

PARADISE INC  
Form 10-Q  
November 14, 2014

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

**Washington, D.C. 20549**

**FORM 10-Q**

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

**For the quarterly period ended September 30, 2014**

**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 ☒ No ☐

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

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 ☒

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The number of shares outstanding of each of the issuer's classes of common stock as of November 14, 2014 was 519,600 shares.

PARADISE, INC.

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2014

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PARADISE, INC. COMMISSION FILE NO. 0-3026

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

**PARADISE, INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS**

	AS OF SEPTEMBER 30, 2014 <b><u>(UNAUDITED)</u></b>	AS OF DECEMBER 31, 2013	AS OF SEPTEMBER 30, 2013 <b><u>(UNAUDITED)</u></b>
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash	\$ 304,858	\$ 5,916,366	\$ 301,648
Accounts Receivable, Less, Allowances of \$0 (09/30/14), \$897,546 (12/31/13) and \$0 (09/30/13)	5,571,292	2,369,321	7,361,779
Inventories:			
Raw Materials and Supplies	3,313,793	1,971,689	3,253,143
Work in Process	169,078	993,061	313,891
Finished Goods	8,851,760	5,873,048	9,071,019
Income Tax Receivable	431,316	279,219	196,526
Deferred Income Tax Asset	330,198	330,198	152,250
Prepaid Expenses and Other Current Assets	487,413	304,812	480,522
Total Current Assets	19,459,708	18,037,714	21,130,778
Property, Plant and Equipment, Less, Accumulated Depreciation of \$17,742,407 (09/30/14), \$17,410,823 (12/31/13) and \$18,801,658 (09/30/13)	3,564,448	3,816,928	3,838,876
Goodwill	413,280	413,280	413,280
Customer Base and Non-Compete Agreement	219,448	313,862	345,333
Other Assets	400,058	283,979	322,365
<b>TOTAL ASSETS</b>	<b>\$ 24,056,942</b>	<b>\$ 22,865,763</b>	<b>\$ 26,050,632</b>

See Accompanying Notes to these Consolidated Financial Statements (Unaudited)

AS OF SEPTEMBER 30, 2014 <b>(UNAUDITED)</b>	AS OF DECEMBER 31, 2013	AS OF SEPTEMBER 30, 2013 <b>(UNAUDITED)</b>
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## LIABILITIES AND STOCKHOLDERS' EQUITY

## CURRENT LIABILITIES:

Short Term Debt	\$ 1,313,411	\$ -	\$ 2,672,593
Accounts Payable	736,880	308,319	867,153
Accrued Liabilities	590,558	923,540	794,156

Total Current Liabilities	2,640,849	1,231,859	4,333,902
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DEFERRED INCOME TAX LIABILITY	297,094	297,094	272,063
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Total Liabilities	2,937,943	1,528,953	4,605,965
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## STOCKHOLDERS' EQUITY:

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
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Capital in Excess of Par Value

1,288,793	1,288,793	1,288,793
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Retained Earnings

19,928,497	20,146,308	20,254,165
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Treasury Stock, at Cost, 63,494 Shares

(273,219 )	(273,219 )	(273,219 )
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Total Stockholders' Equity	21,118,999	21,336,810	21,444,667
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 24,056,942	\$ 22,865,763	\$ 26,050,632
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**PARADISE, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

**(UNAUDITED)**

	FOR THE THREE MONTHS ENDED SEPTEMBER 30,	
	2014	2013
Net Sales	\$ 8,020,058	\$ 9,538,239
Costs and Expenses:		
Cost of Goods Sold	6,728,146	6,756,355
Selling, General and Administrative Expense	1,140,526	1,189,986
Amortization Expense	35,971	35,971
Interest Expense	1,520	6,002
Total Costs and Expenses	7,906,163	7,988,314
Income from Operations	113,895	1,549,925
Other (Expenses) Income	(29,980 )	283,416
Income from Operations Before Provision for Income Taxes	83,915	1,833,341
Provision for Income Taxes	33,566	676,244
Net Income	\$ 50,349	\$ 1,157,097
Income per Common Share (Basic and Diluted)	\$ 0.10	\$ 2.23
Dividend per Common Share	\$ 0.00	\$ 0.00

See Accompanying Notes to these Consolidated Financial Statements (Unaudited)

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

	FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2014	2013
Net Sales	\$ 13,802,433	\$ 15,315,053
Costs and Expenses:		
Cost of Goods Sold	11,107,099	11,232,573
Selling, General and Administrative Expense	2,860,623	2,888,544
Amortization Expense	107,914	107,914
Interest Expense	1,520	6,002
Total Costs and Expenses	14,077,156	14,235,033
(Loss) Income from Operations	(274,723 )	1,080,020
Other Income	6,981	322,227
(Loss) Income from Operations Before Income Tax Benefit (Provision for Income Taxes)	(267,742 )	1,402,237
Income Tax Benefit (Provision for Income Taxes)	107,097	(512,427 )
Net (Loss) Income	\$ (160,645 )	\$ 889,820
(Loss) Income per Common Share (Basic and Diluted)	\$ (0.31 )	\$ 1.71
Dividend per Common Share	\$ 0.11	\$ 0.15

See Accompanying Notes to these Consolidated Financial Statements (Unaudited)

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

	FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net (Loss) Income	\$ (160,645	) \$ 889,820
Adjustments to Reconcile Net (Loss) Income to Net Cash Used in Operating Activities:		
Depreciation and Amortization	449,842	455,162
(Increase) Decrease in:		
Accounts Receivable	(3,201,971	) (5,468,619 )
Inventories	(3,496,833	) (3,781,674 )
Prepaid Expenses	(182,601	) (183,794 )
Other Assets	(129,579	) (53,933 )
Income Tax Receivable	(152,097	) 29,268
Increase (Decrease) in:		
Accounts Payable	428,551	492,086
Accrued Liabilities	(332,982	) (299,542 )
Net Cash Used in Operating Activities	(6,778,315	) (7,921,226 )
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Property and Equipment	(89,448	) (240,000 )
Net Cash Used in Investing Activities	(89,448	) (240,000 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net Proceeds from Short Term Debt	1,313,411	2,156,727
Dividends Paid	(57,156	) (77,940 )
Net Cash Provided by Financing Activities	1,256,255	2,078,787
<b>NET DECREASE IN CASH</b>	<b>(5,611,508</b>	<b>) (6,082,439 )</b>
<b>CASH, AT BEGINNING OF PERIOD</b>	<b>5,916,366</b>	<b>6,384,087</b>
<b>CASH, AT END OF PERIOD</b>	<b>\$ 304,858</b>	<b>\$ 301,648</b>

**SUPPLEMENTAL CASH FLOW INFORMATION:**

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Cash paid for:

Interest	\$ 1,520	\$ 6,002
Income Taxes	\$ 45,000	\$ 483,159

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 of a normal recurring nature that management believes are 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, 2013. 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 nine months ended September 30, 2014 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 financial statements for the quarter ended September 30, 2013 to conform to the classifications used for the quarter ended September 30, 2014.

**NOTE 2 RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The guidance in this update supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry-specific guidance throughout Industry topics of the Codification. Additionally, this Update supersedes some cost guidance included in Subtopic 605-35, *Revenue Recognition - Construction-Type and Production-Type Contracts*. In addition, the existing requirements for the recognition of a gain or loss on the transfer of nonfinancial assets that are not in a contract with a

customer (for example, assets within the scope of Topic 360, Property, Plant, and Equipment, and intangible assets within the scope of Topic 350, Intangibles-Goodwill and Other) are amended to be consistent with the guidance on recognition and measurement (including the constraint on revenue) in this Update. Under the new guidance, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU No. 2014-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is not permitted. We are currently evaluating the impact of adopting the guidance on our financial statements.

Except as noted above, the Company's management does not believe that recent codified pronouncements by the Financial Accounting Standards Board ("FASB") (including its EITF), the AICPA or the Securities and Exchange Commission will have a material impact on the Company's current or future consolidated financial statements.

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

Basic and diluted (loss) income per common share is 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:

<b>Business Segment</b>	<b>Operation</b>
Fruit	Production of candied fruit, a basic fruitcake ingredient, sold to manufacturing bakers, institutional users, and retailers 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.

	Three months ended September 30, 2014	Three months ended September 30, 2013
Net Sales in Each Segment		
Fruit:		
Sales to Unaffiliated Customers	\$ 6,314,382	\$ 7,884,362
Molded Plastics:		
Sales to Unaffiliated Customers	1,705,676	1,653,877
Net Sales	\$ 8,020,058	\$ 9,538,239

	Nine months ended September 30, 2014	Nine months ended September 30, 2013
Net Sales in Each Segment		
Fruit:		
Sales to Unaffiliated Customers	\$ 7,584,972	\$ 9,099,865

Molded Plastics:

Sales to Unaffiliated Customers	6,217,461	6,215,188
Net Sales	\$ 13,802,433	\$ 15,315,053

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)**

	September 30, 2014	September 30, 2013
Identifiable Assets of Each Segment are Listed Below:		
Fruit	\$ 16,988,637	\$ 19,589,588
Molded Plastics	4,565,580	4,404,647
Identifiable Assets	21,554,217	23,994,235
General Corporate Assets	2,502,725	2,056,397
Total Assets	\$ 24,056,942	\$ 26,050,632

Identifiable assets by segment are those assets that are principally used in the operations of each segment. General corporate assets are principally cash, prepaid expenses, other current assets, land and income tax assets.

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 65.6% of total net sales for the previous year of 2013. 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 for a period of eight to ten weeks beginning in mid September.

Since the majority of the Company's customers require delivery of glace' 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. produces 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 Nine Months

Paradise, Inc.'s fruit segment net sales for the first nine months of 2014 decreased 16.6% to \$7,584,972 compared to \$9,099,865 for the similar nine month reporting period of 2013. This decrease is due to timing differences in the receipt of customers' orders and the corresponding shipping dates for delivery of the Company's retail glace' fruit products. Specifically, several major customers delayed their opening orders into October of 2014 as compared to September, 2013. As Paradise, Inc. recognizes net sales upon receipt of its products by its customers, revenue associated with merchandise shipped and received by its customers in October will result in net sales being earned in the fourth quarter of 2014. Paradise, Inc.'s management has consistently disclosed that interim filings are not reliable financial indicators of year-end performance. Factors such as weather conditions, product placement on supermarket shelves along with customer demand will have a direct impact on the seasonal holiday sales of glace' fruit. Only a full year's accounting will provide the necessary financial information to determine the Company's overall success.

Paradise Plastics, Inc.'s net sales to unaffiliated customers during the first nine months of 2014 remained consistent as compared to the similar reporting period of 2013. Net sales for the nine months ended September 30, 2014 were \$6,217,461 compared to \$6,215,188 for the nine months ended September 30 2013. This consistent level of sales over the past twelve months is based upon an increase in sales of housing related custom molding products which continues to offset recent losses of sales of injection molding plastics parts reported the second half of 2013. In an effort to further expand the company's business base into such areas as medical supplies, food processing and aerospace customers, management has made a financial commitment during the first half of 2014 to become ISO9001 compliant. The certification process completed during the second quarter of 2014, represents a series of standards, developed by the International Organization Standardization (ISO) for manufacturing companies and will be emphasized as we continue to seek new business opportunities.

Consolidated cost of sales, as a percentage of net sales, increased 7.2% during the first nine months of 2014 compared to the similar reporting period of 2013. The primary reason for this increase is directly related to the timing of shipments of glace' fruit to its customers. As reported above, shipments of retail glace' fruit were delayed by several major customers until the fourth quarter of 2014. Conversely, an increase in lower margin bulk fruit orders, of approximately 15%, were shipped and received by Paradise, Inc.'s long-time customers in September, 2014 compared to October, 2013.

Selling, general and administrative expenses for the first nine months of 2014 remained consistent compared to the previous year's reporting period of 2013 (i.e.: \$2.86 million vs. \$2.88 million) as increases in employee related health care cost have been offset by reductions in travel, advertising and professional fees.

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 Nine Months (Continued)

Paradise, Inc. finances ongoing operations primarily with cash provided by our operating activities which are seasonal in nature. Our principal sources of liquidity are our cash flows provided by operating activities, our existing cash, and a line of credit facility. At September 30, 2014 and December 31, 2013, we had \$304,858 and \$5,916,366, 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 up to 60% of the Company's eligible inventory, of which \$1,086,412 was outstanding at September 30, 2014 and \$0 at December 31, 2013. Within this agreement, there are letters of credit with a limit of \$1,200,000, of which \$226,999 was outstanding at September 30, 2014 and \$0 at December 31, 2013. The line of credit agreement expires in June 2015. Net cash decreased by \$5,611,508 for the nine months ended September 30, 2014 compared to \$6,082,439 for the nine months ended September 30, 2013. The primary reason for this change was income tax payments made during the first nine months for 2014 were \$438,159 less than the first nine months of 2013.

#### Summary

Paradise Inc.'s consolidated net sales decreased to \$13,802,433 for the first nine months of 2014 compared to \$15,315,053 for the first nine months of 2013. This decrease as mentioned above is primarily timing in nature as several existing glaze' fruit customers deferring their retail glaze' fruit orders to the beginning of the fourth quarter of 2014 compared to the third quarter of 2013. Thus, as mentioned and disclosed in all previous interim filings, due to the highly seasonal nature of the Company's primary product, glaze' fruit, no meaningful financial analysis should be developed from Paradise, Inc.'s interim reporting results. Only a full year's accounting of revenue and expenses will provide the necessary information to determine the Company's financial performance.

#### 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, 2013. There have been no material changes to our critical accounting estimates during the nine months ended September 30, 2014.

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 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). The guidance in this update supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry-specific guidance throughout Industry topics of the Codification. Additionally, this Update supersedes some cost guidance included in Subtopic 605-35, *Revenue Recognition - Construction-Type and Production-Type Contracts*. In addition, the existing requirements for the recognition of a gain or loss on the transfer of nonfinancial assets that are not in a contract with a customer (for example, assets within the scope of Topic 360, Property, Plant, and Equipment, and intangible assets within the scope of Topic 350, Intangibles-Goodwill and Other) are amended to be consistent with the guidance on recognition and measurement (including the constraint on revenue) in this Update. Under the new guidance, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU No. 2014-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is not permitted. We are currently evaluating the impact of adopting the guidance on our financial statements.

Except as noted above, the Company's management does not believe that recent codified pronouncements by the Financial Accounting Standards Board ("FASB") (including its EITF), the AICPA or the Securities and Exchange Commission will have a material impact on the Company's current or future consolidated financial statements.

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

### Item 4. Controls and Procedures

As of September 30, 2014, our Chief Executive Officer and Chief Financial Officer have evaluated the Company's disclosure controls and procedures, and they have concluded that we maintain effective disclosure controls and procedures. There were no changes in our internal control over financial reporting during the nine months ended September 30, 2014.



Disclosure controls and procedures mean the methods designed to ensure that information that the Company is required to disclose in the reports that it files with the Securities and Exchange Commission is recorded, processed, summarized and reported within the time periods required. Our controls and procedures are designed to ensure that all information required to be disclosed is accumulated and communicated to our management to allow timely decisions regarding disclosure. Our controls and procedures are also designed to provide reasonable assurance of the reliability of our financial reporting and accurate recording of our financial transactions.

A control system, however well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. There are inherent limitations in all control systems, and no evaluation of controls can provide absolute assurance that all control gaps or instances of fraud have been detected. These inherent limitations include the realities that the judgments in decision-making can be faulty, and that simple errors or mistakes can occur.

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

**Exhibit**

**Number Description**

- |      |  |
|------|--|
| 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 |

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: November 14, 2014
Melvin S. Gordon	
Chief Executive Officer and Chairman	

/s/ Jack M. Laskowitz	Date: November 14, 2014
Jack M. Laskowitz	
Chief Financial Officer and Treasurer	