CORRECTIONS CORP OF AMERICA
Form 4
February 20, 2015

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Emkes Mark A

(Last) (First) (Middle)

C/O CORRECTIONS CORP OF AMERICA, 10 BURTON HILLS BOULEVARD

(Street)

NASHVILLE, TN 37215

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
CORRECTIONS CORP OF AMERICA [CXW]

3. Date of Earliest Transaction (Month/Day/Year)
02/19/2015

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director
_____ 10% Owner
_____ Officer (give title below)
_____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
CXW COMMON STOCK	02/19/2015		A		2,609 (1)	A	$ 0	4,093	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
								Date Exercisable	Expiration Date	Title	Amount or Number of Shares		
				Code	V	(A)	(D)						

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Emkes Mark A C/O CORRECTIONS CORP OF AMERICA 10 BURTON HILLS BOULEVARD NASHVILLE, TN 37215	X			

Signatures

/s/ Scott L. Craddock, Attorney-in-Fact	02/20/2015
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Represents restricted stock units ("RSUs") granted to the Reporting Person on February 19, 2015 (the "Grant Date") under the Issuer's Amended and Restated 2008 Stock Incentive Plan and pursuant to the Issuer's Non-Employee Directors' Compensation Plan. Each RSU represents a contingent right to receive one share of the Issuer's common stock and vests in full on the first anniversary of the Grant Date, subject to continued service with the Issuer through the applicable vesting date.

Remarks:
Exhibit List: Exhibit 24 (Power of Attorney)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. $3.1 $(0.2) (5.6)% $9.9 $9.0 $0.9 9.8%

Alternative Energy

— — — — — — — —

All other

0.2 5.2 (5.0) (96.5) 1.2 14.0 (12.8) (91.7)

Total direct cost of revenues
$3.1 $8.3 $(5.2) (62.5)% $11.1 $23.0 $(11.9) (52.0)%

Direct Cost of Revenues. The decrease in direct cost of revenues in the three and nine months ended April 30, 2009 compared to the similar periods in fiscal 2008 was primarily due to a decrease in the direct cost of revenues in the "all other" lines of business, which was primarily due to the disposition of IDT Global Israel in the fourth quarter of fiscal 2008 and an additional business in the first quarter of fiscal 2009. These two businesses incurred direct cost of revenues of $4.2 million and $10.6 million in the three and nine months ended April 30, 2008, respectively.

IDT Capital's aggregate gross margin increased from 36.6% and 41.2% in three and nine months ended April 30, 2008, respectively, to 69.4% and 66.4% in the three and nine months ended April 30, 2009, respectively, primarily due to the disposition of IDT Global Israel in the fourth quarter of fiscal 2008. IDT Global Israel had negative gross margins throughout fiscal 2008. Local Media's gross margin increased from 58.5% in the three months ended April 30, 2008 to 59.0% in the three months ended April 30, 2009 primarily due to an increase in the gross margin of IDW Publishing, which generally experiences an improvement in gross margin as the sales volume of individual titles increases. Local Media's gross margin declined from 59.6% in the nine months ended April 30, 2008 to 57.9% in the nine months ended April 30, 2009 primarily due to the increase in direct cost of revenues which exceeded the increase in revenues.

	Three months ended April 30,		Change		Nine months ended April 30,		Change	
	2009	2008	$	%	2009	2008	$	%
	(in millions)							
Selling, general and administrative expenses								
Local Media	$ 4.4	$ 5.2	$ (0.8)	(16.9)%	$ 12.6	$ 15.9	$ (3.3)	(20.5)%
Alternative Energy	—	—	—	—	—	—	—	—
All other	3.9	8.3	(4.4)	(53.2)	12.1	31.7	(19.6)	(61.8)
Total selling, general and administrative expenses	$ 8.3	$ 13.5	$ (5.2)	(38.8)%	$ 24.7	$ 47.6	$ (22.9)	(47.8)%

Selling, General and Administrative. Selling, general and administrative expenses decreased in the three and nine months ended April 30, 2009 compared to the similar periods in fiscal 2008 primarily due to a decrease in the selling, general and administrative expenses in the "all other" lines of business. The "all other" decrease was due to the divestiture of many non-profitable businesses during the past year as we continue to focus on our core operations, as well as a decrease in legal fees related to ongoing litigation related to certain of our intellectual property, and in the second quarter of fiscal 2009, a $1.7 million real estate tax refund for prior periods awarded to us on appeal. As a percentage of IDT Capital's aggregate revenues, selling, general and administrative expenses decreased from 103.4% and 121.8% in the three and nine months ended April 30, 2008, respectively, to 81.5% and 75.7% in the three and nine months ended April 30, 2009, respectively.

Research and Development. Research and development expenses in three and nine months ended April 30, 2009 and 2008 consist of the following:

	Three months ended April 30,		Nine months ended April 30,	
	2009	2008	2009	2008
	(in millions)			
Alternative Energy:				

AMSO	$	0.1	$	6.0	$	3.2	$	6.0
Israel Energy Initiatives, Ltd.		0.6		0.2		2.4		0.2
Total research and development expenses	$	0.7	$	6.2	$	5.6	$	6.2

37

Table of Contents

Alternative Energy includes (1) AMSO, which commenced its research and development activities in the third quarter of fiscal 2008 upon its acquisition of AMSO, LLC, which is one of three holders of 10-year leases granted by the U.S. Bureau of Land Management to research, develop and demonstrate in-situ technologies for potential commercial shale oil production in western Colorado, and (2) IEI, our Israeli alternative energy venture, which was granted a license in Israel in the fourth quarter of fiscal 2008 to explore certain public lands for potential production of shale oil. In April 2008, we acquired equity interests of approximately 90% in AMSO, LLC primarily in exchange for cash of $5.5 million in transactions accounted for under the purchase method of accounting. We charged an aggregate of $5.5 million to research and development expense at the acquisition date, which includes amounts assigned to AMSO, LLC's tangible and intangible assets to be used in its research and development project that have no alternative future use. In March 2009, Total acquired a 50% interest in AMSO, LLC in exchange for cash paid to us of $3.2 million and Total's commitment to fund the majority of AMSO, LLC's capital requirements going forward. We no longer consolidate AMSO, LLC as of the closing of the transaction with Total, instead, we account for our 50% ownership interest in AMSO, LLC using the equity method.

Impairments. Impairments in the three and nine months ended April 30, 2009 and 2008 consist of the following:

	Three months ended April 30,		Nine months ended April 30,	
	2009	2008	2009	2008
	(in millions)			
Goodwill:				
Local Media – CTM Media Group	$ 29.7	$ —	$ 29.7	$ —
Local Media – WMET	1.2	—	1.2	—
Local Media – IDW Publishing	—	—	1.8	—
Total goodwill	30.9	—	32.7	—
FCC licenses	—	—	5.3	—
Other assets	2.3	—	5.8	—
Total impairments	$ 33.2	$ —	$ 43.8	$ —

In the second quarter of fiscal 2009, certain events and circumstances indicated that the fair value of the reporting units in IDT Capital may be below their carrying value. We measured the fair value of our reporting units by discounting their estimated future cash flows using an appropriate discount rate. The carrying value including goodwill of our IDW Publishing, CTM Media Group and WMET radio reporting units exceeded their estimated fair value, therefore we performed additional steps for these reporting units to determine whether an impairment of goodwill was required. As a result of this analysis, in the second and third quarters of fiscal 2009, we recorded aggregate preliminary goodwill impairment of $32.7 million, which is subject to adjustment. The preliminary goodwill impairment reduced the carrying amount of IDW Publishing, CTM Media Group and WMET's goodwill to zero. We recorded the preliminary amounts because it was probable that goodwill was impaired, and the amount of impairment could be reasonably estimated. On April 30, 2009, IDT Capital's remaining goodwill was $3.2 million. Calculating the fair value of the reporting units, and allocating the estimated fair value to all of the tangible assets, intangible assets and liabilities, requires significant estimates and assumptions. Should these estimates or assumptions prove to be incorrect, we may record additional goodwill impairment or adjust our preliminary impairment in future periods.

IDT Spectrum, which is included in the "all other" lines of business, recorded an impairment in the second quarter of fiscal 2009 of $5.3 million, which reduced the carrying value of its FCC licenses to zero. The events and circumstances in the second quarter of fiscal 2009 described above indicated that the FCC licenses may be impaired.

We estimated that these FCC licenses had nominal value based on continuing operating losses and projected losses for the foreseeable future.

We recorded an impairment of $3.5 million in the second quarter of fiscal 2009 which reduced the carrying value of IDT Global Israel's building in Israel. We retained exclusive control over the sale of this building after we disposed of 80% of the issued and outstanding shares of IDT Global Israel in the fourth quarter of fiscal 2008. Once the building is sold, we will receive the net proceeds of the sale after the repayment of the obligations secured by the building. At April 30, 2009, the revised estimated sales price of the building net of costs to sell of $12.7 million was included in "Other current assets" and the mortgage balance of $6.0 million was included in "Other current liabilities".

Table of Contents

As a result of our conclusion that an interim impairment test of goodwill was required during the second quarter of fiscal 2009, we also assessed the recoverability of certain of our long-lived assets in accordance with SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. The assessment of long-lived assets was based on projected undiscounted future cash flows of the long-lived asset groups compared to their carrying values. Our cash flow estimates were derived from our annual planning process and interim forecasting. We believe that our procedures for projecting future cash flows are reasonable and consistent with market conditions at the time of estimation. As a result of our assessment under SFAS 144, as of April 30, 2009, we recorded aggregate impairments of $2.3 million related to certain leasehold interests.

In February 2009, we announced that we will move our headquarters in Newark, N.J. We are consolidating operations into considerably less office space in newly leased headquarters, leaving our current building at 520 Broad Street in Newark and moving a block away to 550 Broad Street. We will remain at 550 Broad Street on an interim basis while evaluating other long term relocation options. We leased 72,500 square feet at 550 Broad Street for one year commencing in May 2009, with options to renew the lease through May 2019. The minimum rent for the first year is $0.9 million payable semi-annually. At April 30, 2009, the carrying value of the land, building and improvements at 520 Broad Street was $50.5 million and the mortgage payable balance was $26.1 million. We evaluated the land, building and improvements for impairment and determined that the carrying value was recoverable. We are assessing a range of options as to the future use of 520 Broad Street, some of which could result in a loss from a reduction in the carrying value of the land, building and improvements and such loss could be material.

Restructuring Charges. The restructuring charges in the three and nine months ended April 30, 2009 were nil and $1.6 million, respectively. The restructuring charges in the three and nine months ended April 30, 2008 were nil and $0.9 million, respectively. These charges were primarily for severance related to the company-wide cost savings program and reduction in force. In the nine months ended April 30, 2008, IDT Spectrum reversed $0.4 million of restructuring charges recorded in fiscal 2006 for a contract termination.

Gain on sale of interest in AMSO, LLC. In March 2009, Total acquired a 50% interest in AMSO, LLC in exchange for cash paid to us of $3.2 million and Total's commitment to fund the majority of AMSO, LLC's capital requirements going forward. We recognized a gain of $2.6 million in the three months ended April 30, 2009 in connection with the sale, which is included in Alternative Energy's loss from operations.

	Three months ended April 30,		Change		Nine months ended April 30,		Change	
	2009	2008	$	%	2009	2008	$	%
	(in millions)							
Loss from operations								
Local Media	$ (31.7)	$ (1.3)	$ (30.4)	nm	$ (34.4)	$ (4.2)	$ (30.2)	(718.0)%
Alternative Energy	1.8	(6.2)	8.0	129.5%	(3.0)	(6.2)	3.2	51.6
All other	(4.4)	(10.2)	5.8	56.5	(20.1)	(35.2)	15.1	42.9
Total loss from operations	$ (34.3)	$ (17.7)	$ (16.6)	(93.4)%	$ (57.5)	$ (45.6)	$ (11.9)	(26.1)%

nm—not meaningful

Corporate

In the first quarter of fiscal 2009, certain real estate investments that were historically included in Corporate were transferred to IDT Capital. To the extent possible, comparative historical results for Corporate and IDT Capital have

been reclassified and restated to conform to the current business segment presentation, although these results may not be indicative of the results which would have been achieved had the business segment structure been in effect during those periods.

	Three months ended April 30,		Change		Nine months ended April 30,		Change	
	2009	2008	$	%	2009	2008	$	%
				(in millions)				
General and administrative expenses	$ 5.8	$ 23.4	$ (17.6)	(75.1)%	$ 22.9	$ 57.8	$ (34.9)	(60.5)%
Depreciation and amortization	0.3	0.4	(0.1)	(23.7)	0.9	1.3	(0.4)	(25.5)
Restructuring charges	0.3	4.5	(4.2)	(94.1)	2.6	5.5	(2.9)	(52.6)
Loss from operations	$ 6.4	$ 28.3	$ (21.9)	(77.4)%	$ 26.4	$ 64.6	$ (38.2)	(59.1)%

Corporate costs include certain services, such as corporate executive compensation, consulting fees, treasury and accounts payable, tax and accounting services, human resources and payroll, corporate purchasing, corporate governance including Board of Directors' fees, internal and external audit, public and investor relations, corporate insurance, corporate legal, and business development, and other corporate-related general and administrative expenses, including, among others, facilities costs, charitable contributions and travel, as well as depreciation expense on corporate assets. Corporate does not generate any revenues, nor does it incur any direct cost of revenues.

39

Table of Contents

General and Administrative. Corporate general and administrative expenses decreased in the three and nine months ended April 30, 2009 as compared to the similar periods in fiscal 2008 primarily due to decreases in payroll and related expenses, legal fees and charitable contributions, as well as an accrual of $10.5 million in April 2008 related to a jury award for an employment matter. As a percentage of our total consolidated revenues from continuing operations, corporate general and administrative expenses decreased from 5.3% and 4.2% in the three and nine months ended April 30, 2008, respectively, to 1.5% and 1.8% in the three and nine months ended April 30, 2009, respectively, because corporate general and administrative expenses decreased at a faster rate than the decrease in our consolidated revenues.

Restructuring Charges. Restructuring charges in the three and nine months ended April 30, 2009 and 2008 consisted primarily of severance related to a company-wide cost savings program. Restructuring charges in the nine months ended April 30, 2009 also include charges from a reduction in force in January 2009, and costs for the shutdown of certain facilities of $0.7 million.

Liquidity and Capital Resources

General

Historically, we have satisfied our cash requirements through a combination of our existing cash, cash equivalents, cash flow from operating activities, proceeds from the sales and maturities of marketable securities and investments, arbitration awards and litigation settlements, sales of our equity securities including the exercise of stock options and sales under our employee stock purchase plan, borrowings from third parties, and the sales of businesses (e.g. Corbina Telecom, IDT Entertainment, our U.K.-based Toucan business and IDT Carmel’s debt portfolios).

As of April 30, 2009, we had cash, cash equivalents, restricted cash and cash equivalents, marketable securities and investments of $217.3 million and working capital (current assets less current liabilities) of $50.4 million. In addition, as of April 30, 2009, our assets of discontinued operations included cash and cash equivalents of $0.2 million. As of April 30, 2009, investments included $12.3 million in holdings of pooled investment vehicles, including hedge funds, of which $4.4 million is included in “Investments-short term” and $7.9 million is included in “Investments-long-term” in our consolidated balance sheet.

As of April 30, 2009, cash and cash equivalents of $58.7 million that serve as collateral were restricted against letters of credit, and were included in “Restricted cash and cash equivalents” in our consolidated balance sheet. Also, as of April 30, 2009, marketable securities of $5.2 million were restricted primarily against letters of credit and were included in “Marketable securities” in our consolidated balance sheet. The letters of credit outstanding at April 30, 2009 were primarily collateral for IDT Energy’s purchases of natural gas through wholesale bilateral contracts with suppliers and various utility companies and electric capacity, energy and ancillary services through the wholesale markets, as well as to secure mortgage repayments on various buildings.

As of April 30, 2009, “Cash and cash equivalents” in our condensed consolidated balance sheet included approximately $10 million that was held pursuant to regulatory requirements related to our European prepaid payment services business.

Our marketable securities at April 30, 2009 included auction rate securities with a par value of $14.3 million. The underlying asset for these securities is preferred stock of the Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac). The fair values of the auction rate securities, which cannot be corroborated by the market, were estimated based on the value of the underlying assets and our assumptions. At July 31, 2008, we determined that there was an other than temporary decline in the value of these auction rate securities, and accordingly, recorded a $7.2 million expense and reduced the auction rate securities

balance to an estimated fair value of $7.1 million. On September 7, 2008, the Federal Housing Finance Agency (FHFA) placed Fannie Mae and Freddie Mac into conservatorship administered by the FHFA. One result of the conservatorship and related actions of the FHFA was a significant decline in the market value of Fannie Mae and Freddie Mac's preferred stock. In the nine months ended April 30, 2009, we determined that there was an additional other than temporary decline in the value of these auction rate securities, and accordingly, recorded a $6.8 million charge that was included in "Other expense (income), net" in our condensed consolidated statement of operations and reduced the auction rate securities balance to an estimated fair value of $0.3 million.

On September 30, 2008 and October 8, 2008, we received notices from the New York Stock Exchange (NYSE) that we were no longer in compliance with the NYSE's $100 million market capitalization threshold and the $1.00 average closing price over a consecutive 30-day trading period requirement, respectively, required for continued listing. We submitted a plan to the NYSE to regain compliance, and that plan was accepted. The NYSE monitors compliance with the plan and may commence delisting procedures prior to either deadline if we fail to meet the milestones set forth in our plan. We have until March 2010 to regain compliance with the $100 million market capitalization standard. In addition, according to the rules of the NYSE, the NYSE will promptly initiate suspension and delisting procedures with respect to a listed company that is determined to have average global market capitalization over a consecutive 30 trading-day period of less than $25 million. The NYSE has reduced this $25 million threshold to $15 million until June 30, 2009. We are currently in compliance with this reduced threshold. On April 8, 2009, the NYSE notified us that the stock price for each of our listed equity securities was above the NYSE's minimum requirement of a $1.00 average share price over the preceding 30 trading days and a $1.00 share price on the close of the last trading day of the six-month cure period (April 8, 2009), thus restoring our compliance with the minimum share price requirement for continued listing on the NYSE.

40

Table of Contents

	Nine months ended April 30,	
	2009	2008
	(in millions)	
Cash flows (used in) provided by		
Operating activities	$ (96.7)	$ (115.3)
Investing activities	51.2	202.1
Financing activities	(15.2)	(74.0)
Effect of exchange rate changes on cash and cash equivalents	(4.7)	3.9
(Decrease) increase in cash and cash equivalents from continuing operations	(65.4)	16.7
Net cash provided by (used in) discontinued operations	26.8	(40.9)
Decrease in cash and cash equivalents	$ (38.6)	$ (24.2)

Operating Activities

Our cash flow from operations varies significantly from quarter to quarter and from year to year, depending on our operating results and the timing of operating cash receipts and payments, specifically trade accounts receivable and trade accounts payable.

As of April 30, 2009, our company-wide cost savings program to better align our infrastructure to our current business needs, and our plan to effect a reduction in force have resulted in the termination of approximately 1,420 employees since the third quarter of fiscal 2006. Severance and other payments related to these cost savings programs were $19.1 million and $23.6 million in the nine months ended April 30, 2009 and 2008, respectively. As of April 30, 2009, $7.8 million remained accrued for the ultimate payment of severance and other costs related to these cost savings initiatives.

As a result of an IRS audit of our federal tax returns for fiscal years 2001, 2002, 2003 and 2004, we owed approximately $75 million in taxes for fiscal 2001, approximately $1 million for adjustments carried forward to fiscal 2005 and 2006 and $39.5 million in interest. In connection therewith, we paid $80.0 million of the amount owed between July 2008 and January 2009. On January 27, 2009, we entered into a modified installment agreement with the IRS, whereby we agreed to pay the remaining amounts owed to the IRS for fiscal years 2001 – 2004 by June 2009. During the third quarter of fiscal 2009, we paid $25.0 million to the IRS on our outstanding balance. By June 15, 2009, we will have paid an additional $13.4 million to fully satisfy our obligation under the modified agreement. The final payment may be reduced if the IRS waives the penalties. In December 2008, the IRS commenced an audit of our federal tax returns for fiscal years 2005, 2006 and 2007. In May 2009, the IRS assessed a liability of $1.2 million for fiscal year 2005 which represents the approximately $1 million previously agreed to plus interest. In addition, an audit in the Netherlands of one of our subsidiaries was completed in October 2008 that resulted in a settlement of $4.4 million including interest, which was paid in December 2008.

On July 10, 2008, the FCC released a Notice of Apparent Liability (“NAL”) of $1.3 million related to one of our international telecommunications service agreements. The NAL claims that we violated section 220 of the Telecom Act, and section 43.51 of the FCC’s rules by willfully and repeatedly failing to file with the FCC, within thirty days of execution, a copy of an agreement with Telecommunications D’Haiti S.A.M. and each of four amendments thereto governing, among other things, the exchange of services, routing of traffic, accounting rates, and division of tolls on the U.S.-Haiti route. On October 29, 2008, the FCC released an order adopting an October 29, 2008 Consent Decree entered into between us and the FCC’s Enforcement Bureau resolving the matter. As part of the Consent Decree, in November 2008 we made a voluntary contribution to the United States Treasury in the amount of $0.4 million and

will further develop our FCC compliance plan.

We are currently subject to audits by different European taxing authorities, including audits relating to VAT that we have not collected for calling cards sold to distributors who, in turn, resell such cards in various jurisdictions in Europe. On September 4, 2008, a Swedish court granted an application made by the Swedish Tax Agency to seize SEK 100 million ($12.1 million) of assets owned by one of our subsidiaries, Inter Direct Tel Ltd., as security for payment of VAT. Inter Direct Tel appealed the seizure order and on October 6, 2008, the appellate court reversed the lower court’s seizure order. On December 17, 2008, the Swedish Tax Agency sent Inter Direct Tel an Audit Memo describing its reasoning for a VAT assessment of approximately SEK 112 million ($14.4 million) and SEK 22 million ($2.9 million) in penalties. On March 27, 2009, Inter Direct Tel responded to the comments in the Audit Memo. On June 5, 2009, Inter Direct Tel received a re-assessment from the Swedish Tax Agency in the same amounts assessed in the Audit Memo with the payment due on July 13, 2009. We intend to appeal the re-assessment and request a suspension of the payment obligation until the matter is addressed by the appropriate court. As we intend to challenge the re-assessment, we cannot be certain of the ultimate outcome. Imposition of assessments as a result of tax and regulatory audits could have an adverse affect on our results of operations, cash flows and financial condition.

41

Table of Contents

Investing Activities

In the nine months ended April 30, 2009 and 2008, proceeds from sales and maturities of marketable securities net of purchases of marketable securities were $89.3 million and $231.2 million, respectively.

Our capital expenditures were $10.7 million in the nine months ended April 30, 2009 compared to $13.9 million in the nine months ended April 30, 2008. We currently anticipate that total capital expenditures for all of our divisions for the year ending April 30, 2010 will be in the $7.5 million to $12.5 million range. In May 2009, we completed the migration of our global network from dedicated capacity time-division multiplexing (TDM) circuits to burstable Internet protocol circuits, which utilize connectivity capacity more efficiently and results in lower overall cost. We expect to fund our capital expenditures with our cash, cash equivalents and marketable securities on hand. From time to time, we may also finance a portion of our capital expenditures through capital leases.

We purchased our headquarters office building in February 2008 for $24.8 million in cash plus the assumption of the remainder of the existing mortgage on the building in the amount of $26.9 million. In addition, an affiliate of the seller repaid its $16.9 million note payable to us that was secured by an interest in the building.

In the nine months ended April 30, 2009 and 2008, cash used for investments and acquisitions was $2.5 million and $21.7 million, respectively. In fiscal 2009, $1.0 million was used for a short-term certificate of deposit, $0.6 million was used to acquire rights to use certain intangible assets and $0.9 million was used for a capital contribution to AMSO, LLC. The fiscal 2008 amount included cash used for our investment in AMSO LLC of $5.5 million and additional investments in pooled investment vehicles including hedge funds of $15.9 million. We received $26.4 million in the nine months ended April 30, 2009 from the redemption of certain of our investments in pooled investment vehicles. We sold certain of our investments in the nine months ended April 30, 2008 for $10.9 million and recorded an aggregate gain of $3.0 million from the sales.

Restricted cash and cash equivalents increased $54.5 million in the nine months ended April 30, 2009, as a result of our shifting balances from restricted marketable securities to restricted cash and cash equivalents, and decreased $0.8 million in the nine months ended April 30, 2008. Restricted cash, cash equivalents and marketable securities serve as collateral for letters of credit for IDT Energy’s purchases of natural gas and electric capacity, energy and ancillary services, as well as to secure mortgage repayments on various buildings.

In March 2009, Total acquired a 50% interest in AMSO, LLC in exchange for cash paid to us of $3.2 million and Total’s commitment to fund the majority of AMSO, LLC’s capital requirements going forward.

We sold a building in Newark, New Jersey in the nine months ended April 30, 2008 and received cash of $4.9 million from the sale. We recorded a $4.1 million gain on the sale of the building in the nine months ended April 30, 2008.

Financing Activities

We distributed cash of $2.3 million and $3.9 million in the nine months ended April 30, 2009 and 2008, respectively, to the minority equity holders of subsidiaries.

On September 23, 2008, we sold a 10% ownership interest in Zedge to Shaman II, L.P. for cash of $1.0 million. One of the limited partners in Shaman II, L.P. was a former employee of ours. In the nine months ended April 30, 2009, we sold a 10% minority interest in Israel Energy Initiatives, Ltd., our alternative energy company in Israel, for cash of $0.2 million.

In the nine months ended April 30, 2008, we received proceeds of $0.1 million from the exercise of our stock options, and $0.8 million from purchases under our employee stock purchase plan.

Repayments of capital lease obligations were $6.0 million and $22.7 million in the nine months ended April 30, 2009 and 2008, respectively. We also repaid other borrowings of $1.6 million and $3.0 million in the nine months ended April 30, 2009 and 2008, respectively.

In June 2006, our Board of Directors authorized a stock repurchase program for the repurchase of up to an aggregate of 8.3 million shares of our Class B common stock and common stock, without regard to class. On December 17, 2008, our Board of Directors increased the aggregate number of shares of our Class B common stock and common stock, without regard to class, that we are authorized to repurchase under the stock repurchase program from the 3.3 million shares that remained available for repurchase to 8.3 million shares. In the nine months ended April 30, 2009, we repurchased an aggregate of 2.4 million shares of Class B common stock and 1.4 million shares of common stock for an aggregate purchase price of $6.5 million. In the nine months ended April 30, 2008, we repurchased an aggregate of 1.8 million shares of Class B common stock and 0.2 million shares of common stock for an aggregate purchase price of $44.5 million. As of April 30, 2009, 7.0 million shares remained available for repurchase under the stock repurchase program.

Table of Contents

In the nine months ended April 30, 2008, we acquired an aggregate of 0.1 million shares of our Class B common stock held by certain of our employees for $0.8 million to satisfy the employees' tax withholding obligations in connection with the lapsing of restrictions on restricted stock awards.

Contractual Obligations and Other Commercial Commitments

Smaller reporting companies are not required to provide the information required by this item.

Changes in Trade Accounts Receivable and Allowance for Doubtful Accounts

Gross trade accounts receivable decreased to $158.7 million at April 30, 2009 from $200.2 million at July 31, 2008 mostly due to collections of accounts receivable and reductions in revenues. The allowance for doubtful accounts as a percentage of gross trade accounts receivable increased to 13.0% at April 30, 2009 from 10.8% at July 31, 2008 mainly because the allowance balance decreased 4.4% while the gross trade accounts receivable balance decreased 20.7%.

Other Sources and Uses of Resources

We intend to, where appropriate, make limited strategic investments and small acquisitions to complement, expand and/or enter into new businesses. In considering acquisitions and investments, we search for opportunities to profitably grow our existing businesses, to add qualitatively to the range of businesses in our portfolio and to achieve operational synergies. At this time, we cannot guarantee that we will be presented with acquisition opportunities that meet our return on investment criteria, or that our efforts to make acquisitions that meet our criteria will be successful. In addition, from time to time, we have made strategic dispositions of certain businesses (such as Corbina Telecom, IDT Entertainment, our U.K.-based Toucan business and IDT Carmel). We continually evaluate our portfolio for opportunities to monetize select businesses where we deem appropriate.

We incurred a loss from continuing operations in each of the five years in the period ended July 31, 2008 and in the nine months ended April 30, 2009. We incurred a net loss in the nine months ended April 30, 2009, and in fiscal 2008, fiscal 2006, fiscal 2005 and fiscal 2004, and would have incurred a net loss in fiscal 2007 except for a gain on the sale of IDT Entertainment. We also had negative cash flow from operating activities in each of the three years in the period ended July 31, 2008 and in the nine months ended April 30, 2009. We had an accumulated deficit at April 30, 2009 of $259.1 million. Historically, we satisfied our cash requirements primarily through a combination of our existing cash and cash equivalents, proceeds from the sale of businesses, proceeds from the sales and maturities of marketable securities and investments, arbitration awards and litigation settlements, and borrowings from third parties. We currently expect our operations in the next twelve months and the balance of cash, cash equivalents, marketable securities and pooled investment vehicles including hedge funds that we held as of April 30, 2009 will be sufficient to meet our currently anticipated working capital and capital expenditure requirements, and to fund any potential operating cash flow deficits within any of our segments for at least the next twelve months. The foregoing is based on a number of assumptions, including that we will collect on our receivables, effectively manage our working capital requirements, prevail in legal actions and other claims initiated against us, and maintain our revenue levels and liquidity. Predicting these matters is particularly difficult in the current worldwide economic situation and overall decline in consumer demand. Failure to generate sufficient revenue and operating income could have a material adverse effect on our results of operations, financial condition and cash flows. The recoverability of assets is highly dependent on the ability of management to execute its business plan.

If our results differ from our current expectations, or if we acquire the business or assets of another company, we might need to raise additional capital from equity or debt sources. We have been discussing with several financial institutions additional sources of financing to supplement our existing capital resources. There can be no assurance

that we will be able to raise additional capital on favorable terms or at all.

Foreign Currency Risk

Revenues from our international operations represented 34.7% and 33.6% of our consolidated revenues from continuing operations for the nine months ended April 30, 2009 and 2008, respectively. A significant portion of these revenues is in currencies other than the U.S. Dollar. Our foreign currency exchange risk is somewhat mitigated by our ability to offset the majority of these non U.S. Dollar-denominated revenues with operating expenses that are paid in the same currencies. While the impact from fluctuations in foreign exchange rates affects our revenue and expenses denominated in foreign currencies, the net amount of our exposure to foreign currency exchange rate changes at the end of each reporting period is generally not material. From time to time, we may enter into foreign exchange hedges, although there were none outstanding since the fourth quarter of fiscal 2008.

Off-Balance Sheet Arrangements

We do not have any “off-balance sheet arrangements,” as defined in relevant SEC regulations that are reasonably likely to have a current or future effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

Table of Contents

Recently Issued Accounting Standards Not Yet Adopted

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), Business Combinations. SFAS 141(R) establishes principles and requirements for how the acquirer: (a) recognizes and measures the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree, (b) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase, and (c) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. SFAS 141(R) requires the acquiring entity in a business combination to recognize the full fair value of the assets acquired and liabilities assumed in the transaction at the acquisition date; in-process research and development will be recorded at fair value as an indefinite-lived intangible asset at the acquisition date; the immediate expense recognition of transaction costs; changes in deferred tax asset valuation allowances and income tax uncertainties after the acquisition date generally will affect income tax expense; and restructuring plans will be accounted for separately from the business combination, among other things. In April 2009, the FASB issued FASB Staff Position (FSP) 141(R)-1, Accounting for Assets Acquired and Liabilities Assumed in a Business Combination That Arise from Contingencies, which amends and clarifies SFAS 141(R) with regards to the initial recognition and measurement, subsequent measurement and accounting, and disclosure of assets and liabilities arising from contingencies in a business combination. We are required to apply SFAS 141(R) and FSP 141(R)-1 to business combinations with an acquisition date on or after August 1, 2009. SFAS 141(R) fundamentally changes many aspects of existing accounting requirements for business combinations. As such, if we enter into any business combinations after the adoption of SFAS 141(R), a transaction may significantly impact our financial position and results of operations, but not our cash flows, when compared to acquisitions accounted for under current US GAAP.

In December 2007, the FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51. SFAS 160 clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. Also, SFAS 160 requires consolidated net income (loss) to include the amounts attributable to both the parent and the noncontrolling interest, and it requires disclosure of the amounts of net income (loss) attributable to the parent and to the noncontrolling interest. Finally, SFAS 160 requires increases and decreases in the noncontrolling ownership interest amount to be accounted for as equity transactions, and the gain or loss on the deconsolidation of a subsidiary will be measured using the fair value of any noncontrolling equity investment rather than the carrying amount of the retained investment. We are required to adopt SFAS 160 on August 1, 2009. Upon the adoption of SFAS 160, we will change the classification and presentation of noncontrolling interest in our financial statements, which is currently referred to as minority interests. We are still evaluating the impact that SFAS 160 will have on our consolidated financial statements, but we do not expect SFAS 160 to have a material impact on our financial position, results of operations or cash flows.

In April 2008, the FASB issued FSP No. FAS 142-3, Determination of the Useful Life of Intangible Assets. This FSP amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, Goodwill and Other Intangible Assets. We are required to adopt FSP 142-3 on August 1, 2009. The guidance in FSP 142-3 for determining the useful life of a recognized intangible asset shall be applied prospectively to intangible assets acquired after adoption, and the disclosure requirements shall be applied prospectively to all intangible assets recognized as of, and subsequent to, adoption. We are currently evaluating the impact of FSP 142-3 on our consolidated financial statements.

In April 2009, the FASB issued FSP No. FAS 115-2 and FAS 124-2, Recognition and Presentation of Other-Than-Temporary Impairments. This FSP amends the guidance in US GAAP for assessing whether an impairment of a debt security is other than temporary, and revises the presentation and disclosure in the financial statements of other than temporary impairments of debt and equity securities. We were required to adopt FSP 115-2 on May 1, 2009. In addition, in April 2009, the SEC amended Topic 5.M. in the Staff Accounting Bulletin Series

entitled Other Than Temporary Impairment of Certain Investments in Debt and Equity Securities to exclude debt securities from its scope. Topic 5.M. as amended maintains the staff's previous views related to equity securities. We are currently evaluating the impact of FSP 115-2 on our consolidated financial statements. We do not expect the amendment to Topic 5.M. to have a material impact on our financial position, results of operations or cash flows.

In April 2009, the FASB issued FSP No. FAS 107-1 and APB 28-1, Interim Disclosures about Fair Value of Financial Instruments, which amends SFAS 107, Disclosures about Fair Value of Financial Instruments, to require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. This FSP also amends APB Opinion No. 28, Interim Financial Reporting, to require those disclosures in summarized financial information at interim reporting periods. The FSP also requires entities to disclose the methods and significant assumptions used to estimate fair value of financial instruments in interim financial statements, and to highlight any changes in the methods and assumptions from prior periods. FSP 107-1 became effective for our financial statements beginning on May 1, 2009. We will include the disclosures required by FSP 107-1 in our consolidated financial statements for our first quarter ending October 31, 2009.

Table of Contents

In May 2009, the FASB issued SFAS No. 165, Subsequent Events, to establish principles and requirements for subsequent events, in particular: (a) the period after the balance sheet date during which management of a reporting entity shall evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, (b) the circumstances under which an entity shall recognize events or transactions occurring after the balance sheet date in its financial statements, and (c) the disclosures that an entity shall make about events or transactions that occurred after the balance sheet date. SFAS 165 is effective prospectively for interim or annual financial periods ending after June 15, 2009. SFAS 165 should not result in significant changes in the subsequent events that we report in our financial statements, because it does not change the previous recognition and disclosure guidance in the accounting literature and it does not change the date through which we were expected to evaluate subsequent events. This statement requires management to disclose the date through which subsequent events have been evaluated, which we will begin to disclose in our Annual Report on Form 10-K for the year ending July 31, 2009.

Item 3. Quantitative and Qualitative Disclosures About Market Risks

Smaller reporting companies are not required to provide the information required by this item.

Item 4T. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. Our Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, as a result of the material weakness described in Item 9A to Part II of our Annual Report on Form 10-K for the year ended July 31, 2008 that has not been remediated as of April 30, 2009, our Chief Executive Officer and Chief Financial Officer have concluded as of April 30, 2009, that our disclosure controls and procedures were ineffective and were not designed to ensure that material information relating to our and our consolidated subsidiaries would be accumulated and communicated to them by others within those entities to allow timely decisions regarding required disclosure.

As described in Item 9A to Part II of our Annual Report on Form 10-K for the year ended July 31, 2008, during the audit of our financial statements as of July 31, 2008 and for the year then ended, a material weakness existed relating to our lack of internal expertise and resulting failure to properly execute control procedures designed to prepare and evaluate the annual testing for impairment of goodwill and other intangible assets not subject to amortization as required by SFAS No. 142, “Goodwill and Other Intangible Assets.” This material weakness resulted in a material audit adjustment for an impairment charge with respect to goodwill. Consequently, our consolidated financial statements as of July 31, 2008 and for the year then ended properly reflected the results of the goodwill impairment testing.

To remediate this material weakness, we will perform a more rigorous fact gathering process and consideration of the relevant valuation assumptions in our Step 1 analysis under SFAS 142. In addition, in May 2009, certain of our personnel received training on valuation techniques to improve our internal expertise. We will also enhance and expand our review procedures to include additional personnel who will be involved in a timelier manner. We believe these measures should be adequate to address the material weakness that existed at July 31, 2008 related to the annual testing for impairment required by SFAS 142. Our remediation effort is currently on schedule to be completed when our next annual testing for impairment required by SFAS 142 will be performed. Regarding our interim test for impairment conducted for our fiscal quarter ended April 30, 2009, we engaged a valuation consulting firm to assist us with our analysis since our remediation effort was not complete. We will continue to evaluate and monitor our efforts to remediate the material weakness and will take all appropriate action when and as necessary to ensure we have effective internal controls over financial reporting.

Changes in Internal Control over Financial Reporting. There were no changes in our internal control over financial reporting during the quarter ended April 30, 2009 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

45

Table of Contents

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Legal proceedings in which we are involved are more fully described in Note 13 to the Condensed Consolidated Financial Statements included in Item 1 to Part I of this Quarterly Report on Form 10-Q.

We are subject to other legal proceedings, which have arisen in the ordinary course of business and have not been finally adjudicated. Although there can be no assurances in this regard, in the opinion of management, none of the legal proceedings to which we are a party will have a material adverse effect on our results of operations, cash flows, or our financial condition.

Item 1A. Risk Factors

Smaller reporting companies are not required to provide the information required by this item.

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

The following table provides information with respect to purchases by the Company of its shares during the third quarter of fiscal 2009. All share and average price per share amounts in the following table have been restated to reflect the one-for-three reverse stock split which was effective on February 24, 2009.

	Total Number of Shares Purchased	Average Price per Share	Total Number of Shares Purchased as part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (1)
February 1–28, 2009 (2)	885,118	$ 1.03	885,052	7,448,281
March 1–31, 2009 (3)	217,760	$ 1.08	217,760	7,230,521
April 1–30, 2009 (4)	278,315	$ 1.17	277,538	6,952,983
Total	1,381,193	$ 1.06	1,380,350	

(1) Under our existing stock repurchase program, approved by our Board of Directors on June 13, 2006, we were authorized to repurchase up to an aggregate of 8.3 million shares of our Class B common stock and our common stock, without regard to class. On December 17, 2008, our Board of Directors (i) approved a one-for-three reverse stock split of all classes of our common stock which was effective on February 24, 2009, and (ii) amended the stock repurchase program to increase the aggregate number of shares of our Class B common stock and common stock, without regard to class, that we are authorized to repurchase from the 3.3 million shares that remained available for repurchase to 8.3 million shares.

(2) Consists of 383,509 shares of common stock and 501,543 shares of Class B common stock purchased pursuant to the stock repurchase program, resulting in an aggregate of 7,448,281 shares that may yet be purchased under the stock repurchase program, and 66 shares of Class B common stock that were tendered by employees of the Company to satisfy the employees' tax withholding obligations in connection with the vesting of awards of restricted stock. Such shares are repurchased by the Company based on their fair market value on the trading day immediately prior to the vesting date.

(3) Consists of 21,500 shares of common stock and 196,260 shares of Class B common stock purchased pursuant to the stock repurchase program, resulting in an aggregate of 7,230,521 shares that may yet be purchased under the stock repurchase program.

(4) Consists of 277,538 shares of Class B common stock purchased pursuant to the stock repurchase program, resulting in an aggregate of 6,952,983 shares that may yet be purchased under the stock repurchase program, and 777 shares of Class B common stock that were tendered by employees of the Company to satisfy the employees' tax withholding obligations in connection with the vesting of awards of restricted stock. Such shares are repurchased by the Company based on their fair market value on the trading day immediately prior to the vesting date.

Item 3. Defaults Upon Senior Securities

None

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

None

46

Table of Contents

Item 5. Other Information

None

Item 6. Exhibits

Exhibit Number	Description
2.1	Purchase and Sale Contract among the Registrant, IDT Carmel, Inc., IDT Carmel Portfolio Management LLC, and FFPM Carmel Holdings I LLC, and its predecessors and Sherman Originator III LLC dated January 30, 2009. Incorporated by reference to Form 8-K, filed February 5, 2009.
10.1	Employment Agreement, dated April 29, 2009, between the Registrant and Bill Pereira. Incorporated by reference to Form 8-K, filed May 1, 2009.
31.1*	Certification of Chief Executive Officer pursuant to 17 CFR 240.13a-14(a), as adopted pursuant to §302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to 17 CFR 240.13a-14(a), as adopted pursuant to §302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith.

Table of Contents

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.

IDT CORPORATION

June 9, 2009	By:	/s/ JAMES A. COURTER James A. Courter Vice-Chairman and Chief Executive Officer
June 9, 2009	By:	/s/ BILL PEREIRA Bill Pereira Chief Financial Officer and Treasurer