

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT2734791

SUBMISSION TYPE:	NEW ASSIGNMENT	
NATURE OF CONVEYANCE:	ACQUISITION	
CONVEYING PARTY DATA		
Name		Execution Date
STRETCH, INC.		01/14/2014
RECEIVING PARTY DATA		
Name:	EXAR CORPORATION	
Street Address:	48720 KATO ROAD	
City:	FREMONT	
State/Country:	CALIFORNIA	
Postal Code:	94538	
PROPERTY NUMBERS Total: 1		
Property Type	Number	
Application Number:	11129146	
CORRESPONDENCE DATA		
Fax Number:	(415)576-0300	
Phone:	6503262400	
Email:	nkwan@kilpatricktownsend.com	
<i>Correspondence will be sent via US Mail when the email attempt is unsuccessful.</i>		
Correspondent Name:	KILPATRICK TOWNSEND & STOCKTON LLP	
Address Line 1:	TWO EMBARCADERO CENTER	
Address Line 2:	EIGHTH FLOOR	
Address Line 4:	SAN FRANCISCO, CALIFORNIA 94111-3834	
ATTORNEY DOCKET NUMBER:	71178-901108 (030422US)	
NAME OF SUBMITTER:	ARDESHIR TABIBI	
Signature:	/Ardeshir Tabibi/	
Date:	02/20/2014	

Total Attachments: 4

source=Exar 10-Q - Acquisition of Stretch#page1.tif

source=Exar 10-Q - Acquisition of Stretch#page2.tif

source=Exar 10-Q - Acquisition of Stretch#page3.tif

source=Exar 10-Q - Acquisition of Stretch#page4.tif

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

FORM 10-Q

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

For the quarterly period ended December 29, 2013

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 No. 0-14225

EXAR CORPORATION
(Exact Name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

94-1741481
(I.R.S. Employer
Identification Number)

48720 Kato Road, Fremont, CA 94538
(Address of principal executive offices, Zip Code)

(510) 668-7000
(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 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 Regulations 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. 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 ☐ (Do not check if a smaller reporting company) 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 outstanding of the Registrant's Common Stock was 47,483,455 as of February 3, 2014.

EXAR CORPORATION AND SUBSIDIARIES

INDEX TO

QUARTERLY REPORT ON FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED DECEMBER 29, 2013

	<u>Page</u>
<u>PART I – FINANCIAL INFORMATION</u>	
Item 1. Financial Statements (Unaudited)	3
Condensed Consolidated Balance Sheets	3
Condensed Consolidated Statements of Operations	4
Condensed Consolidated Statements of Comprehensive Income (Loss)	5
Condensed Consolidated Statements of Cash Flows	6
Notes to Condensed Consolidated Financial Statements	7
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	29
Item 3. Quantitative and Qualitative Disclosures About Market Risk	36
Item 4. Controls and Procedures	36
<u>PART II – OTHER INFORMATION</u>	
Item 1. Legal Proceedings	37
Item 1A. Risk Factors	37
Item 6. Exhibits	52
Signatures	53
Index to Exhibits	54

The following distributors accounted for 10% or more of our net accounts receivable as of the dates indicated:

	December 29, 2013	March 31, 2013
Distributor A	*	21%
Distributor B	45%	20%
Distributor D	*	11%

* Accounts receivable for this distributor for this period were less than 10% of the net account balance.

No other distributor or customer accounted for 10% or more of the net accounts receivable as of December 29, 2013 and March 31, 2013, respectively.

NOTE 18. ASSETS HELD FOR SALE

During fiscal year 2013, we started actively looking for potential buyers for our Fremont campus. In the first quarter of our fiscal year 2014, we reclassified the related property and land as held for sale as of June 30, 2013, as we met all criteria to classify these assets as held for sale as of that date. These assets have been recorded at their carrying amount since it is lower than their estimated fair value, less estimated selling costs (in thousands). As required under current accounting guidance, depreciation of the building ceased upon reclassification as an asset held for sale.

	December 29, 2013
Land	\$ 6,660
Building	6,423
Total assets held for sale	\$ 13,083

On July 9, 2013, we entered into a Purchase and Sale Agreement ("Purchase Agreement") with Ellis Partners LLC ("Ellis"). The Purchase Agreement provided for the sale of Exar's Fremont campus to Ellis Partners and the leaseback by Exar of the building located at 48760 Kato Road. The Purchase Agreement was anticipated to close by the end of September 2013. Prior to closing, Ellis requested certain modifications to the Purchase Agreement that Exar deemed unacceptable. As a result, the Purchase Agreement terminated as of September 30, 2013. The Company intends to continue pursuing options to optimize its operating efficiency, including continuing to market the facilities for sale.

NOTE 19. SUBSEQUENT EVENTS

On January 14, 2014, we acquired Stretch, Inc. ("Stretch"), a provider of software configurable processors supporting the video surveillance market. The transaction will provide Exar with the technology to deliver an end-to-end high-definition solution for both digital and analog transmission of data from the camera to the DVR or NVR in surveillance applications. Stretch was acquired via a reverse triangular merger for which the purchase consideration was \$10,000 in cash. By acquiring Stretch, Exar acquired all of Stretch's assets, consisting principally intellectual property, accounts receivable and inventory, as well as assumed all of Stretch's liabilities and contractual obligations of approximately \$10.0 million of which approximately \$7.2 million has been paid subsequent to quarter-end.

Stretch's results of operations and estimated fair value of assets acquired and liabilities assumed will be included in our condensed consolidated financial statements beginning January 14, 2014.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report on Form 10-Q of Exar Corporation to be signed on its behalf by the undersigned thereunto duly authorized.

EXAR CORPORATION
(Registrant)

February 6, 2014

By /s/ Ryan A. Benton
Ryan A. Benton
Senior Vice President and Chief Financial Officer
(On the Registrant's Behalf and as Principal Financial and
Accounting Officer)