

**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 March 31, 2019

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-33982

**QURATE RETAIL, INC.**

(Exact name of Registrant as specified in its charter)

**State of Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**84-1288730**  
(I.R.S. Employer  
Identification No.)

**12300 Liberty Boulevard**  
**Englewood, Colorado**  
(Address of principal executive offices)

**80112**  
(Zip Code)

Registrant's telephone number, including area code: **(720) 875-5300**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Series A common stock	QRTEA	The Nasdaq Stock Market LLC
Series B common stock	QRTEB	The Nasdaq Stock Market LLC

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 every Interactive Data File required to be submitted 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 such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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**QURATE RETAIL, INC. AND SUBSIDIARIES**  
**Condensed Consolidated Balance Sheets (Continued)**  
**(unaudited)**

	March 31, 2019	December 31, 2018
	amounts in millions, except share amounts	
<i>Liabilities and Equity</i>		
Current liabilities:		
Accounts payable	\$ 938	1,204
Accrued liabilities	970	1,182
Current portion of debt, including \$1,089 million and \$990 million measured at fair value (note 7)	1,488	1,410
Other current liabilities	260	155
Total current liabilities	<u>3,656</u>	<u>3,951</u>
Long-term debt, including \$383 million and \$344 million measured at fair value (note 7)	5,955	5,963
Deferred income tax liabilities	1,887	1,925
Other liabilities	737	258
Total liabilities	<u>12,235</u>	<u>12,097</u>
<i>Equity</i>		
Stockholders' equity:		
Preferred stock, \$.01 par value. Authorized 50,000,000 shares; no shares issued	—	—
Series A Qurate Retail common stock, \$.01 par value. Authorized 4,000,000,000 shares; issued and outstanding 400,253,222 shares at March 31, 2019 and 409,901,058 shares at December 31, 2018	4	4
Series B Qurate Retail common stock, \$.01 par value. Authorized 150,000,000 shares; issued and outstanding 29,386,390 shares at March 31, 2019 and 29,248,343 shares at December 31, 2018	—	—
Series C Qurate Retail common stock, \$.01 par value. Authorized 400,000,000 shares; no shares issued	—	—
Additional paid-in capital	—	—
Accumulated other comprehensive earnings (loss), net of taxes	(84)	(55)
Retained earnings	5,533	5,675
Total stockholders' equity	<u>5,453</u>	<u>5,624</u>
Noncontrolling interests in equity of subsidiaries	109	120
Total equity	<u>5,562</u>	<u>5,744</u>
Commitments and contingencies (note 9)		
Total liabilities and equity	<u>\$ 17,797</u>	<u>17,841</u>

See accompanying notes to condensed consolidated financial statements.















**QURATE RETAIL, INC. AND SUBSIDIARIES**

**Notes to Condensed Consolidated Financial Statements**

**(unaudited)**

**(1) Basis of Presentation**

The accompanying condensed consolidated financial statements include the accounts of Qurate Retail, Inc. (formerly named Liberty Interactive Corporation, prior to the Transactions defined and described below, or "Liberty") and its controlled subsidiaries (collectively, "Qurate Retail," the "Company," "Consolidated Qurate Retail," "us," "we," or "our" unless the context otherwise requires). All significant intercompany accounts and transactions have been eliminated in consolidation. Qurate Retail is made up of the following:



**QURATE RETAIL, INC. AND SUBSIDIARIES**

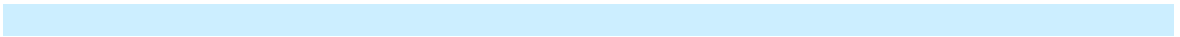
**Notes to Condensed Consolidated Financial Statements (Continued)**

**(unaudited)**

“Transactions”) among General Communication, Inc. (“GCI”), an Alaska corporation, and Liberty Interactive LLC, a Delaware limited liability company and a direct wholly-owned subsidiary of Liberty (“LI LLC”). Pursuant to the Reorganization Agreement, GCI amended and restated its articles of incorporation (which resulted in GCI being renamed GCI Liberty, Inc. (“GCI Liberty”)) and effected a reclassification and auto conversion of its common stock. After market close on March 8, 2018, Qurate Retail’s board of directors approved the reattribution of certain assets and liabilities from Qurate Retail’s Ventures Group to its QVC Group, which was effective immediately. The reattributed assets and liabilities included cash, Qurate Retail’s interest in ILG, certain green energy investments, LI LLC’s exchangeable debentures, and certain tax benefits.

Following these events, Qurate Retail acquired GCI (renamed “GCI Liberty, Inc.”) through a reorganization in which certain Qurate Retail interests, assets and liabilities attributed to the Ventures Group were contributed (the “contribution”) to GCI Liberty in exchange for a controlling interest in GCI Liberty. Qurate Retail and LI LLC contributed to GCI Liberty their entire equity interest in Liberty Broadband, Charter, and LendingTree, the Evite operating business and other assets and liabilities attributed to Qurate Retail’s Venture Group (following the reattribution), in exchange for (a) the issuance to LI LLC of a number of shares of GCI Liberty Class A Common Stock and a number of shares of GCI Liberty Class B Common Stock equal to the number of outstanding shares of Ser









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**QURATE RETAIL, INC. AND SUBSIDIARIES**

**Notes to Condensed Consolidated Financial Statements (Continued)**

(unaudited)

**Realized and Unrealized Gains (Losses) on Financial Instruments**

Realized and unrealized gains (losses) on financial instruments are comprised of changes in the fair value of the following:

	Three months ended March 31,	
	2019	2018
amounts in millions		
Equity securities	\$ 5	114
Exchangeable senior debentures	(116)	17
Indemnification asset	32	(29)
Other financial instruments	(2)	(3)
	<u>\$ (81)</u>	<u>99</u>

**(6) Intangible Assets**

*Goodwill*

Changes in the carrying amount of goodwill are as follows:

	QxH	QVC Int'l	Zulily	Corporate and Other		Total
				amounts in millions		
Balance at January 1, 2019	\$ 5,228	860	917	12	—	7,017
Foreign currency translation adjustments	—	(4)	—	—	—	(4)
Balance at March 31, 2019	<u>\$ 5,228</u>	<u>856</u>	<u>917</u>	<u>12</u>	<u>—</u>	<u>7,013</u>

*Intangible Assets Subject to Amortization*

Amortization expense for intangible assets with finite useful lives was \$100 million and \$109 million for the three months ended March 31, 2019 and 2018, respectively. Based on it pectivelys


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**QURATE RETAIL, INC. AND SUBSIDIARIES**

**Notes to Condensed Consolidated Financial Statements (Continued)**

(unaudited)

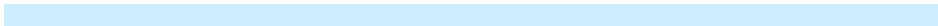
the Fourth Amended and Restated Credit Agreement). Further, the borrowings under the Fourth Amended and Restated Credit Agreement are secured, *pari passu* with QVC's existing notes, by a pledge of all QVC's equity interests. In addition, the payment and performance of the Borrowers' obligations with respect to the \$400 million tranche available to both QVC and Zulily are also guaranteed by Zulily and secured by a pledge of all of Zulily's equity interests.

The Fourth Amended and Restated Credit Agreement contains certain affirmative and negative covenants, including certain restrictions on QVC and Zulily and each of their respective restricted subsidiaries (subject to certain exceptions) with respect to, among other things: incurring additional indebtedness; creating liens on property or assets; making certain loans or investments; selling or disposing of assets; paying certain dividends and other restricted payments; dissolving, consolidating or merging; entering into certain transactions with affiliates; entering into sale or leaseback transactions; restricting subsidiary distributions; and limiting the Company's consolidated leverage ratio, and the Borrowers' Combined Consolidated Leverage Ratio.

The interest rate on borrowings outstanding under the Fourth Amended and Restated Credit Agreement was 3.9% at March 31, 2019. Availability under the Fourth Amended and Restated Credit Agreement at March 31, 2019 was \$2.2 billion, including the remaining portion of the \$400 million tranche available to Zulily and outstanding letters of credit.

**Exchangeable Senior Debentures**

The Company has elected to account for its exchangeable senior debentures using the fair value option. Accordingly, changes in the fair value of these instruments are recognized as unrealized gains (losses) in the statements of operations. As of March 31, 2019 the balance of the 4% Exchangeable Senior Debentures due 2029, the 3.75% Exchangeable Senior Debentures due 2030, and the 3.5% Exchangeable Senior Debentures due 2031 was \$1.1 billion.



**QURATE RETAIL, INCH**

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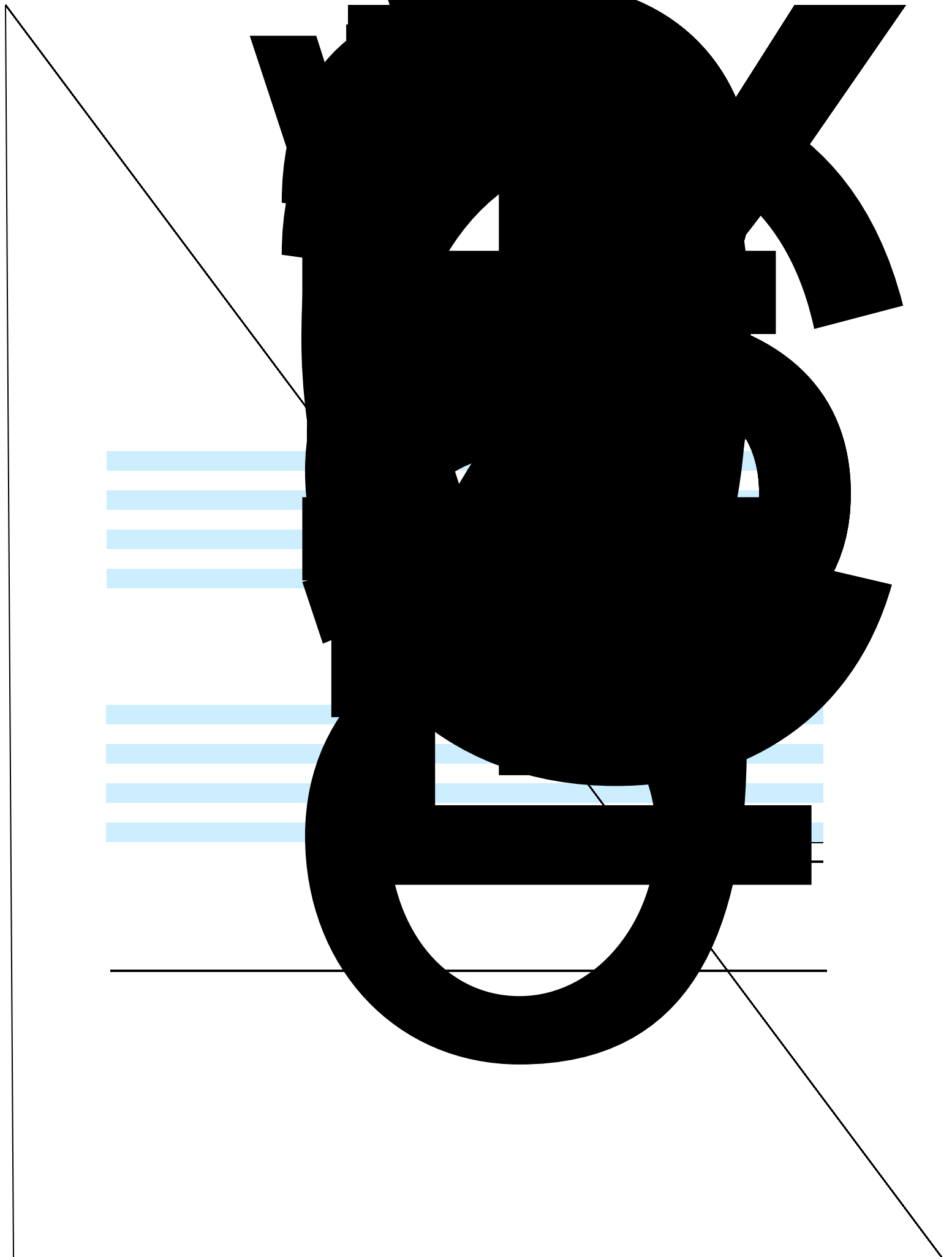

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**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

Certain statements in this Quarterly Report on Form 10-Q constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our business, strategies; QRG Initiatives (as defined below); revenue growth at QVC, Inc. ("QVC"); our projected sources and uses of cash; and fluctuations in interest rates and foreign currency exchange rates. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. The following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated:

- customer demand for our products and services and our ability to adapt to changes in demand;
  - competitor responses to our products and services;
  - increased digital TV penetration and the impact on channel positioning of our programs;
  - the levels of online traffic to our businesses' websites and our ability to convert visitors into customers or contributors;
  - uncertainties inherent in the development and integration of new business lines and business strategies;
  - our future financial performance, including availability, terms and deployment of capital;
  - our ability to successfully integrate and recognize anticipated efficiencies and benefits from the businesses we acquire;
  - the ability of suppliers and vendors to deliver products, equipment, software and services;
  - the outcome of any pending or threatened litigation;
  - availability of qualified personnel;
  - changes in, or failure or inability to comply with, government regulations, including, without limitation, regulations of the Federal Communications Commission, and adverse outcomes from regulatory proceedings;
  - changes in the nature of key strategic relationships with partners, distributors, suppliers and vendors;
  - domestic and international economic and business conditions and industry trends, including the impact of Brexit (as defined below);
  - consumer spending levels, including the availability and amount of individual consumer debt;
  - changes in distribution and viewing of television programming, in levels, timing and content.
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The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with our accompanying condensed consolidated financial statements and the notes thereto and our Annual Report on Form 10-K for the year ended December 31, 2018.

See note 1 and note 8 of the accompanying condensed consolidated financial statements for an overview of new accounting standards that we have adopted or that we plan to adopt that have had or may have an impact on our financial statements.

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The information herein relates to Qurate Retail, Inc. (formerly named Liberty Interactive Corporation, prior to the Transactions defined and described below, or "Liberty") and its controlled subsidiaries (collectively "Qurate Retail," the "Company," "Consolidated Qurate Retail," "us," "we" or "our" unless the context otherwise requires).

**Overview**

We own controlling and non-controlling interests in a broad range of video and online commerce companies. Our largest businesses and reportable segments are QxH and QVC International. QVC markets and sells a wide variety of consumer products in the United States ("U.S.") and several foreign countries, primarily by means of its televised shopping programs and the Internet through its domestic and international websites and mobile applications. On December 31, 2018, Qurate Retail transferred its 100% ownership interest in HSN to QVC, Inc. through a transaction among entities under common control. Following this transaction, Cornerstone (a former subsidiary of HSN) remains a subsidiary of Qurate Retail. HSN is included in the QxH reportable segment, and Cornerstone is included in the "Corporate and other" reportable segment. Zulily, LLC ("Zulily"), an online retailer offering

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**Operating Results**

	Three months ended March 31,	
	2019	2018 (a)
amounts in millions		
<i>Revenue</i>		
QxH	\$ 1,857	1,926
QVC International	644	676
Zulily	397	419
Corporate and other	187	209
Consolidated Qurate Retail	<u>\$ 3,085</u>	<u>3,230</u>
<i>Operating Income (Loss)</i>		
QxH	\$ 247	267
QVC International	79	89
Zulily	(13)	(28)
Corporate and other	(25)	(34)
Consolidated Qurate Retail	<u>\$ 288</u>	<u>294</u>
<i>Adjusted OIBDA</i>		
QxH	\$ 352	369
QVC International	101	107
Zulily	17	27
Corporate and other	(10)	(11)
Consolidated Qurate Retail	<u>\$ 460</u>	<u>492</u>

(a) Due to the GCI Liberty Split-Off, including the redemption of outstanding shares of Liberty Ventures common stock, the Ventures Group and the QVC Group tracking stock structure no longer exists as of March 9, 2018, however amounts were attributed to the Ventures Group and the QVC Group from January 1, 2018 through March 9, 2018. Attributed to the Ventures Group was revenue of \$3 million, operating loss of \$8 million, and an Adjusted OIBDA loss of \$5 million.

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**Share of earnings (losses) of affiliates.** Share of earnings (losses) of affiliates decreased \$31 million for the three months ended March 31, 2019, as compared to the corresponding period in the prior year, primarily due to an increase in losses at the Company's alternative energy solution entities.

**Realized and unrealized gains (losses) on financial instruments, net.** Realized and unrealized gains (losses) on financial instruments, net are comprised of changes in the fair value of the following:

	<u>Three months ended</u> <u>March 31</u>

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and Zulily, due to a requirement that a leverage ratio (defined as the ratio of subsidiaries' consolidated total debt to Adjusted OIBDA for the most recent four fiscal quarter period) of less than 3.5 to 1.0 must be maintained.

During the three months ended March 31, 2019 there have been no changes to our corporate or subsidiary debt credit ratings.

As of March 31, 2019, Qurate Retail's liquidity position included the following:

	<u>Cash and cash equivalents</u>	<u>Equity securities</u>
	<u>amounts in millions</u>	
QVC	\$ 439	—
Zulily	v	
	<u>                    </u>	<u>                    </u>

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Net revenue was generated in the following geographical areas:

	Three months ended	
	March 31,	
	2019	2018
	amounts in millions	
QxH	\$ 1,857	1,926
QVC International	644	676
Consolidated QVC	\$ 2,501	2,602

QVC's consolidated net revenue decreased 3.9% for the three months ended March 31, 2019, as compared to the corresponding period in the prior year. The decrease in net revenue is primarily due to a 3.1% decrease in units sold, \$36 million in unfavorable foreign exchange rates across all markets and a slight decrease in average selling price per unit ("ASP"), which was partially offset by a \$22 million decrease in estimated product returns, primarily driven by the decrease in sales volume at QxH.

During the three months ended March 31, 2019 and 2018, the changes in revenue and expenses were affected by changes in the exchange rates for the U.K. Pound Sterling, the Euro and the Japanese Yen. In the event the U.S. Dollar strengthens against these foreign currencies in the future, QVC's revenue and operating cash flow will be negatively affected.

In addition to reporting operating results in the functional currency of each country, QVC reports operating results in U.S. Dollars. For the purpose of this report, QVC uses the U.S. Dollar as the functional currency for all countries where the functional currency is not the U.S. Dollar. QVC calculates the effect of changes in currency exchange rates as the difference between current period activity translated using the prior period's currency exchange rates. QVC refers to the results of this calculation as the impact of currency exchange rate fluctuations. Constant currency operating results refers to operating results without the impact of the currency exchange rate fluctuations.



converting analog customers to dc<sup>2</sup>





Zulily's SG&A expenses (excluding stock-based compensation) include personnel related costs for general corporate functions, marketing and advertising expenses, information technology, and the costs associated with the use by these functions of facilities and equipment, including rent. For the three months ended March 31, 2019, as a percentage of net revenue, these expenses increased from 16.9% to 18.6%. The increase is primarily attributable to deleverage on the decline in sales and increase in fixed costs and marketing.

Zulily's total depreciation and amortization of intangible assets expense decreased for the three months ended March 31, 2019, as compared to the corresponding period in the prior year. The decrease is primarily attributed to fully amortized assets recognized in purchase accounting.

**Item 3. Quantitative and Qualitative Disclosures about Market Risk.**

We are exposed to market risk in the normal course of business due to our ongoing investing and financial activities and the conduct of operations by our subsidiaries in different foreign countries. Market risk refers to the risk of loss arising from adverse changes in interest rates and foreign currency exchange j, 14 d B

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be largely offset by the effects of interest rate movements on the underlying debt facilities. These measures allow our management to evaluate the success of our use of derivative instruments and to determine when to enter into or exit from derivative instruments.

**Item 4. Controls and Procedures.**

**Disclosure Controls and Procedures**

In accordance with Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Company carried out the following disclosure controls and procedures:

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**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.

QURATE RETAIL, INC.

Date: May 10, 2019

By:                                   /s/ MICHAEL A. GEORGE                                    
Michael A. George  
*President and Chief Executive Officer*

Date: May 10, 2019

By:                                   /s/ MARK D. CARLETON                                    
Mark D. Carleton  
*Chief Financial Officer*  
*(Principal Financial Officer and Principal Accounting Officer)*

**FORM OF AMENDED AND RESTATED  
INDEMNIFICATION AGREEMENT**

THIS AMENDED AND REST





that may be submitted to a vote of stockholders of the Company at any annual or special meeting thereof.

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**2. Basic Indemnification and Advancement Arrangement.**

(a) In the event Indemnitee was, is or becomes a party to, subject or target of, or witness or other participant in, or is threatened to be made a party to, subject or target of, or witness or other participant in, a Claim by reason of (or arising in part out of) Indemnitee's Corporate Status, the Company shall indemnify Indemnitee to the fullest extent permitted by law as soon as practicable but in any event no later than thirty days after written demand is presented to the Company (which demand may only be presented to the Company following the final judicial disposition of the Claim, as to which all rights of appeal therefrom have been exhausted or lapsed (a "**Final Disposition**")), against any and all Expenses, judgments, fines, penalties and amounts paid or payable in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties or amounts paid or payable in settlement) of such Claim. If so requested by Indemnitee, prior to the Final Disposition of a Claim, the Company shall advance (within two business days of such request) any and all Expenses actually and reasonably incurred by b

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Indemnitee. Any determination by the Reviewing Party that Indemnitee is not permitted to be indemnified (in whole or in part) under applicable law shall be in writing (or, in any case in which the Independent Legal Counsel referred to in Section 3 hereof is involved, set forth in a written opinion).

**3. Change in Control.** The Company agrees that if there is a Change in Control of the Company then with respect to all matters thereafter arising concerning the rights of Indemnitee to indemnity payments and Expense Advances under this Agreement or any other agreement or Company Bylaw or charter provision now or hereafter in effect, the Company shall seek legal advice only from Independent Legal Counsel selected by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld). Such counsel, among other things, shall render its written opinion to the Company and Indemnitee as to whether and to what

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with whole or partial success on the merits or otherwise in defending any Claim, the Company shall not be required to indemnify Indemnitee in connection with any Claim made against Indemnitee for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934 or similar provisions of state statutory law or common law, or (ii) any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Securities Exchange Act of 1934 (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the “**Sarbanes-Oxley Act**”), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act).

**6. Partial Indemnity and Success on the Merits.** If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid or payable in settlement of a Claim but not, however, for all of the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. Moreover, notwithstanding any other provision of this Agreement, to the extent that Indemnitee is successful, on the merits or otherwise, in whole or in part, in defending a Claim (including dismissal without prejudice), or in defense of any claim, issue or matter therein, Indemnitee shall be indemnified to the fullest extent permitted by law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection therewith.

**7. Burden of Proof.** In connection with any determination by the Reviewing Party or otherwise as to whether Indemnitee is entitled to be indemnified hereunder or otherwise, the burden shall be on the Company to prove by clear and convincing evidence that Indemnitee is not so entitled.

**8. No Presumptions.** For purposes of this Agreement, the termination of any Claim, by judgment, order, settlement (whether with or without court approval) conviction, or otherwise”

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in effect regardless of whether Indemnitee continues to serve as a director, officer, employee, agent or fiduciary of the Company or of any other enterprise at the Company's request.

**16. Severability.** The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any provision within a single section, paragraph or sentence) is held by a court of competent jurisdiction to be invalid, void or otherwise ev' 1

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**CERTIFICATION**

I, Michael A. George, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Qurate Retail, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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## CERTIFICATION

I, Mark D. Carleton, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Qurate Retail, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
  - d) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2019

/s/ MARK D. CARLETON

Mark D. Carleton  
Chief Financial Officer

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**Certification**

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002  
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to secti

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