS ENDED MARCH 31,</b>	
	<b>2012</b>	<b>2011</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Income (Loss)	\$ 130,035	\$(112,214 )
Adjustments to Reconcile Net Income (Loss) to Net Cash Used in Operating Activities:		
Depreciation and Amortization	158,315	167,798
Provision for Deferred Income Taxes	-	(68,779 )
Decrease (Increase) in:		
Accounts Receivable	652,675	1,576,537
Inventories	(2,528,551 )	(2,228,255 )
Prepaid Expenses	99,545	190,697
Other Assets	(51,459 )	(3,971 )
Increase (Decrease) in:		
Accounts Payable	410,798	649,551
Accrued Expense	(790,822 )	(867,446 )
Income Taxes Payable	(323,312 )	(152,009 )
 Net Cash Used in Operating Activities	 (2,242,776)	 (848,091 )
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Property and Equipment	(11,173 )	(73,555 )
 Net Cash Used in Investing Activities	 (11,173 )	 (73,555 )
 <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net Proceeds from Letter of Credit	317,984	614,017
 Net Cash Provided by Financing Activities	 317,984	 614,017
 <b>NET DECREASE IN CASH</b>	 (1,935,965)	 (307,629 )
 <b>CASH, AT BEGINNING OF PERIOD</b>	 7,468,908	 4,772,056
 <b>CASH, AT END OF PERIOD</b>	 \$5,532,943	 \$4,464,427

**SUPPLEMENTAL CASH FLOW INFORMATION:**

Edgar Filing: PARADISE INC - Form 10-Q

Cash paid for:		
Income Tax	\$410,000	\$128,000
Noncash financing activity:		
Dividends Declared	\$103,920	\$51,960

See Accompanying Notes to these Consolidated Financial Statements (Unaudited)

**PARADISE, INC. AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(UNAUDITED)**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying unaudited consolidated financial statements of Paradise, Inc. (the “Company”) have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for annual financial statements.

The information furnished herein reflects all adjustments and accruals that management believes is necessary to fairly state the operating results for the respective periods. The notes to the unaudited consolidated financial statements should be read in conjunction with the notes to the consolidated financial statements contained in the Company’s Form 10-K for the year ended December 31, 2011. The Company’s management believes that the disclosures are sufficient for interim financial reporting purposes.

Consumer demand for glace’ fruit product is traditionally strongest during the Thanksgiving and Christmas season. Almost 80% of glace’ fruit product sales are recorded during an eight to ten week period beginning in mid September. Therefore, the operating results for the three months ended March 31, 2012 are not necessarily indicative of the results that may be expected for the current year.

Certain minor reclassifications have been made to the consolidated unaudited statements of operations for the quarter ended March 31, 2011 to conform to the classifications used for the quarter ended March 31, 2012.

**NOTE 2 RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

In May 2011, the FASB issued ASU 2011-04 *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. The ASU expands ASC Topic 820’s existing disclosure requirements for fair value measurements and makes other amendments that could change how the fair value measurement guidance in ASC Topic 820 is applied. The ASU is effective for the Company for the interim and annual periods beginning after December 15, 2011. The adoption of this ASU did not have an impact on the Company’s consolidated financial statements or disclosures.

In June 2011, the FASB issued ASU 2011-05 *Presentation of Comprehensive Income*, which revises the manner in which entities present comprehensive income in their financial statements. The new guidance requires entities to report components of comprehensive income in either (1) a continuous statement of comprehensive income or (2) two separate but consecutive statements. The ASU is effective for the Company for the interim and annual periods beginning after December 15, 2011. The adoption of this ASU did not have an impact on the Company's consolidated financial statements or disclosures.

Other recent accounting pronouncements issued by the FASB (including its EITF), the AICPA, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

### **NOTE 3 EARNINGS (LOSS) PER COMMON SHARE**

Basic and diluted earnings (loss) per common share are based on the weighted average number of shares outstanding and assumed to be outstanding of 519,600. There are no dilutive securities outstanding.

**PARADISE, INC. AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**(UNAUDITED)**

**NOTE 4 BUSINESS SEGMENT DATA**

The Company's operations are conducted through two business segments. These segments, and the primary operations of each, are as follows:

**Business Segment Operation**

Production of candied fruit, a basic fruitcake ingredient, sold to manufacturing bakers, institutional users, and Fruitretailers for use in home baking. Also, based on market conditions, the processing of frozen strawberry products, for sale to commercial and institutional users such as preservers, dairies, drink manufacturers, etc.

Molded Plastics	Production of plastics containers and other molded plastics for sale to various food processors and others.
--------------------	---

	March 31, 2012	March 31, 2011
Net Sales in Each Segment		
Fruit:		
Sales to Unaffiliated Customers	\$876,809	\$557,403
Molded Plastics:		
Sales to Unaffiliated Customers	2,392,061	2,061,536
Net Sales	\$3,268,870	\$2,618,939

For the three month period ended March 31, 2012 and 2011, sales of frozen strawberry products totaled \$465,887 and \$293,421, respectively.

The Company does not account for intersegment transfers as if the transfers were to third parties.

The Company does not prepare operating profit or loss information on a segment basis for internal use, until the end of each year. Due to the seasonal nature of the fruit segment, management believes that it is not practical to prepare this information for interim reporting purposes. Therefore, reporting is not required by accounting principles generally accepted in the United States of America.

**PARADISE, INC. AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**(UNAUDITED)**

**NOTE 4 BUSINESS SEGMENT DATA (CONTINUED)**

	March 31, 2012	March 31, 2011
Identifiable Assets of Each Segment are Listed Below:		
Fruit	\$9,739,581	\$9,797,282
Molded Plastics	5,182,183	5,144,684
Identifiable Assets	14,921,764	14,941,966
General Corporate Assets	6,983,651	5,829,779
Total Assets	\$21,905,415	\$20,771,745

Identifiable assets by segment are those assets that are principally used in the operations of each segment. General corporate assets are principally cash, land and buildings, and investments.



PARADISE, INC.

COMMISSION FILE NO. 0-3026

## PART I. FINANCIAL INFORMATION

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

#### Forward-Looking Statements

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact should be considered “forward-looking statements” for the purpose of these provisions, including statements that include projections of, or expectations about, earnings, revenues or other financial items, statements about our plans and objectives for future operations, statements concerning proposed new products or services, statements regarding future economic conditions or performance, statements concerning our expectations regarding the attraction and retention of customers, statements about market risk and statements underlying any of the foregoing. In some cases, forward-looking statements can be identified by the use of such terminology as “may”, “will”, “expects”, “potential”, or “continue”, or the negative thereof or other similar words. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we can give no assurance that such expectations or any of our forward-looking statements will prove to be correct. Actual results and developments are likely to be different from, and may be materially different from, those expressed or implied by our forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties.

#### Overview

Paradise, Inc.'s main business segment, glace' fruit, a prime ingredient of fruitcakes and other holiday confections, represented 68.9% of total net sales during 2011. These products are sold to manufacturing bakers, institutional users, supermarkets and other retailers throughout the country. Consumer demand for glace' fruit product is traditionally strongest during the Thanksgiving and Christmas season. Almost 80% of glace' fruit product sales are recorded during an eight to ten week period beginning in mid September.

Since the majority of the Company's customers require delivery of glace' candied fruit products during this relatively short period of time, Paradise, Inc. must operate at consistent levels of production from as early as January through the middle of November of each year in order to meet peak demands. Furthermore, the Company must make substantial

borrowings of short-term working capital to cover the cost of raw materials, factory overhead and labor expense associated with production for inventory. This combination of building and financing inventories during the year, without the opportunity to record any significant fruit product income, results in the generation of operating losses well into the third quarter of each year. Therefore, it is the opinion of management that meaningful forecasts of annual net sales or profit levels require analysis of a full year's operations.

In addition, comparison of current quarterly results to the preceding quarter produces an incomplete picture on the Company's performance due to year-to-year changes in production schedules, seasonal harvests and availability of raw materials, and in the timing of customer orders and shipments. Thus, the discussion of information presented within this report is focused on the review of the Company's current year-to-date results as compared to the similar period last year.

Paradise, Inc.'s other business segment, Paradise Plastics, Inc., a wholly owned subsidiary of Paradise, Inc. producing custom molding products, is not subject to the seasonality of the glaze' fruit business. This segment represents all injection molding and thermoforming operations, including the packaging for the Company's fruit products. Only sales to unaffiliated customers are reported.

PARADISE, INC.

COMMISSION FILE NO. 0-3026

PART I. FINANCIAL INFORMATION

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

The First Quarter

Paradise, Inc.'s fruit segment net sales were \$876,809 for the first quarter of 2012 compared to \$557,403 for the similar reporting period of 2011, representing a 57.3% increase. The primary reason for this increase was due to the sale of finished strawberry products produced exclusively for a local Plant City, Florida distributor during a short window of time in late March and early April of each year. For a negotiated fee, i.e. tolling charge, Paradise, Inc. will receive and process fresh strawberries through its facilities on behalf of this distributor. Tolling charges as of March 31, 2012 increased by 58.8% to \$465,887 compared to \$293,421 as of March 31, 2011. Paradise, Inc.'s other fruit segment sales during the first quarter of 2012 are primarily comprised of bulk fruit orders received and shipped to supermarkets and manufacturing bakeries leading up to and through the traditional Easter holiday season.

Paradise Plastics, Inc.'s sales to unaffiliated customers for the first quarter of 2012 increased to \$2,392,061 compared to \$2,061,536 for the similar reporting period of 2011, representing a 16.0% increase. Plastics sales continued to improve as orders received and shipped to existing long-term customers within the commercial and home construction industry have increased over the past several quarters. In addition, as previously reported, management's effort to expand plastics sales to other markets, such as electronics, military and medical technologies have been successful in offsetting the slowdown in the industry over the past several years.

Consolidated cost of sales as a percentage of net sales decreased 10.7% for the first quarter of 2012 compared to the similar reporting period of 2011. However, with more than 95% of the Company's glaze' fruit production yet to commence as of March 31, 2012, no reasonable estimate or trend in cost of sales may be developed for the current quarterly filing.

Selling, general & administrative expenses totaled \$805,525 for the first quarter of 2012 compared to \$805,860 for the similar reporting period of 2011 as increases in cost to attend various trade shows were offset by decreases in expenses related to professional fees for legal and audit services.

Other Significant Items

Other Income for the first quarter of 2012 totaled \$76,844 and was primarily related to sales of recycled plastics materials. In comparison, for the similar reporting period of 2011, Other Income totaled \$154,069. This amount, as previously filed in the Company's first quarter filing for 2011, was related to the receipt of \$150,000 from a former supplier to settle a disagreement dating back to September, 2004. All legal expenses incurred by Paradise, Inc. to settle this matter were paid during the first quarter of 2011.

Inventory as of March 31, 2012 was \$8,725,068 compared to \$8,274,839 representing an increase of \$450,229 or 5.4% and is primarily due to a timing difference as the receipt of various raw fruit materials were received in March of 2012 compared to April of 2011.

PARADISE, INC.

COMMISSION FILE NO. 0-3026

PART I. FINANCIAL INFORMATION

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

Other Significant Items (Continued)

We finance our ongoing operations primarily with cash provided by our operating activities. Our principal sources of liquidity are our cash flows provided by operating activities, our existing cash, and a line of credit facility. At March 31, 2012 and December 31, 2011, we had \$5.5 million and \$7.5 million, respectively, in cash. Additionally, we have a revolving line of credit with a maximum limit of \$12 million and a borrowing limit of 80% of the Company's eligible receivables plus 50% of the Company's eligible inventory, of which \$631,230 and \$313,246 was outstanding at March 31, 2012 and December 31, 2011, respectively. The line of credit agreement expires in June 2013. Net cash used in operating activities decreased from \$848,091 for the quarter ended March 31, 2011 to \$2,242,776 for the quarter ended March 31, 2012. The primary reasons for this decrease are as follows; income tax payments made during the first quarter of 2012 were \$280,000 greater than the first quarter of 2011; payments for the purchase of inventory increased \$300,296 and the timing of Accounts Receivable payments received from Paradise, Inc.'s customers during the first quarter of 2012 were \$925,365 less than the similar reporting period of 2011. Net cash provided by financing activities decreased from \$614,017 for the quarter ended March 31, 2011 to \$317,984 for the quarter ended March 31, 2012. This change is primarily due to timing of pineapple purchases.

Summary

Paradise, Inc.'s consolidated net sales for the three months ended March 31, 2012 totaled \$3,268,870 compared to \$2,618,939 for the similar reporting period of 2011, representing an increase of \$649,931. This increase is the result of the following three factors. First, tolling fees earned for the processing of various strawberry products on behalf of a local Florida distributor increased \$172,466. Secondly, gross bulk fruit sales to manufacturing bakeries and supermarkets increased \$81,135 and thirdly, plastics sales continued to rebound from the recent downturn in the housing market increased \$330,525. However, as mentioned in all previous first quarter filings, with less than 5% of anticipated annual glaze' fruit net sales yet to be realized as of the date of this filing, no reasonable estimate or forecast of consolidated financial performance may be determined at this time.

*Critical Accounting Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make assessments, estimates and assumptions that affect the amounts reported in the consolidated financial statements. We evaluate the accounting policies and estimates used to prepare the consolidated financial statements on an ongoing basis. Critical accounting estimates are those that require management's most difficult, complex, or subjective judgments and have the most potential to impact our financial position and operating results. For a detailed discussion of our critical accounting estimates, see our Annual Report on Form 10-K for the year ended December 31, 2011. There have been no material changes to our critical accounting estimates during the three months ended March 31, 2012.

PARADISE, INC.

COMMISSION FILE NO. 0-3026

PART I. FINANCIAL INFORMATION

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

Recently Issued Accounting Pronouncements

In May 2011, the FASB issued new guidance that expands existing disclosure requirements for fair value measurements and makes other amendments that could change how the fair value measurement guidance is applied. The guidance is effective for us for the interim and annual periods beginning after December 15, 2011. The adoption of this guidance did not have an impact on us.

In June 2011, the FASB issued new guidance that revises the manner in which entities present comprehensive income in their financial statements. The new guidance requires entities to report components of comprehensive income in either (1) a continuous statement of comprehensive income or (2) two separate but consecutive statements. The guidance is effective for us for the interim and annual periods beginning after December 15, 2011. The adoption of this guidance did not have an impact on us.

We do not believe that other recent accounting pronouncements issued by the FASB (including its EITF), the AICPA, and the Securities and Exchange Commission will have a material impact on the Company's present or future consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosure and Market Risk – N/A

Item 4. Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer have, within 90 days of the filing date of this quarterly report, evaluated the Company's disclosure controls and procedures. Based on their evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded, as of March 31, 2012, that the

Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the applicable Securities and Exchange Commission rules and forms. During the year ended December 31, 2010, the Company identified a weakness in internal control over the timing of issuing credit memos for products returned into inventory. Procedures were established during the quarter ended March 31, 2011 to ensure the timeliness of issuing credit memos when products are returned. There were no other changes in the Company's internal controls over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. The most recent evaluation of these controls by the Company's Chief Executive Officer and Chief Financial Officer did not identify any additional deficiencies or weaknesses in the Company's internal controls over financial reporting; therefore, no corrective actions were taken.



PARADISE, INC.

COMMISSION FILE NO. 0-3026

PART II. OTHER INFORMATION

Item 1. Legal Proceedings – N/A

Item 1A. Risk Factors – N/A

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds – N/A

Item 3. Defaults Upon Senior Securities – N/A

Item 4. Mine Safety Disclosures – N/A

Item 5. Other Information – N/A

Item 6. Exhibits and Reports on Form 8-K

(a)

*Exhibits*

<b><u>Exhibit Number</u></b>	<b><u>Description</u></b>
----------------------------------	---------------------------

31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
------	--

31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
------	--

32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
------	--

32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
------	--

(b)

*Reports on Form 8-K.*

None.

PARADISE, INC.

COMMISSION FILE NO. 0-3026

**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.

PARADISE, INC.  
A Florida Corporation

/s/ Melvin S. Gordon                      Date: May 15, 2012  
Melvin S. Gordon  
Chief Executive Officer and Chairman

/s/ Jack M. Laskowitz                      Date: May 15, 2012  
Jack M. Laskowitz  
Chief Financial Officer and Treasurer

