

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

FORM 10-K

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

For the fiscal year ended June 30, 2012

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

Commission file number 001-14757

EnviroStar, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of  
Incorporation or Organization)

11-2014231

(I.R.S. Employer  
Identification No.)

290 N.E. 68th Street, Miami, Florida

(Address of Principal Executive Offices)

33138

(Zip Code)

Registrant's telephone number, including area code: 305-754-4551

Securities registered under Section 12(b) of the Act: Common Stock, \$.025 par value

Securities registered under Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes

No

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 Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment of this Form 10-K.

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. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

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

The aggregate market value as at December 30, 2011 of the Common Stock of the registrant, its only class of voting stock, held by non-affiliates was approximately \$3,436,475 based on the closing price of the registrant's Common Stock on the NYSE MKT on that date. Such market value excludes shares owned by all executive officers and directors (and their spouses). This should not be construed as indicating that all such persons are affiliates.

The number of shares outstanding of the registrant's Common Stock as at September 21, 2012 was 7,033,732.

#### DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement relating to its 2012 Annual Meeting of Stockholders are incorporated by reference into Items 10, 11, 12, 13, 14 and 15 in Part III of this Report.

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## FORWARD LOOKING STATEMENTS

*Certain statements in this Report are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this Report, words such as “may,” “should,” “seek,” “believe,” “expect,” “anticipate,” “estimate,” “project,” “intend,” “strategy” and similar expressions are intended to identify forward-looking statements regarding events, conditions and financial trends that may affect the Company’s future plans, operations, business strategies, operating results and financial position. Forward-looking statements are subject to a number of known and unknown risks and uncertainties that may cause actual results, trends, performance or achievements of the Company, or industry trends and results, to differ materially from the future results, trends, performance or achievements expressed or implied by such forward-looking statements. These risks and uncertainties include, among others: general economic and business conditions in the United States and other countries in which the Company’s customers and suppliers are located; industry conditions and trends; technology changes; competition and other factors which may affect prices which the Company may charge for its products and its profit margins; the availability and cost of the inventory purchased by the Company; the relative value of the United States dollar to currencies in the countries in which the Company’s customers, suppliers and competitors are located; changes in, or the failure to comply with, government regulation, principally environmental regulations; the Company’s ability to implement changes in its business strategies and development plans; and the availability, terms and deployment of debt and equity capital if needed for expansion. These and certain other factors are discussed in this Report and from time to time in other Company reports filed with the Securities and Exchange Commission. The Company expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.*

### PART I

#### **Item 1. Business.**

##### **General**

The Company was incorporated under the laws of the State of Delaware on June 13, 1963 under the name Metro-Tel Corp. and changed its name to DRYCLEAN USA, Inc. on November 7, 1999. On December 1, 2009, the Company changed its name to EnviroStar, Inc. Unless the context otherwise requires, as used in this Report, the “Company” includes EnviroStar, Inc. and its subsidiaries.

The Company, through its wholly-owned subsidiary, Steiner-Atlantic Corp. (“Steiner”), in the United States, the Caribbean and Latin American markets:

- distributes commercial and industrial laundry and drycleaning equipment and steam and hot waters boilers manufactured by others;
- supplies replacement parts and accessories and provides maintenance services to its customers; and
- designs and plans “turn-key” laundry, drycleaning and boiler systems to meet the layout, volume and budget needs of its diversified institutional, retail, industrial and commercial customers.

In recent years, while industrial and commercial laundry and boiler sales have increased the Company’s overall sales, the sales increase has been partially offset by a decline in drycleaning equipment sales as fewer drycleaning establishments and plants are open, principally due to the effects of the economy on the retail drycleaning industry and, to a lesser extent, a greater use of casual dress.

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The Company, through its DRYCLEAN USA License Corp. wholly-owned indirect subsidiary, owns the worldwide rights to the name DRYCLEAN USA®, which the Company franchises and licenses to retail drycleaners in the United States, the Caribbean and Latin America.

DRYCLEAN USA Development Corp., a wholly-owned indirect subsidiary, enters into leases for new retail drycleaning establishments for resale to third parties.

### **Available Information**

The Company files Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, files or furnishes Current Reports on Form 8-K, files or furnishes amendments to those reports, and files proxy and information statements with the Securities and Exchange Commission (the “SEC”). These reports and statements may be read and copied at the SEC’s Public Reference Room at 100 F Street, N.E., Room 1580, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. These reports and statements, as well as beneficial ownership reports filed by the Company’s officers, directors and beneficial owners of 10% of the Company’s common stock, may be obtained without charge through the Company’s Internet site <http://www.envirostarinc.com> as soon as reasonably practicable after such materials are filed with, or furnished to, the SEC.

### **Products**

The Company sells a broad line of commercial and industrial laundry and drycleaning equipment and steam and hot water boilers manufactured by others, as well as related replacement parts and accessories and provides maintenance services.

The commercial and industrial laundry equipment distributed by the Company features all washroom, finishing, material handling, and mechanical equipment. These products include washers and dryers, tunnel systems and coin-operated machines, many of which are designed to reduce utility and water consumption and all finishing equipment including sheet feeders, flatwork ironers, automatic sheet folders, stackers, and rail systems and hot water/steam systems.

The drycleaning equipment distributed by the Company includes commercial drycleaning machines, most of which, including the Company’s proprietary Green-Jet® dry-wetcleaning machine, are environmentally friendly because they eliminate the use of perchloroethylene (Perc) in the drycleaning process, thereby eliminating the health and environmental concerns that Perc poses to customers and their landlords. This line of products also includes garment presses, finishing equipment, sorting and storage conveyors and accessories.

Boiler products consist of high efficiency, low emission steam boilers, steam systems and hot water systems that are used in the laundry and drycleaning industry for temperature control, heating, pressing and de-wrinkling and in the healthcare industry, food and beverage industry and in other industrial markets for sterilization, product sealing and other purposes.

The Company also sells replacement parts and accessories for the products it sells and provides maintenance services to its customers.

The products sold by the Company are positioned and priced to appeal to customers in each of the high-end, mid-range and value priced markets. These products are offered in a wide range of price points to address the needs of a diverse customer base. Suggested prices for most of the Company’s equipment range from approximately \$5,000 to \$1,000,000. The products supplied by the Company afford the Company’s customers a “one-stop shop” for commercial and industrial laundry and drycleaning machines, boilers and accessories. By providing “one-stop” shopping, the Company believes it is better able to attract and support potential customers who can choose from the Company’s broad product line. The products and parts sold by the Company and the maintenance services provided by the Company accounted for approximately 99% of revenues in each of the years ended June 30, 2012 (“fiscal 2012”) and June 30, 2011 (“fiscal 2011”).

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In addition, the Company, under the name DRYCLEAN USA®, currently franchises and licenses drycleaning stores in the United States, the Caribbean and Latin America. During each of fiscal 2012 and fiscal 2011, the Company's license and franchise segment contributed less than 1% of the Company's revenues. During the fourth quarter of fiscal 2011, the Company established a small office in Mexico, as a subsidiary of DRYCLEAN USA License Corp., to seek to expand the number of area franchises and increase sales in Mexico.

DRYCLEAN USA Development Corp. enters into leases for new drycleaning establishments for resale to third parties. In recent years, this area of business has not produced any revenues and has been kept as a dormant subsidiary.

### **Customers and Markets**

The Company's customer base consists of approximately 1,700 customers in the United States, the Caribbean and Latin America. The Company's commercial and industrial laundry equipment and boilers are sold primarily to laundry plants, hotels, motels, cruise lines, hospitals, hospital combines, nursing homes, government institutions, distributors and specialized users. Drycleaning equipment is sold primarily to independent and franchise drycleaning stores, chains and higher-end hotels. No customer accounted for more than 10% of the Company's revenues during fiscal 2012 and 2011.

### **Sales, Marketing and Customer Support**

The laundry and drycleaning equipment products and boilers marketed by the Company are sold to its customers in the United States, the Caribbean and Latin America, as well as customers of its DRYCLEAN USA® licensing subsidiary. The Company employs sales executives to market its proprietary and distributed products in the United States and in international markets. A substantial portion of sales orders for equipment and replacement parts and accessories are obtained by telephone, e-mail and fax inquiries originated by the customer or by the Company, and significant repeat sales are derived from existing customers. The Company supports product sales through its website and by advertising in trade publications, participating in trade shows and engaging in regional promotions and sales incentive programs.

The Company seeks to establish customer satisfaction by offering:

- competitive pricing;
- maintenance of a comprehensive replacement parts and accessories inventory, often with same day or overnight availability;
- design and layout services;
- a toll-free support line and technical website to resolve customer service problems; and
- service and on-site training performed by factory trained technicians.

The Company trains its employees to provide service and customer support. The Company uses specialized classroom training, instructional videos and vendor sponsored seminars to educate employees about product information. In addition, the Company's technical staff has prepared comprehensive training manuals, written in English and Spanish, relating to specific training procedures. The Company's technical personnel are continuously retrained as new technology is developed.

### **Foreign Sales**

For fiscal 2012 and fiscal 2011, export revenues, principally to the Caribbean and Latin America, aggregated approximately \$4,918,000 and \$4,739,000, respectively, of which approximately \$4,748,000 and \$4,629,000, respectively, related to commercial and industrial laundry and drycleaning equipment and boilers.

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All of the Company's export sales require the customer to make payment in United States dollars. Foreign sales may be affected by the strength of the United States dollar relative to the currencies of the countries in which customers and competitors are located, as well as the strength of the economies of the countries in which the Company's customers are located.

### **Sources of Supply**

The Company purchases laundry, drycleaning machines, boilers and other products from a number of manufacturers and suppliers. Two of these manufacturers accounted for approximately 35% and 24%, respectively, of the Company's purchases for fiscal 2012. These manufacturers accounted for approximately 35% and 15%, respectively, of the Company's purchases for fiscal 2011. The major manufacturers of the products sold by the Company are Pellerin Milnor Corporation, Chicago Dryer Company, American Dryer Corp, Cleaver Brooks Inc., Fulton Boiler Works, Inc. and Unipress Corporation. Historically, the Company has not experienced difficulty in purchasing products it distributes, and believes it has good working relationships with those from which it purchases products.

While the Company has a formal contract with only a few of the manufacturers of the products sold by it, it has established long-standing relationships with these manufacturers. The Company's management believes its relationships with manufacturers and suppliers provide the Company with a substantial competitive advantage, including exclusivity for certain products in certain areas and favorable prices and terms. The loss of certain of these vendor relationships could adversely affect the Company's business.

Due to special options and features on most of the larger and more expensive equipment ordered by customers, in most instances, the Company purchases the equipment sold by it after its receipt of the orders from its customers. However, the Company also maintains an inventory of more standardized and smaller physical sized equipment that often requires more rapid delivery to meet customer needs. The Company's close working relationship with its manufacturers and suppliers enables the Company to adjust orders and delivery schedules rapidly and efficiently to reflect any change in customer demands.

The Company's current bank revolving credit facility includes a \$250,000 foreign exchange contract subfacility for the purpose of enabling the Company to mitigate its currency exposure, through spot foreign exchange and forward exchange contracts, with respect to certain equipment it imports. There were no open foreign exchange contracts as of June 30, 2012 and 2011.

### **Competition**

The commercial and industrial laundry, drycleaning equipment and boiler distribution business is highly competitive and fragmented, with over 100 full-line or partial-line equipment distributors in the United States. The Company's management believes that no one distributor has a major share of the market; substantially all distributors are independently owned; and, with the exception of several regional distributors, distributors operate primarily in local markets. In Florida, the Company's principal domestic market, the Company's primary competition is from a number of full line distributors and several manufacturers, which sell direct. In the export market, the Company competes with distributors and manufacturers as well. Competition is based primarily on price, product quality, delivery and support services provided to the customer. In all geographic areas, the Company competes by offering an extensive product selection, value-added services, such as product inspection and quality assurance, a toll-free customer support line and technical website, reliability, warehouse location, price, competitive special features and, with respect to certain products, exclusivity from the manufacturer.

As a franchisor/licensor of retail drycleaning stores, DRYCLEAN USA License Corp. competes with several other franchisors and turn-key suppliers of drycleaning stores primarily on the basis of trademark recognition and reputation.

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### **Research and Development**

Research and development expense has become minimal as most of the Company's products are distributed for manufacturers that perform their own research and development.

### **Patents and Trademarks**

The Company is the owner of United States service mark registrations for the names Enviro-Star®, Aero-Tech®, Multi-Jet® and Green-Jet®, which are used in connection with its laundry and drycleaning equipment, and of DRYCLEAN USA®, which is licensed by it to retail drycleaning establishments. The Company intends to use and protect these or related service marks, as necessary. The Company believes its trademarks and service marks have significant value and are an important factor in the marketing of its products.

### **Compliance with Environmental and Other Government Laws and Regulations**

Over the past several decades federal, state and local governments in the United States and various other countries have enacted environmental protection laws in response to public concerns about the environment, including with respect to perchloroethylene (Perc), the primary cleaning agent historically used in the commercial and industrial drycleaning process. A number of industries, including the commercial and industrial drycleaning and laundry equipment industries, are subject to these evolving laws and implementing regulations. As a supplier to the industry, the Company serves customers who are primarily responsible for compliance with environmental regulations. Among the United States federal laws that the Company believes are applicable to the industry are the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), which provides for the investigation and remediation of hazardous waste sites; the Resource Conservation and Recovery Act of 1976, as amended ("RCRA"), which regulates the generation and transportation of hazardous waste as well as its treatment, storage and disposal; and the Occupational Safety and Health Administration Act ("OSHA"), which regulates exposure to toxic substances and other health and safety hazards in the workplace. Most states and a number of localities have laws that regulate the environment which are at least as stringent as the federal laws. In Florida, for example, in which a significant amount of the Company's drycleaning and laundry equipment sales are made, environmental matters are regulated by the Florida Department of Environmental Protection which generally follows the United States government's Environmental Protection Agency's ("EPA") policy in the EPA's implementation of CERCLA and RCRA and closely adheres to OSHA's standards.

The Company does not believe that compliance with Federal, state and local environmental and other laws and regulations which have been adopted have had, or will have, a material effect on its capital expenditures, earnings or competitive position.

The Company is also subject to Federal Trade Commission (the "FTC") regulations and various state laws regulating the offer and sale of franchises. The FTC and various state laws require the Company to, among other things, furnish to prospective franchisees a franchise disclosure document containing prescribed information. Certain states in the United States require separate filings in order to offer and sell franchises in those states. The Company believes that it is in compliance in all material respects with these laws.

### **Employees**

The Company currently employs 29 employees on a full-time basis. None of the Company's employees are subject to a collective bargaining agreement, nor has the Company experienced any work stoppages. The Company believes that its relations with employees are satisfactory.



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**Item 1A. Risk Factors.**

Not applicable.

**Item 1B. Unresolved Staff Comments.**

None.

**Item 2. Properties.**

The Company's executive offices and the main distribution center for its products are housed in two leased adjacent facilities totaling approximately 38,000 square feet in Miami, Florida. The Company believes its facilities are adequate for its present and anticipated future needs. The following table sets forth certain information concerning the leases at these facilities:

<u>Facility</u>	<u>Approximate Sq. Ft.</u>	<u>Expiration</u>
Miami, Florida (1)	27,000	October 2014
Miami, Florida	11,000	December 2014 (2)

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(1) Leased from the Sheila Steiner Revocable Trust. The trustees of this trust are Sheila Steiner, her husband, William K. Steiner, and her son, Michael S. Steiner. William K. Steiner is Chairman of the Board of Directors and a director of the Company and Michael S. Steiner is President and a director of the Company. Michael Steiner, individually, is also a principal shareholder of the Company.

(2) The Company has one remaining three year renewal option.

**Item 3. Legal Proceedings.**

The Company is not a party to any material pending legal proceedings.

**Item 4. Mine Safety Disclosures.**

Not applicable.

PART II

**Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

The Company’s Common Stock is traded on the NYSE MKT under the symbol “EVI.” The following table sets forth, for the Company’s Common Stock, the high and low sales prices on the NYSE MKT as reported by NYSE MKT, for the periods reflected below.

	<u>High</u>	<u>Low</u>
<u>Fiscal 2012</u>		
First Quarter	\$ 1.39	\$ 1.03
Second Quarter	1.51	1.18
Third Quarter	1.76	1.20
Fourth Quarter	1.41	1.16
<u>Fiscal 2011</u>		
First Quarter	\$ 1.18	\$ 1.05
Second Quarter	1.20	1.02
Third Quarter	1.52	1.07
Fourth Quarter	1.44	1.02

As of September 21, 2012, there were approximately 311 holders of record of the Company’s Common Stock.

On November 11, 2011, the Company’s Board of Directors declared a \$.05 per share special dividend, amounting to \$351,687, which was paid on December 12, 2011 to shareholders of record on November 28, 2011.

The Company is a party to a Loan and Security Agreement with a commercial bank, which, among other things, provides that the Company may declare or pay dividends only to the extent that the dividend payment would not reasonably likely result in a failure by the Company to maintain specified consolidated debt service or short-term debt to equity ratios.

The Company did not sell any equity securities during the year ended June 30, 2012 that were not registered under the Securities Act of 1933, as amended. The Company did not purchase any shares of its common stock during the fourth quarter of fiscal 2012.

**Item 6. Selected Financial Data.**

Not applicable.

**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

**General**

The following discussion should be read in conjunction with the Consolidated Financial Statements and Notes thereto which appear in Item 8 of this Report.

**Overview**

Revenues for fiscal 2012 increased by 5.3% over fiscal 2011, however, net earnings decreased by 15.3%. The decrease in earnings for the year is attributed to increased expenses needed to reorganize the Company's license operations in Mexico and full year expenses for an expanded sales staff. The Company believes that these investments in staff will strengthen the Company and provide greater returns during fiscal 2013. Gross profit margins decreased slightly mostly due to product mix. Foreign sales increased by 3.8%. Markets have begun to stabilize and new orders are trending higher. As a result, the Company expects to begin fiscal 2013 with an increased backlog.

Inventories at June 30, 2012 were 3.5% higher than at year end fiscal 2011, which were needed to support the higher incoming sales rate. Cash decreased by \$379,080 to \$6,527,940 mostly due to the \$.05 per share special dividend (an aggregate of \$351,687) paid in December 2011.

Prospects for fiscal 2013 appear favorable as the economy continues to improve and credit is becoming more available. In August 2012, the Company received a number of large contracts on which the Company had submitted favorable bids. These contracts, which are scheduled to be shipped in fiscal 2013, have substantially increased the Company's subsequent backlog. With a strong financial position and an experienced and reorganized sales staff, the Company is hopeful it will improve its performance in fiscal 2013.

**Liquidity and Capital Resources**

For the twelve month period ended June 30, 2012, cash decreased by \$379,080 compared to an increase of \$845,642 during fiscal 2011.

The following table summarizes the Company's Consolidated Statement of Cash Flows:

Net cash provided (used) by:	Years Ended June 30,	
	2012	2011
Operating activities	\$ 38,053	\$ 868,997
Investing activities	\$ (65,446)	\$ (23,355)
Financing activities	\$ (351,687)	\$ —

For the twelve month period ended June 30, 2012, operating activities provided cash of \$38,053 compared to \$868,997 of cash provided by operating activities in fiscal 2011.

Cash provided by operating activities in fiscal 2012 was primarily provided by the Company's net earnings of \$511,689 and non-cash expenses for depreciation and amortization of \$49,924, bad debt expenses of \$26,269 and a benefit of \$25,752 in deferred income taxes. Additional cash was provided by a decrease in leases and mortgages receivables of \$31,313 and deferred income of \$20,000. These increases in cash were offset by an increase in accounts and trade notes receivables of \$199,551 as shipments were heavy during the last month of fiscal 2012 and payments were not yet due. Cash of \$81,059 was used to increase inventories to support new orders. In addition a decrease of \$98,683 in accounts payable and accrued expenses represents early payments to vendors so that discounts could be realized. Cash was also used to decrease accrued employee expenses by \$56,748. Income taxes payable and refundable income taxes used cash of \$66,247. Customer deposits decreased by \$99,928 due to shipments made in the third quarter from the Company's backlog while newer orders did not require deposits due to their smaller size. Other assets used cash of \$25,197 in the normal course of business.

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Cash provided by operating activities in fiscal 2011 was primarily provided by the Company's net earnings of \$603,773 and by an increase of \$389,728 in customer deposits. The increase in customer deposits resulted from increased orders which trended higher than sales during the period. Cash was also provided by non-cash expenses for depreciation and amortization of \$55,872, bad debts of \$10,511 and a benefit of \$36,382 in deferred income taxes. Other changes in operating assets and liabilities providing cash were increases in income taxes payable of \$41,451 and accrued employee expenses of \$22,007 and decreases in leases and mortgages receivable of \$10,913 and other current assets of \$11,161. The primary use of cash in fiscal 2011 was an increase in inventories of \$416,857, partially offset by a \$208,008 increase in accounts payable and accrued expenses representing unpaid invoices not yet due to support the increase in inventories. Other uses of cash consisted of a \$52,964 increase in accounts and trade notes receivable and a reduction of \$50,988 in inventory reserves. This reserve was placed against returned inventory in prior years which the Company resold during the first quarter of fiscal 2011.

Investing activities used cash of \$65,446 and \$23,355 for the years ended June 30, 2012 and 2011, respectively, mostly for capital expenditures.

Financing activities used cash of \$351,687 in fiscal 2012 to pay dividends. There were no expenditures in financing activities during fiscal 2011.

The Company's original \$2,250,000 revolving line of credit facility expired on October 31, 2011. Due to a change in ownership at the Company's former lender as a result of the acquisition of the former lender by a new lender, a new line of credit facility was entered into on November 16, 2011. The new credit facility provides a revolving line of credit that entitles the Company to borrow, from time to time, up to \$2,250,000, including a \$1,000,000 standby letter of credit sub-facility for the purchase of inventory and a \$250,000 foreign exchange contract sub-facility. The Company's obligations under the new facility are guaranteed by the Company's subsidiaries and collateralized by substantially all of the Company's and its subsidiaries' assets. No amounts were outstanding under either facility at June 30, 2012 and 2011, nor were there any amounts outstanding at any time during fiscal 2012 or 2011. The new facility requires maintenance of certain debt service coverage and leverage ratios and contained other restrictive covenants, including limitations on the extent to which the Company and its subsidiaries could incur additional indebtedness, pay dividends, guarantee indebtedness of others, grant liens, sell assets and make investments. The Company was in compliance with these covenants at June 30, 2012 and 2011.

The Company believes that its existing cash, cash equivalents, net cash from operations and sources of liquidity will be sufficient to fund its operations and anticipated capital expenditures for at least the next twelve months and to meet its long term liquidity needs.

### **Off-Balance Sheet Financing**

The Company has no off-balance sheet financing arrangements within the meaning of Item 303(a)(4) of Regulation S-K.

### **Results of Operations**

	Year Ended June 30,		
	2012	2011	
Net sales	\$22,075,970	\$20,963,876	+5.3%
Development fees, franchise and license fees, commissions and other	381,119	361,851	+5.3%
<b>Total revenues</b>	<b>\$22,457,089</b>	<b>\$21,325,727</b>	<b>+5.3%</b>

Net sales for the year ended June 30, 2012 increased by \$1,112,094 (5.3%) over fiscal 2011.

For the twelve month period ended June 30, 2012, equipment and parts sales increased by 6.6% and 4.6%, respectively, over fiscal 2011 attributable to a reorganized sales staff which enabled the Company to have greater penetration of its territory. Although the economy is still unstable, new orders have been trending higher, increasing the Company's backlog at year end 2012 compared to 2011. During the year foreign sales also increased by 3.8%.

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Revenues of development fees, franchising and license fees, commission and other income increased by \$19,268 (5.3%) in fiscal 2012 when compared to fiscal 2011. The improvement can be attributed to the reorganization of our Mexican licensing operations and an increase in equipment restocking charges, which offset a substantial commission received in fiscal 2011 on a sale by another distributor for an installation in the Company's territory.

	Year Ended June 30,	
	2012	2011
<i>As a percentage of net sales:</i>		
Cost of sales, net	76.7%	76.4%
<i>As a percentage of revenues:</i>		
Selling, general and administrative expenses	21.0%	20.4%
Total expenses	96.4%	95.5%

Cost of goods sold, expressed as a percentage of sales, increased to 76.7% in fiscal 2012 from 76.4% in fiscal 2011. The percentage varies slightly from year to year due to the mix of products sold.

Selling, general and administrative expenses increased by \$364,308 (8.4%) in fiscal 2012 from fiscal 2011, and increased as a percentage of revenues to 21.0% from 20.4%. The increase was mostly attributable to the increase in payroll expenses as a result of the reorganization and expansion of the sales staff. Also contributing to the increase were stockholder expenses, as the Company now must adhere to XBRL reporting requirements, and professional fees. Offsetting these increases in administrative expenses were decreases in office expenses, service engineering and travel and entertainment expenses.

Interest income decreased by \$2,171 (10.0%) in fiscal 2012 from fiscal 2011, mostly due to lower prevailing interest rates.

The Company's effective income tax rate increased to 38.2% in fiscal 2012 from 38.1% in fiscal 2011. The slight variation in percentage reflects changes in both permanent and temporary adjustments to taxable income.

### **Inflation**

Inflation has not had a significant effect on the Company's operations during any of the reported periods.

### **Transactions with Related Parties**

The Company leases 27,000 square feet of warehouse and office space from the Sheila Steiner Revocable Trust. The trustees of this trust are Sheila Steiner, her husband, William K. Steiner, and her son, Michael S. Steiner. William K. Steiner is Chairman of the Board of Directors and a director of the Company and Michael S. Steiner is President and a director of the Company. Michael Steiner, individually, is also a principal shareholder of the Company. Annual rental expense under this lease was approximately \$119,600 in fiscal 2012 and \$116,100 in fiscal 2011. The lease was for an original three year term which commenced on November 1, 2005, with two three-year renewal options in favor of the Company. The Company has exercised the second renewal option, extending the lease until October 31, 2014. The lease provides for annual rent increases commencing November 1, 2006 of 3% over the rent in the prior year. The Company bears the cost of real estate taxes, utilities, maintenance, non-structural repairs and insurance. The Company believes that the terms of the lease are comparable to terms that would be obtained from an unaffiliated third party for similar property in a similar locale.

In fiscal 2012 and 2011, the Company paid a law firm, in which a director is Senior Counsel, approximately \$59,300 and \$44,300, respectively, for legal services performed.

## **Critical Accounting Policies**

Securities and Exchange Commission Financial Reporting Release No. 60 encourages all companies to include a discussion of critical accounting policies or methods used in the preparation of financial statements. Management believes the following critical accounting policies affect the significant judgments and estimates used in the preparation of the Company's financial statements:

### **Use of Estimates**

The preparation of consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management evaluates these estimates, including those related to allowances for doubtful accounts receivable, leases and mortgages, the carrying value of inventories and long-lived assets, the timing of revenue recognition for initial license and franchise fees from sales of franchise arrangements and continuing license and franchise service fees, as well as sales returns. Management bases these estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the recognition of revenues and expenses and the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

### **Revenue Recognition and Accounts and Trade Notes Receivable**

Products are generally shipped Freight on Board (FOB) from the Company's warehouse or drop shipped from the Company's Vendor FOB, at which time risk of loss and title passes to the purchaser. Revenue is recognized when there is persuasive evidence of the arrangement, delivery has occurred, the price is fixed and determinable, and collectability is reasonably assured. In some cases, the Company collects non-income related taxes, including sales and use tax, from its customers and remits those taxes to governmental authorities. The Company presents revenues net of these taxes. Shipping, delivery and handling fee income is included in revenues in the consolidated financial statements. Shipping, delivery and handling costs are included in cost of sales.

Commissions and development fees are recorded when earned, generally when the services are performed or the transaction is closed. Individual franchise arrangements include a license and provide for payment of initial fees, as well as continuing royalties.

Initial franchise fees are generally recorded upon the opening of the franchised store, which is evidenced by a certificate from the franchisee, indicating that the store has opened, and collectability is reasonably assured. Continuing royalties represent regular contractual payments received for the use of the "DRYCLEAN USA" marks, which are recognized as revenue when earned, generally on a straight line basis.

Accounts and trade notes receivable are customer obligations due under normal trade terms. The Company sells its products primarily to independent and franchise dry clean stores and chains, laundry plants, hotels, motels, cruise lines, hospitals, nursing homes, government institutions and distributors. The Company performs continuing credit evaluations of its customers' financial condition and, depending on the term of credit, the amount of the credit granted and management's past history with a customer, the Company may require the customer to grant a security interest in the purchased equipment as collateral for the receivable. Senior management reviews accounts and trade notes receivable on a regular basis to determine if any such amounts will potentially be uncollectible. The Company includes any balances that are determined to be uncollectible, along with a general reserve based on older aged amounts, in its overall allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off. Based on the information available to management, it believes the Company's allowance for doubtful accounts as of June 30, 2012 and 2011 is adequate. However, actual write-offs might exceed the recorded allowance.

### **Franchise License, Trademark and Other Intangible Assets**

Franchise licenses, trademarks, patents and trade names are stated at cost less accumulated amortization. Those assets are amortized on a straight-line basis over the estimated future periods to be benefited (10-15 years). Patents are amortized over the shorter of the patents' useful life or legal life from the date such patents are granted. The Company reviews the recoverability of intangible assets based primarily upon an analysis of undiscounted cash flows from the intangible assets. In the event the expected future net cash flows should become less than the carrying amount of the assets, an impairment loss will be recorded in the period the determination is made based on the fair value of the related assets.

### **Income Taxes**

The Company follows Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 740, "Income Taxes" ("ASC 740"). Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under ASC 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. If it is more likely than not that some portion of a deferred tax asset will not be realized, a valuation allowance is recognized.

Significant judgment is required in developing the Company's provision for income taxes, deferred tax assets and liabilities and any valuation allowances that might be required against the deferred tax assets. Management evaluates its ability to realize its deferred tax assets on a quarterly basis and adjusts its valuation allowance when it believes that it is more likely that the asset will not be realized.

The Company follows ASC Topic 740-10-25, "Accounting for Uncertainty in Income Taxes," which contains a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments and which may not accurately anticipate actual outcomes. The Company does not believe that there are any unrecognized tax benefits related to certain tax positions taken on its various income tax returns. The Company continues to remain subject to examination by U.S. federal and state authorities for the years 2008 through 2011.

**Recently Adopted Accounting Guidance:**

In January 2010, the FASB issued ASU 2010-06, “Fair Value Measurements and Disclosures (ASC 820): Improving Disclosures about Fair Value Measurements” (“ASU 2010-06”). ASU 2010-06 amends ASC Topic 820 and clarifies and provides additional disclosure requirements on the transfers of assets and liabilities between Level 1 (quoted prices in active market for identical assets or liabilities) and Level 2 (significant other observable inputs) of the fair value measurement hierarchy, including the reasons for and the timing of the transfers. Additionally, the guidance requires a roll forward of activities on purchases, sales, issuance, and settlements of the assets and liabilities measured using significant unobservable inputs (Level 3 fair value measurements). ASU 2010-06 became effective for the Company beginning July 1, 2010, except for the gross presentation of the Level 3 roll forward, which was required for annual reporting periods beginning July 1, 2011 and for interim reporting periods thereafter. Early application was permitted and comparative disclosures were not required in the period of initial adoption. The adoption of ASU 2010-06 did not have a material impact on the Company’s consolidated financial statements.

In July 2010, the FASB issued ASU 2010-20, “Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Loss” (“ASU 2010-20”). ASU 2010-20 amends ASC 310, “Receivables” to enhance disclosures about the credit quality of financing receivables and the allowance for credit losses by requiring an entity to provide a greater level of disaggregated information and to disclose credit quality indicators, past due information, and modifications of its financing receivables. ASU 2010-20 is effective for interim or annual fiscal years for the Company beginning January 1, 2011. The Company’s adoption of ASU 2010-20 did not have a material impact on its consolidated financial statements.

In April 2011, the FASB issued ASU 2011-02, “Receivables (Topic 310): A Creditor’s Determination of Whether a Restructuring Is a Troubled Debt Restructuring” (“ASU 2011-02”). ASU 2011-02 provides additional guidance clarifying when the restructuring of a receivable should be considered a troubled debt restructuring. The additional guidance provided by ASU 2011-02 is for determining whether a creditor has granted a concession and whether the debtor is experiencing financial difficulty. ASU 2011-02 also ends the deferral of activity-based disclosures related to troubled debt restructurings. The Company adopted ASU 2011-02 in the third quarter of 2011. The adoption of ASU 2011-02 did not impact the Company’s consolidated financial statements.

In May 2011, the FASB issued ASU 2011-04, “Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs” (“ASU 2011-04”). ASU 2011-04 amends ASC 820, providing a consistent definition and measurement of fair value, as well as similar disclosure requirements between U.S. GAAP and International Financial Reporting Standards. ASU 2011-04 changes certain fair value measurement principles, clarifies the application of existing fair value measurement and expands the ASC 820 disclosure requirements, particularly for Level 3 fair value measurements. ASU 2011-04 is effective for interim and annual periods beginning after December 15, 2011. The adoption of ASU 2011-04 did not have a material impact on the Company’s consolidated financial statements.



**Item 7A. Quantitative and Qualitative Disclosures About Market Risks.**

All of the Company's export sales require the customer to make payment in United States dollars. Foreign sales may be affected by the strength of the United States dollar relative to the currencies of the countries in which their customers and competitors are located, as well as the strength of the economies of the countries in which the Company's customers are located. The Company has, at times in the past, paid certain suppliers in Euros. The Company's bank revolving credit facility contains a \$250,000 foreign exchange subfacility for this purpose. The Company had no foreign exchange contracts outstanding at June 30, 2012 and 2011.

**Item 8. Financial Statements and Supplementary Data.**

EnviroStar, Inc. and Subsidiaries

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Board of Directors and Shareholders of  
EnviroStar, Inc. and Subsidiaries:  
Miami, Florida

We have audited the accompanying consolidated balance sheets of EnviroStar, Inc. and Subsidiaries (the "Company") as of June 30, 2012 and 2011, and the related consolidated statements of operations, shareholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company was not required to have, nor were we engaged to perform, an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of EnviroStar, Inc. and Subsidiaries as of June 30, 2012 and 2011 and the consolidated results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ Mallah Furman

Fort Lauderdale, Florida  
September 21, 2012

June 30,	2012	2011
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 6,527,940	\$ 6,907,020
Accounts and trade notes receivable, net of allowance for doubtful accounts of \$155,000 and \$165,000, respectively	1,400,773	1,227,491
Inventories, net	2,371,444	2,290,904
Leases and mortgages receivable, net	33,073	68,740
Refundable income taxes	18,700	—
Deferred income taxes	119,463	124,431
Other current assets	84,225	59,028
	66	9
Total current assets	10,555,618	10,677,614
Leases and mortgages receivable – due after one year	38,323	33,969
Equipment and improvements, net	185,703	156,792
Intangible assets, net	65,890	79,279
Deferred income taxes	27,063	47,847
Total assets	\$ 10,872,597	\$ 10,995,501
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 922,371	\$ 1,021,054
Accrued employee expenses	564,734	621,482
Income taxes payable	—	47,547
Deferred income	20,000	—
Customer deposits	1,068,827	1,168,755
Total current liabilities	2,575,932	2,858,838
Total liabilities	2,575,932	2,858,838
Commitments and contingencies	—	—
<b>Shareholders' equity</b>		
Preferred stock, \$1.00 par value:		
Authorized shares – 200,000; none issued and outstanding	—	—
Common stock, \$0.025 par value:		
Authorized shares – 15,000,000; 7,065,500, shares issued, including shares held in treasury	176,638	176,638
Additional paid-in capital	2,095,069	2,095,069
Retained earnings	6,028,896	5,868,894
Treasury stock, 31,768 shares, at cost	(3,938)	(3,938)
Total shareholders' equity	8,296,665	8,136,663
Total liabilities and shareholders' equity	\$ 10,872,597	\$ 10,995,501

*The accompanying notes are an integral part of these consolidated financial statements.*

Consolidated Statements of Operations

<i>Years ended June 30,</i>	<b>2012</b>	2011
<b>Revenues:</b>		
Net sales	\$ 22,075,970	\$ 20,963,876
Development fees, franchise and license fees, commission income and other revenue	381,119	361,851
<b>Total</b>	<b>22,457,089</b>	21,325,727
<b>Cost of sales, net</b>		
<b>Selling, general and administrative expenses</b>	<b>4,720,666</b>	4,356,358
<b>Total</b>	<b>21,648,351</b>	20,372,250
<b>Operating income</b>	<b>808,738</b>	953,477
<b>Other income and expense:</b>		
Interest income	19,457	21,628
Earnings before provision for income taxes	828,195	975,105
Provision for income taxes	316,506	371,332
<b>Net earnings</b>	<b>\$ 511,689</b>	\$ 603,773
<b>Net earnings per share – basic and diluted</b>	<b>\$ .07</b>	\$ .09
Weighted average number of basic and diluted common shares outstanding	7,033,732	7,033,732

*The accompanying notes are an integral part of these consolidated financial statements.*

## Consolidated Statements of Shareholders' Equity

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Treasury Stock</u>		<u>Retained Earnings</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>		<u>Shares</u>	<u>Cost</u>		
Balance at June 30, 2010	7,065,500	\$ 176,638	\$ 2,095,069	31,768	\$ (3,938)	\$ 5,265,121	\$ 7,532,890
Net earnings	—	—	—	—	—	603,773	603,773
Balance at June 30, 2011	7,065,500	176,638	2,095,069	31,768	(3,938)	5,868,894	8,136,663
Dividends paid (\$0.05 per share)	—	—	—	—	—	(351,687)	(351,687)
Net earnings	—	—	—	—	—	511,689	511,689
Balance at June 30, 2012	7,065,500	\$ 176,638	\$ 2,095,069	31,768	\$ (3,938)	\$ 6,028,896	\$ 8,296,665

*The accompanying notes are an integral part of these consolidated financial statements.*

Consolidated Statements of Cash Flows

Years ended June 30,	2012	2011
<b>Operating activities:</b>		
Net earnings	\$ 511,689	\$ 603,773
Adjustments to reconcile net earnings to net cash and cash equivalents provided (used) by operating activities:		
Depreciation and amortization	49,924	55,872
Bad debt expense	26,269	10,511
Inventory reserve	519	(50,988)
Provision for deferred income taxes	25,752	36,382
(Increase) decrease in operating assets:		
Accounts and trade notes receivables	(199,551)	(52,964)
Inventories	(81,059)	(416,857)
Leases and mortgages receivable	31,313	10,913
Refundable income taxes	(18,700)	—
Other current assets	(25,197)	11,161
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(98,683)	208,008
Accrued employee expenses	(56,748)	22,007
Income taxes payable	(47,547)	41,451
Deferred income	20,000	—
Customer deposits	(99,928)	389,728
<b>Net cash provided by operating activities</b>	<b>38,053</b>	<b>868,997</b>
<b>Investing activities:</b>		
Capital expenditures	(65,446)	(23,355)
<b>Net cash used by investing activities</b>	<b>(65,446)</b>	<b>(23,355)</b>
<b>Financing activities:</b>		
Dividends paid	(351,687)	—
<b>Net cash used by financing activities</b>	<b>(351,687)</b>	<b>—</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(379,080)</b>	<b>845,642</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>6,907,020</b>	<b>6,061,378</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 6,527,940</b>	<b>\$ 6,907,020</b>
<b>Supplemental Information:</b>		
Cash paid for income taxes	\$ 357,000	\$ 293,500

*The accompanying notes are an integral part of these consolidated financial statements.*

**1. Summary of Significant Accounting Policies**

**Nature of Business** EnviroStar, Inc. and Subsidiaries (collectively, the “Company”) sell commercial and industrial laundry and dry cleaning equipment, steam and hot water boilers manufactured by other, as well as replacement parts and accessories and provides maintenance services. The Company also sells individual and area franchises under the DRYCLEAN USA name and develops new turn-key dry cleaning establishments for resale to third parties.

The Company primarily sells to customers located in the United States, the Caribbean and Latin America.

**Principles of Consolidation** The accompanying consolidated financial statements include the accounts of EnviroStar, Inc. and its wholly-owned subsidiaries. Intercompany transactions and balances have been eliminated in consolidation.

**Revenue Recognition** Products are generally shipped Freight on Board (FOB) from the Company’s warehouse or drop shipped from the Company’s Vendor FOB, at which time risk of loss and title passes to the purchaser. Revenue is recognized when there is persuasive evidence of the arrangement, delivery has occurred, the price is fixed and determinable and collectability is reasonably assured. In some cases, the Company collects non-income related taxes, including sales and use tax, from its customers and remits those taxes to governmental authorities. The Company presents revenues net of these taxes. Shipping, delivery and handling fee income of approximately \$867,000 and \$740,000 for the years ended June 30, 2012 and 2011, respectively, is included in revenues in the consolidated financial statements. Shipping, delivery and handling costs are included in cost of sales.

Individual franchise arrangements include a license and provide for payment of initial fees, as well as continuing royalties. Initial franchise fees are generally recorded upon the opening of the franchised store, which is evidenced by a certificate from the franchisee, indicating that the store has opened, and collectability is reasonably assured. Continuing royalties represent regular contractual payments received for the use of the “DRYCLEAN USA” marks, which are recognized as revenue when earned, generally on a straight line basis. Royalty fees recognized during the years ended June 30, 2012 and 2011 were approximately \$210,000 and \$145,000, respectively.

Commissions and development fees are recorded when earned, generally when the services are performed or the transaction is closed.

**Accounts and Trade Notes Receivable** Accounts and trade notes receivable are customer obligations due under normal trade terms. The Company sells its products primarily to independent and franchise dry cleaning stores and chains, laundry plants, hotels, motels, cruise lines, hospitals, nursing homes, government institutions and distributors. The Company performs continuing credit evaluations of its customers’ financial condition and, depending on the terms of credit, the amount of the credit granted and management’s history with a customer, the Company may require the customer to grant a security interest in the purchased equipment as collateral for the receivable. Senior management reviews accounts and trade notes receivable on a regular basis to determine if any amounts will potentially be uncollectible. The Company includes any balances that are determined to be uncollectible, along with a general reserve, in its overall allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off. The Company’s allowance for doubtful accounts was \$155,000 and \$165,000 at June 30, 2012 and 2011, respectively. However, actual write-offs might vary from the recorded allowance.

<b>Leases and Mortgages Receivable</b>	The Company sells products to certain customers under lease and mortgage arrangements for terms typically ranging from one to five years. The Company accounts for these sales-type leases according to the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 840, “Leases,” and, accordingly, recognizes current and long-term leases and mortgages receivable, net of unearned income, on the accompanying consolidated balance sheets. The present value of all payments is recorded as sales and the related cost of the equipment is charged to cost of sales. The associated interest is recorded over the term of the lease or mortgage using the effective interest method.
<b>Inventories</b>	Inventories consist principally of equipment and spare parts. Equipment is valued at the lower of cost, determined on the specific identification method, or market. Spare parts are valued at the lower of average cost or market.
<b>Equipment, Improvements and Depreciation</b>	Property and equipment are stated at cost. Depreciation and amortization are calculated on accelerated and straight-line methods over lives of five to seven years for furniture and equipment and the lesser of ten years or the life of the lease for leasehold improvements for financial reporting purpose. Repairs and maintenance costs are expensed as incurred.
<b>Franchise License, Trademark and Other Intangible Assets</b>	The Company follows ASC Topic 350, “Intangibles – Goodwill and Other” (“ASC 350”), which requires that finite-lived intangibles be amortized over their estimated useful life while indefinite-lived intangibles and goodwill are not amortized. Franchise license, trademark, and other finite-lived intangible assets are stated at cost less accumulated amortization, and are amortized on a straight-line basis over the estimated future periods to be benefited (10-15 years). Patents are amortized over the shorter of the patent’s useful life or legal life from the date the patent is granted.
<b>Asset Impairments</b>	ASC Topic 360, “Property, Plant, and Equipment” (“ASC 360”) and ASC 350 require the Company to periodically review the carrying amounts of its long-lived assets, including property, plant and equipment and certain identifiable intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If the assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of their carrying amount or fair value less estimated costs to sell. The Company has concluded that there was no impairment of long-lived assets in fiscal 2012 or fiscal 2011.
<b>Cash Equivalents</b>	Cash equivalents include all highly liquid investments with original maturities of three months or less.
<b>Estimates</b>	The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



<b>Earnings Per Share</b>	Basic earnings per share are computed on the basis of the weighted average number of common shares outstanding during each year. Diluted earnings per share are computed on the basis of the weighted average number of common shares and dilutive securities outstanding during each year. The Company had no dilutive securities outstanding during fiscal 2012 or fiscal 2011.
<b>Advertising Costs</b>	The Company expenses the cost of advertising as of the first date an advertisement is run. The Company expensed approximately \$66,000 and \$64,000 of advertising costs for the years ended June 30, 2012 and 2011, respectively.
<b>Fair Value of Financial Instruments</b>	The Company's financial instruments consist principally of cash and cash equivalents, accounts and trade notes receivable, accounts payable and accrued expenses. Due to their relatively short-term nature or variable rates, the carrying amounts of those financial instruments, as reflected in the accompanying consolidated balance sheets, approximate their estimated fair value. Their estimated fair value is not necessarily indicative of the amounts the Company could realize from those assets in a current market exchange or of future earnings or cash flows.
<b>Customer Deposits</b>	Customer deposits represent advances paid by certain customers when placing orders for equipment with the Company.
<b>Income Taxes</b>	<p>The Company follows ASC Topic 740, "Income Taxes" ("ASC 740"). Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under ASC 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. If it is more likely than not that some portion of a deferred tax asset will not be realized, a valuation allowance is recognized.</p> <p>Significant judgment is required in developing the Company's provision for income taxes, deferred tax assets and liabilities and any valuation allowances that might be required against the deferred tax assets. Management evaluates its ability to realize its deferred tax assets on a quarterly basis and adjusts its valuation allowance when it believes that it is more likely than not that the asset will not be realized. There were no valuation allowances during fiscal 2012 or fiscal 2011.</p> <p>The Company follows ASC Topic 740-10-25 "Accounting for Uncertainty in Income" which contains a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments and which may not accurately anticipate actual outcomes. The Company does not believe that there are any unrecognized tax benefits related to certain tax positions taken on its various income tax returns. The Company continues to remain subject to examination by U.S. federal and state authorities for the years 2008 through 2011.</p>

<b>Subsequent Events</b>	<p>In August 2012, the Company received a number of large contracts on which the Company had submitted favorable bids. These contracts, which are scheduled to be shipped in fiscal 2013, have substantially increased the Company's subsequent backlog. There were no other material subsequent events in the Company's evaluation of events and transactions that occurred after June 30, 2012</p>
<b>Recently Adopted Accounting Guidance</b>	<p>In January 2010, the FASB issued ASU 2010-06, "Fair Value Measurements and Disclosures (ASC 820): Improving Disclosures about Fair Value Measurements" ("ASU 2010-06"). ASU 2010-06 amends ASC 820 and clarifies and provides additional disclosure requirements on the transfers of assets and liabilities between Level 1 (quoted prices in active market for identical assets or liabilities) and Level 2 (significant other observable inputs) of the fair value measurement hierarchy, including the reasons for and the timing of the transfers. Additionally, the guidance requires a roll forward of activities on purchases, sales, issuance, and settlements of the assets and liabilities measured using significant unobservable inputs (Level 3 fair value measurements). ASU 2010-06 became effective for the Company beginning July 1, 2010, except for the gross presentation of the Level 3 roll forward, which was required for annual reporting periods beginning July 1, 2011 and for interim reporting periods thereafter. Early application was permitted and comparative disclosures were not required in the period of initial adoption. The adoption of ASU 2010-06 did not have a material impact on the Company's consolidated financial statements.</p> <p>In July 2010, the FASB issued ASU 2010-20, "Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Loss" ("ASU 2010-20"). ASU 2010-20 amends ASC Topic 310, "Receivables" to enhance disclosures about the credit quality of financing receivables and the allowance for credit losses by requiring an entity to provide a greater level of disaggregated information and to disclose credit quality indicators, past due information, and modifications of its financing receivables. ASU 2010-20 is effective for interim or annual fiscal years for the Company beginning January 1, 2011. The Company's adoption of ASU 2010-20 did not have a material impact on its consolidated financial statements.</p> <p>In April 2011, the FASB issued ASU 2011-02, "Receivables (Topic 310): A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring" ("ASU 2011-02"). ASU 2011-02 provides additional guidance clarifying when the restructuring of a receivable should be considered a troubled debt restructuring. The additional guidance provided by ASU 2011-02 is for determining whether a creditor has granted a concession and whether the debtor is experiencing financial difficulty. ASU 2011-02 also ends the deferral of activity-based disclosures related to troubled debt restructurings. The Company adopted ASU 2011-02 in the third quarter of 2011. The adoption of ASU 2011-02 did not impact the Company's consolidated financial statements.</p> <p>In May 2011, the FASB issued ASU 2011-04, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs" ("ASU 2011-04"). ASU 2011-04 amends ASC Topic 820, providing a consistent definition and measurement of fair value, as well as similar disclosure requirements between U.S. GAAP and International Financial Reporting Standards. ASU 2011-04 changes certain fair value measurement principles, clarifies the application of existing fair value measurement and expands the ASC Topic 820 disclosure requirements, particularly for Level 3 fair value measurements. ASU 2011-04 is effective for interim and annual periods beginning after December 15, 2011. The adoption of ASU 2011-04 did not have a material impact on the Company's consolidated financial statements</p>

**2. Inventories**

Inventories are comprised of:

<i>June 30,</i>	<b>2012</b>	2011
Equipment	<b>\$1,473,053</b>	\$1,403,654
Parts	<b>969,881</b>	958,221
	<b>2,442,934</b>	2,361,875
Less reserve	<b>(71,490)</b>	(70,971)
	<b>\$2,371,444</b>	\$2,290,904

The Company has established reserves of \$71,490 and \$70,971 as of June 30, 2012 and 2011, respectively, against slow moving inventory. For the years ended June 30, 2012 and 2011, the Company wrote-down approximately \$14,500 and \$4,400, respectively, in slow moving inventory.

**3. Equipment and Improvements**

Major classes of equipment and improvements consist of the following:

<i>June 30,</i>	<b>2012</b>	2011
Furniture and equipment	<b>\$ 518,761</b>	\$ 463,543
Leasehold improvements	<b>375,012</b>	375,012
	<b>893,773</b>	838,555
Less accumulated depreciation and amortization	<b>(708,070)</b>	(681,763)
	<b>\$ 185,703</b>	\$ 156,792

Depreciation and amortization of equipment and improvements amounted to \$36,535 and \$39,512 for the years ended June 30, 2012 and 2011, respectively.

**4. Intangible Assets, net**

Franchise license, trademarks and other intangible assets consist of the following:

	<i>Estimated Useful Lives (in years)</i>	<b>June 30, 2012</b>	June 30, 2011
Franchise license agreements	10	<b>\$ 529,500</b>	\$ 529,500
Trademarks, patents and Tradenames	10-15	<b>230,129</b>	230,129
		<b>759,629</b>	759,629
Less accumulated amortization		<b>(693,739)</b>	(680,350)
		<b>\$ 65,890</b>	\$ 79,279

Amortization expense was \$13,389 in fiscal 2012 and \$16,360 in fiscal 2011.

Based on the carrying amount of intangibles as of June 30, 2012, and assuming no future impairment of the underlying assets, the estimated future amortization at the end of each fiscal year is as follows:

<i>Years ending June 30,</i>	
2013	<b>\$ 12,891</b>
2014	<b>12,396</b>
2015	<b>8,348</b>
2016	<b>6,785</b>
2017	<b>6,468</b>
2018-2020	<b>19,002</b>
Total	<b>\$ 65,890</b>

- 5. Leases and Mortgages Receivable** Leases and mortgages receivable result from customer leases of equipment under arrangements which qualify as sales type leases. At June 30, 2012 and 2011, future lease payments, net of deferred interest (\$18,694 and \$14,100 at June 30, 2012 and 2011, respectively), due under these leases was \$71,396 and \$102,709, respectively.

- 6. Income Taxes** The following are the components of income taxes:

<i>Years ended June 30,</i>	<b>2012</b>	2011
<b>Current</b>		
Federal	<b>\$248,257</b>	\$285,994
State	<b>42,497</b>	48,956
	<b>290,754</b>	334,950
<b>Deferred</b>		
Federal	<b>21,988</b>	31,064
State	<b>3,764</b>	5,318
	<b>25,752</b>	36,382
	<b>\$316,506</b>	\$371,332

The reconciliation of income tax expense computed at the Federal statutory tax rate of 34% to the provision for income taxes is as follows:

<i>Years ended June 30,</i>	<b>2012</b>	2011
Tax at the statutory rate	<b>\$281,586</b>	\$331,536
State income taxes, net of federal benefit	<b>30,064</b>	35,396
Other	<b>4,856</b>	4,400
	<b>\$316,506</b>	\$371,332
Effective tax rate	<b>38.2%</b>	38.1%

Deferred income taxes reflect the net tax effect of temporary differences between the bases of assets and liabilities for financial reporting purposes and the bases used for income tax purposes. Significant components of the Company's current and noncurrent deferred tax assets and liabilities are as follows:

<i>Years ended June 30,</i>	<b>2012</b>	2011
<b>Current deferred tax assets:</b>		
Allowance for doubtful accounts	<b>\$ 58,327</b>	\$ 62,090
Inventory capitalization	<b>34,234</b>	35,634
Inventory reserves	<b>26,902</b>	26,707
	<b>119,463</b>	124,431
<b>Noncurrent deferred tax assets (liabilities):</b>		
Equipment and improvements	<b>(1,890)</b>	5,035
Franchise, trademarks and other intangible assets	<b>28,953</b>	42,812
	<b>27,063</b>	47,847
<b>Total net deferred income tax assets</b>	<b>\$146,526</b>	\$172,278

As of June 30, 2012, the Company was subject to potential Federal and State tax examinations for the tax years 2008 through 2011.

- 7. Credit Agreement and Term Loan** The Company is a party to a bank loan agreement which provides the Company with a revolving credit facility of \$2,250,000, including a \$1,000,000 letter of credit subfacility and \$250,000 foreign exchange subfacility. Borrowings under the revolving credit facility bear interest at 2.50% per annum above the Adjusted LIBOR Market Index Rate, are guaranteed by all of the Company's subsidiaries and are collateralized by substantially all of the Company's and its subsidiaries' assets. The revolving credit facility matures October 30, 2012. During fiscal 2012 and fiscal 2011, there were no borrowings, letters of credit or foreign exchange contracts outstanding under the line of credit. The loan agreement requires maintenance of certain debt service coverage and leverage ratios and contains other restrictive covenants, including limitations on the extent to which the Company and its subsidiaries may incur additional indebtedness, pay dividends, guarantee indebtedness of others, grant liens, sell assets and make investments. The Company was in compliance with these covenants at June 30, 2012 and 2011.
- 8. Related Party Transactions** The Company leases warehouse and office space under an operating lease from the Sheila Steiner Revocable Trust. The trustees of this trust are Sheila Steiner, her husband, William K. Steiner, and her son, Michael S. Steiner. William K. Steiner is Chairman of the Board of Directors and a director of the Company and Michael S. Steiner is President and a director of the Company. Michael Steiner, individually, is also a principal shareholder of the Company.
- The lease was for an original three year term which commenced on November 1, 2005, with two three-year renewal options in favor of the Company. The Company has exercised the second renewal option, extending the lease until October 31, 2014. The lease provides for annual rent increases commencing November 1, 2006 of 3% over the rent in the prior year. The Company bears the cost of real estate taxes, utilities, maintenance, non-structural repairs and insurance. The Company believes that the terms of the lease are comparable to terms that would be obtained from an unaffiliated third party for similar property in a similar locale. Annual rental expense under this lease was approximately \$119,600 in fiscal 2012 and \$116,100 in fiscal 2011.
- The Company paid a law firm, in which a director is Senior Counsel, approximately \$59,300 and \$44,300 in fiscal 2012 and 2011, respectively, for legal services performed.
- 9. Concentrations of Credit Risk** Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, accounts and trade receivables and leases and mortgages receivable. The Company maintains its cash and cash equivalents, including a money market account, at a large bank. At times, the bank deposits may exceed Federal Deposit Insurance Corporation (FDIC) limits. Concentrations of credit risk with respect to trade receivables are limited due to a large customer base. Also, based on the Company's credit evaluation, trade receivables are often collateralized by the equipment sold.

**10. Commitments** In addition to the warehouse and office space leased from the Sheila Steiner Revocable Trust (see Note 8), the Company leases an additional warehouse facility from an unrelated third party under an operating lease expiring in December 2014. Minimum future rental commitments for both leases approximate the following:

<i>Years ending June 30,</i>	
2013	<b>\$170,300</b>
2014	<b>174,000</b>
2015	<b>66,200</b>
2016	—
2017	—
<b>Total</b>	<b>\$410,500</b>

Rent expense under all leases aggregated approximately \$175,700 and \$163,700 for the years ended June 30, 2012 and 2011, respectively.

As of June 30, 2012, the Company had no outstanding letters of credit.

The Company, through its manufacturers, provides parts warranties for products sold. These warranties are the responsibility of the manufacturer. As such, warranty related expenses are insignificant to the consolidated financial statements.

**11. Retirement Plan** The Company has a participatory deferred compensation plan under which it matches employee contributions up to 2% of an eligible employee's yearly compensation. Employees are eligible to participate in the plan after one year of service. The Company contributed approximately \$13,800 and \$14,200 to the Plan during fiscal 2012 and fiscal 2011, respectively. The plan is qualified under Section 401(k) of the Internal Revenue Code.

**12. Segment Information** The Company's reportable segments are strategic businesses that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Steiner-Atlantic Corp., a wholly-owned subsidiary of the Company, and DRYCLEAN USA Development Corp., a wholly-owned indirect subsidiary of the Company, comprise the commercial and industrial laundry and dry cleaning equipment and boiler segment. Steiner-Atlantic Corp. sells commercial and industrial laundry and dry cleaning equipment and boilers to customers in the United States, the Caribbean and Latin American markets. DRYCLEAN USA Development Corp. enters into leases for resale to third parties for future dry cleaning stores. In recent years this area of business has not produced any revenues, but is kept as a subsidiary for future expansion.

DRYCLEAN USA License Corp., a wholly-owned subsidiary of the Company, comprises the license and franchise operations segment.

The Company primarily evaluates the operating performance of its segments based on the categories noted in the table below. The Company has no sales between segments.

Financial information for the Company's business segments is as follows:

<i>Year ended June 30,</i>	<b>2012</b>	2011
<b>Revenues:</b>		
Commercial and industrial laundry and dry cleaning equipment and boilers	<b>\$22,246,911</b>	\$21,179,160
License and franchise operations	<b>210,178</b>	146,567
<b>Total revenues</b>	<b>\$22,457,089</b>	\$21,325,727
<b>Operating income (loss):</b>		
Commercial and industrial laundry and dry cleaning equipment and boilers	<b>\$ 1,083,807</b>	\$ 1,165,367
License and franchise operations	<b>44,193</b>	96,383
Corporate	<b>(319,262)</b>	(308,273)
<b>Total operating income</b>	<b>\$ 808,738</b>	\$ 953,477
<b>Identifiable assets:</b>		
Commercial and industrial laundry and dry cleaning equipment and boilers	<b>\$10,105,561</b>	\$10,293,717
License and franchise operations	<b>594,212</b>	522,012
Corporate	<b>172,824</b>	179,772
<b>Total assets</b>	<b>\$10,872,597</b>	\$10,995,501

For the years ended June 30, 2012 and 2011, export revenues, principally to the Caribbean and Latin America, aggregated approximately \$4,918,000 and \$4,739,000, respectively, of which approximately \$4,748,000 and \$4,629,000, respectively, related to the commercial and industrial laundry, dry cleaning equipment and boiler segment. All such sales are denominated in U.S. Dollars and, accordingly, the Company is not exposed to risks of foreign currency fluctuations as a result of such sales.

No customer accounted for more than 10% of the Company's revenues in either fiscal 2012 or fiscal 2011.

**Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.**

Not applicable.

**Item 9A. Controls and Procedures.**

**Evaluation of Disclosure Controls and Procedures**

As of the end of the period covered by this report, management of the Company, with the participation of the Company's principal executive officer and the Company's principal financial officer, evaluated the effectiveness of the Company's "disclosure controls and procedures." As defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), "disclosure controls and procedures" means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Based on that evaluation, the Company's principal executive officer and principal officer concluded that, as of the date of their evaluation, the Company's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's periodic filings under the Exchange Act is accumulated and communicated to the Company's management, including those officers, to allow timely decisions regarding required disclosure. It should be noted that a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that it will detect or uncover failures within the Company to disclose material information otherwise required to be set forth in the Company's periodic reports.

**Report of Management on Internal Control over Financial Reporting**

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. As defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act, "internal control over financial reporting" means a process designed by, or under the supervision of, a company's principal executive and principal financial officers, and effected by the company's board of directors, management and other personnel, to provide reasonable assurance, based on an appropriate cost-benefit analysis, to the company's management and Board of Directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the company; (2) provide reasonable assurance that the company's transactions are recorded as necessary to permit preparation of the company's financial statements in accordance with GAAP, and that receipts and expenditures of the company are being made only in accordance with authorizations of the company's management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of the unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the company's financial statements.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, the projection of any evaluation of effectiveness to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of June 30, 2012. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission in *Internal Control – Integrated Framework*. Based on its assessment, the Company's management concluded that, as of June 30, 2012, the Company's internal control over financial reporting is effective based on those criteria.



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An attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting is not required to be contained in this Report.

**Changes in Internal Control**

During the period covered by this Report, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

**Item 9B. Other Information.**

None.

PART III

**Item 10. Directors, Executive Officers and Corporate Governance.**

The information called for by this Item will be contained in the Company's definitive Proxy Statement with respect to the Company's 2012 Annual Meeting of Stockholders to be filed pursuant to Regulation 14A under the Securities Exchange Act of 1934, and is incorporated herein by reference to such information.

**Item 11. Executive Compensation.**

The information called for by this Item will be contained in the Company's definitive Proxy Statement with respect to the Company's 2012 Annual Meeting of Stockholders to be filed pursuant to Regulation 14A under the Securities Exchange Act of 1934, and is incorporated herein by reference to such information.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

The information called for by this Item will be contained in the Company's definitive Proxy Statement with respect to the Company's 2012 Annual Meeting of Stockholders to be filed pursuant to Regulation 14A under the Securities Exchange Act of 1934, and is incorporated herein by reference to such information.

**Item 13. Certain Relationships and Related Transactions, and Director Independence.**

The information called for by this Item will be contained in the Company's definitive Proxy Statement with respect to the Company's 2012 Annual Meeting of Stockholders to be filed pursuant to Regulation 14A under the Securities Exchange Act of 1934, and is incorporated herein by reference to such information.

**Item 14. Principal Accounting Fees and Services.**

The information called for by this Item will be contained in the Company's definitive Proxy Statement with respect to the Company's 2012 Annual Meeting of Stockholders to be filed pursuant to Regulation 14A under the Securities Exchange Act of 1934, and is incorporated herein by reference to such information.

PART IV

**Item 15. Exhibits and Financial Statement Schedules.**

<u>Exhibit No.</u>	<u>Description</u>
3(a)(1)	Certificate of Incorporation of the Company, as filed with the Secretary of State of the State of Delaware on June 13, 1963. (Exhibit 3.1(a) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 13, 2009, File No. 001-14757.)
3(a)(2)	Certificate of Amendment to the Certificate of Incorporation of the Company, as filed with the Secretary of State of the State of Delaware on March 27, 1968. (Exhibit 3.1(b) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 13, 2009, File No. 001-14757.)

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- 3(a)(3) Certificate of Amendment to the Certificate of Incorporation of the Company, as filed with the Secretary of State of the State of Delaware on November 4, 1983. (Exhibit 3.1(c) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 13, 2009, File No. 001-14757.)
- 3(a)(4) Certificate of Amendment to the Certificate of Incorporation of the Company, as filed with the Secretary of State of the State of Delaware on November 5, 1986. (Exhibit 3.1(d) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 13, 2009, File No. 001-14757.)
- 3(a)(5) Certificate of Change of Location of Registered Office and of Agent, as filed with the Secretary of State of the State of Delaware on December 31, 1986. (Exhibit 3.1(e) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 13, 2009, File No. 001-14757.)
- 3(a)(6) Certificate of Amendment to the Company's Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware on October 30, 1998. (Exhibit 3.1(f) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 13, 2009, File No. 001-14757.)
- 3(a)(7) Certificate of Amendment to the Company's Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware on November 5, 1999. (Exhibit 3.1(g) to the Company's Current Report on Form 8-K (date of earliest event reported) November 13, 2009, File No. 001-14757.)
- 3(a)(8) Certificate of Amendment to the Company's Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware on November 13, 2009. (Exhibit 3.1(h) to the Company's Current Report on Form 8-K (date of earliest event reported) November 13, 2009, File No. 001-14757.)
- 3(b) By-Laws of the Company, as amended. (Exhibit 3(b) to the Company's Annual Report on Form 10-K for the year ended June 30, 2010, File No. 001-14757.)
- 4(a)(1)(A) Loan and Security Agreement, dated as of December 19, 2001, from the Company in favor of Wachovia Bank, National Association, formerly named First Union National Bank ("Wachovia"). (Exhibit 4.1(a) to the Company's Quarterly Report on Form 10-QSB for the quarter ended December 31, 2001, File No. 001-14757.)
- 4(a)(1)(B) Letter, dated September 23, 2002, between the Company and Wachovia (Exhibit 4(a)(1)(B) to the Company's Annual Report on Form 10-KSB for the year ended June 30, 2002, File No. 001-14757.)
- 4(a)(1)(C) Letter, dated October 11, 2002, between the Company and Wachovia (Exhibit 4.01 to the Company's Quarterly Report on Form 10-QSB for the quarter ended September 30, 2002, File No. 001-14757.)
- 4(a)(1)(D) Letter, dated October 22, 2003, between the Company and Wachovia (Exhibit 4.01 to the Company's Quarterly Report on Form 10-QSB for the quarter ended September 30, 2003. File No. 001-14757.)
- 4(a)(1)(E) Letter, dated October 28, 2004, between the Company and Wachovia, extending the Company's revolving credit facility. (Exhibit 4.01 to the Company's Current Report on Form 8-K dated (date of earliest event reported) October 28, 2004, File No. 001-14757.)

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4(a)(1)(F)

Letter, dated October 28, 2004, between the Company and Wachovia, eliminating the borrowing base restriction on borrowings under the Company's revolving credit facility. (Exhibit 4.02 to the Company's Current Report on Form 8-K dated (date of earliest event reported) October 28, 2004, File No. 001-14757.)

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- 4(a)(1)(G) Letter, dated as of October 30, 2005, from Wachovia. (Exhibit 4.01 to the Company's Current Report on Form 8-K dated (date of earliest event reported) October 31, 2005, File No. 001-14757.)
- 4(a)(1)(H) Letter, dated as of October 30, 2005, from Wachovia. (Exhibit 4.02 to the Company's Current Report on Form 8-K dated (date of earliest event reported) October 31, 2005, File No. 001-14757.)
- 4(a)(1)(I) Letter, dated as of October 16, 2006, from Wachovia. (Exhibit 4.02 to the Company's Current Report on Form 8-K dated (date of earliest event reported) October 23, 2006, File No. 001-14757.)
- 4(a)(1)(J) Letter, dated as of October 18, 2007, from Wachovia. (Exhibit 4.02 to the Company's Current Report on Form 8-K dated (date of earliest event reported) October 22, 2007, File No. 001-14757.)
- 4(a)(1)(K) Letter, dated October 10, 2008, from Wachovia. (Exhibit 4.01 to the Company Current Report on Form 8-K dated (date of earliest event reported) September 29, 2008, File No. 001-14757.)
- 4(a)(1)(L) Letter, dated October 27, 2009, from Wachovia. (Exhibit 4.01 to the Company Current Report on Form 8-K dated (date of earliest event reported) November 3, 2009, File No. 001-14757.)
- 4(a)(1)(M) Letter, dated October 29, 2010, from Wachovia. (Exhibit 4.01 to the Company Current Report on Form 8-K dated (date of earliest event reported) November 2, 2010, File No. 001-14757.)
- 4(a)(2) Revolving Credit Note, dated as of December 19, 2001, from the Company in favor of Wachovia. (Exhibit 4.1(c) to the Company's Quarterly Report on Form 10-QSB for the quarter ended December 31, 2001, File No. 001-14757.)
- 4(a)(3) Guaranty and Security Agreement, dated as of December 19, 2001, from Steiner-Atlantic Corp., Steiner-Atlantic Brokerage Company, DRYCLEAN USA Development Corp. and DRYCLEAN USA License Corp., subsidiaries of the Company, in favor of Wachovia. (Exhibit 4.1(d) to the Company's Quarterly Report on Form 10-QSB for the quarter ended December 31, 2001, File No. 001-14757.)
- 4(a)(4)(A) Credit Agreement, dated November 16, 2011, between Company and Wells Fargo Bank, National Association. ("Wells Fargo") (Exhibit 4.1(a) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 16, 2011, File No. 001-14757.)
- 4(a)(4)(B) Revolving Line of Credit Note, dated November 16, 2011, from the Company to Wells Fargo. (Exhibit 4.1(b) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 16, 2011, File No. 001-14757.)
- 4(a)(4)(C) Security Agreement, dated November 16, 2011, from the Company to Wells Fargo. (Exhibit 4.1(c) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 16, 2011, File No. 001-14757.)
- 4(a)(4)(D) Continuing Guaranty, dated November 16, 2011, by Steiner-Atlantic Corp. in favor of Wells Fargo. (Exhibit 4.1(d) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 16, 2011, File No. 001-14757.)

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4(a)(4)(E)	Security Agreement, dated November 16, 2011, from the Steiner-Atlantic Corp. to Wells Fargo. (Exhibit 4.1(e) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 16, 2011, File No. 001-14757.)
4(a)(4)(F)	Continuing Guaranty, dated November 16, 2011, by DRYCLEAN USA License Corp. in favor of Wells Fargo. (Exhibit 4.1(f) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 16, 2011, File No. 001-14757.)
4(a)(4)(G)	Security Agreement, dated November 16, 2011, from the DRYCLEAN USA License Corp. to Wells Fargo. (Exhibit 4.1(g) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 16, 2011, File No. 001-14757.)
10(a)(1)	Commercial lease dated September 9, 2005 between Steiner - Atlantic Corp. and William K. Steiner with respect to Steiner's facilities located at 290 NE 68 Street, 297 NE 67 Street and 277 NE 67 Street, Miami, Florida. (Exhibit 10(a)(1) to the Company's Annual Report on Form 10-K for the year ended June 30, 2011, File No. 001-14757.)
10(a)(2)	Letter, dated as of September 29, 2008, from the Company's wholly-owned subsidiary, Steiner-Atlantic Corp., to Sheila Steiner and William Steiner exercising an option to extend lease. (Exhibit 10(a)(2) to the Company's Annual Report on Form 10-K for the year ended June 30, 2011, File No. 001-14757.)
10(a)(3)	Letter, dated as of September 23, 2011, from the Company's wholly-owned subsidiary, Steiner-Atlantic Corp., to Sheila Steiner Revocable Trust exercising an option to extend lease. (Exhibit 10(a)(3) to the Company's Annual Report on Form 10-K for the year ended June 30, 2011, File No. 001-14757.)
10(a)(4)(A)	Stockholders' Agreement, dated as of October 13, 2011, between the co-trustees of the William K. Steiner Revocable Trust and Michael S. Steiner. (Exhibit 1(a) to Schedule 13D dated March 14, 2012 of Robert M. Steiner, File No. 005-30014).
10(a)(4)(B)	Amendment to and Joinder in Stockholders' Agreement, dated March 6, 2012, by Michael S. Steiner and Robert M. Steiner. (Exhibit 1(b) to Schedule 13D dated March 14, 2012 of Robert M. Steiner, File No. 005-30014).
14	Code of Ethics for Principal Executive Officer and Senior Financial Officers. (Exhibit 14 to the Company's Annual Report on Form 10-KSB for the year ended June 20, 2004, File No. 001-14757.)
21	Subsidiaries of the Company. (Exhibit 21 to the Company's Annual Report on Form 10-KSB for the year ended June 30, 2001, File No. 001-14757.)
*31(a)	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 promulgated under the Securities Exchange Act of 1934.

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- \*31(b) Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 promulgated under the Securities Exchange Act of 1934.
- \*32(a) Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- \*32(b) Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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\* Filed with this Report. All other exhibits are incorporated herein by reference to the filing indicated in the parenthetical reference following the exhibit description.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

EnviroStar, Inc.

Dated: September 21, 2012

By: /s/ Michael S. Steiner

Michael S. Steiner

President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Capacity</u>	<u>Date</u>
<u>/s/ Michael S. Steiner</u> Michael S. Steiner	President, Chief Executive Officer (Principal Executive Officer) and Director	September 21, 2012
<u>/s/ Venerando J. Indelicato</u> Venerando J. Indelicato	Chief Financial Officer (Principal Financial and Accounting Officer) and Director	September 21, 2012
<u>/s/ David Blyer</u> David Blyer	Director	September 21, 2012
<u>/s/ Lloyd Frank</u> Lloyd Frank	Director	September 21, 2012
<u>/s/ Alan M. Grunspan</u> Alan M. Grunspan	Director	September 21, 2012
<u>/s/ William K. Steiner</u> William K. Steiner	Director	September 21, 2012
<u>/s/ Stuart Wagner</u> Stuart Wagner	Director	September 21, 2012



EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
3(a)(1)	Certificate of Incorporation of the Company, as filed with the Secretary of State of the State of Delaware on June 13, 1963. (Exhibit 3.1(a) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 13, 2009, File No. 001-14757.)
3(a)(2)	Certificate of Amendment to the Certificate of Incorporation of the Company, as filed with the Secretary of State of the State of Delaware on March 27, 1968. (Exhibit 3.1(b) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 13, 2009, File No. 001-14757.)
3(a)(3)	Certificate of Amendment to the Certificate of Incorporation of the Company, as filed with the Secretary of State of the State of Delaware on November 4, 1983. (Exhibit 3.1(c) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 13, 2009, File No. 001-14757.)
3(a)(4)	Certificate of Amendment to the Certificate of Incorporation of the Company, as filed with the Secretary of State of the State of Delaware on November 5, 1986. (Exhibit 3.1(d) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 13, 2009, File No. 001-14757.)
3(a)(5)	Certificate of Change of Location of Registered Office and of Agent, as filed with the Secretary of State of the State of Delaware on December 31, 1986. (Exhibit 3.1(e) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 13, 2009, File No. 001-14757.)
3(a)(6)	Certificate of Amendment to the Company's Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware on October 30, 1998. (Exhibit 3.1(f) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 13, 2009, File No. 001-14757.)
3(a)(7)	Certificate of Amendment to the Company's Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware on November 5, 1999. (Exhibit 3.1(g) to the Company's Current Report on Form 8-K (date of earliest event reported) November 13, 2009, File No. 001-14757.)
3(a)(8)	Certificate of Amendment to the Company's Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware on November 13, 2009. (Exhibit 3.1(h) to the Company's Current Report on Form 8-K (date of earliest event reported) November 13, 2009, File No. 001-14757.)
3(b)	By-Laws of the Company, as amended. (Exhibit 3(b) to the Company's Annual Report on Form 10-K for the year ended June 30, 2010, File No. 001-14757.)
4(a)(1)(A)	Loan and Security Agreement, dated as of December 19, 2001, from the Company in favor of Wachovia Bank, National Association, formerly named First Union National Bank ("Wachovia"). (Exhibit 4.1(a) to the Company's Quarterly Report on Form 10-QSB for the quarter ended December 31, 2001, File No. 001-14757.)

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- 4(a)(1)(B) Letter, dated September 23, 2002, between the Company and Wachovia (Exhibit 4(a)(1)(B) to the Company's Annual Report on Form 10-KSB for the year ended June 30, 2002, File No. 001-14757.)
- 4(a)(1)(C) Letter, dated October 11, 2002, between the Company and Wachovia (Exhibit 4.01 to the Company's Quarterly Report on Form 10-QSB for the quarter ended September 30, 2002, File No. 001-14757.)
- 4(a)(1)(D) Letter, dated October 22, 2003, between the Company and Wachovia (Exhibit 4.01 to the Company's Quarterly Report on Form 10-QSB for the quarter ended September 30, 2003. File No. 001-14757.)
- 4(a)(1)(E) Letter, dated October 28, 2004, between the Company and Wachovia, extending the Company's revolving credit facility. (Exhibit 4.01 to the Company's Current Report on Form 8-K dated (date of earliest event reported) October 28, 2004, File No. 001-14757.)
- 4(a)(1)(F) Letter, dated October 28, 2004, between the Company and Wachovia, eliminating the borrowing base restriction on borrowings under the Company's revolving credit facility. (Exhibit 4.02 to the Company's Current Report on Form 8-K dated (date of earliest event reported) October 28, 2004, File No. 001-14757.)
- 4(a)(1)(G) Letter, dated as of October 30, 2005, from Wachovia. (Exhibit 4.01 to the Company's Current Report on Form 8-K dated (date of earliest event reported) October 31, 2005, File No. 001-14757.)
- 4(a)(1)(H) Letter, dated as of October 30, 2005, from Wachovia. (Exhibit 4.02 to the Company's Current Report on Form 8-K dated (date of earliest event reported) October 31, 2005, File No. 001-14757.)
- 4(a)(1)(I) Letter, dated as of October 16, 2006, from Wachovia. (Exhibit 4.02 to the Company's Current Report on Form 8-K dated (date of earliest event reported) October 23, 2006, File No. 001-14757.)
- 4(a)(1)(J) Letter, dated as of October 18, 2007, from Wachovia. (Exhibit 4.02 to the Company's Current Report on Form 8-K dated (date of earliest event reported) October 22, 2007, File No. 001-14757.)
- 4(a)(1)(K) Letter, dated October 10, 2008, from Wachovia. (Exhibit 4.01 to the Company Current Report on Form 8-K dated (date of earliest event reported) September 29, 2008, File No. 001-14757.)
- 4(a)(1)(L) Letter, dated October 27, 2009, from Wachovia. (Exhibit 4.01 to the Company Current Report on Form 8-K dated (date of earliest event reported) November 3, 2009, File No. 001-14757.)
- 4(a)(1)(M) Letter, dated October 29, 2010, from Wachovia. (Exhibit 4.01 to the Company Current Report on Form 8-K dated (date of earliest event reported) November 2, 2010, File No. 001-14757.)
- 4(a)(2) Revolving Credit Note, dated as of December 19, 2001, from the Company in favor of Wachovia. (Exhibit 4.1(c) to the Company's Quarterly Report on Form 10-QSB for the quarter ended December 31, 2001, File No. 001-14757.)

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- 4(a)(3) Guaranty and Security Agreement, dated as of December 19, 2001, from Steiner-Atlantic Corp., Steiner-Atlantic Brokerage Company, DRYCLEAN USA Development Corp. and DRYCLEAN USA License Corp., subsidiaries of the Company, in favor of Wachovia. (Exhibit 4.1(d) to the Company's Quarterly Report on Form 10-QSB for the quarter ended December 31, 2001, File No. 001-14757.)
- 4(a)(4)(A) Credit Agreement, dated November 16, 2011, between Company and Wells Fargo Bank, National Association. ("Wells Fargo") (Exhibit 4.1(a) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 16, 2011, File No. 001-14757.)
- 4(a)(4)(B) Revolving Line of Credit Note, dated November 16, 2011, from the Company to Wells Fargo. (Exhibit 4.1(b) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 16, 2011, File No. 001-14757.)
- 4(a)(4)(C) Security Agreement, dated November 16, 2011, from the Company to Wells Fargo. (Exhibit 4.1(c) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 16, 2011, File No. 001-14757.)
- 4(a)(4)(D) Continuing Guaranty, dated November 16, 2011, by Steiner-Atlantic Corp. in favor of Wells Fargo. (Exhibit 4.1(d) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 16, 2011, File No. 001-14757.)
- 4(a)(4)(E) Security Agreement, dated November 16, 2011, from the Steiner-Atlantic Corp. to Wells Fargo. (Exhibit 4.1(e) to the Company's Current Report on Form 8-K dated (date of earliest event reported) November 16, 2011, File No. 001-14757.)
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- 10(a)(2) Letter, dated as of September 29, 2008, from the Company's wholly-owned subsidiary, Steiner-Atlantic Corp., to Sheila Steiner and William Steiner exercising an option to extend lease. (Exhibit 10(a)(2) to the Company's Annual Report on Form 10-K for the year ended June 30, 2011, File No. 001-14757.)
- 10(a)(3) Letter, dated as of September 23, 2011, from the Company's wholly-owned subsidiary, Steiner-Atlantic Corp., to Sheila Steiner Revocable Trust exercising an option to extend lease. (Exhibit 10(a)(3) to the Company's Annual Report on Form 10-K for the year ended June 30, 2011, File No. 001-14757.)

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10(a)(4)(A)	Stockholders' Agreement, dated as of October 13, 2011, between the co-trustees of the William K. Steiner Revocable Trust and Michael S. Steiner. (Exhibit 1(a) to Schedule 13D dated March 14, 2012 of Robert M. Steiner, File No. 005-30014).
10(a)(4)(B)	Amendment to and Joinder in Stockholders' Agreement, dated March 6, 2012, by Michael S. Steiner and Robert M. Steiner. (Exhibit 1(b) to Schedule 13D dated March 14, 2012 of Robert M. Steiner, File No. 005-30014).
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*31(a)	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 promulgated under the Securities Exchange Act of 1934.
*31(b)	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 promulgated under the Securities Exchange Act of 1934.
*32(a)	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*32(b)	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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\* Filed with this Report. All other exhibits are incorporated herein by reference to the filing indicated in the parenthetical reference following the exhibit description.

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael S. Steiner, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended June 30, 2012 of EnviroStar, Inc.;
  2. Based on my knowledge, this 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 report;
  3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;
  4. The registrant's other certifying officer(s) 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 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 report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    - (d) Disclosed in this 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.
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5. The registrant's other certifying officer(s) 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: September 21, 2012

/s/ Michael S. Steiner

Michael S. Steiner  
President and Principal  
Executive Officer

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CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Venerando J. Indelicato, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended June 30, 2012 of EnviroStar, Inc.;
  2. Based on my knowledge, this 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 report;
  3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;
  4. The registrant's other certifying officer(s) 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 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 report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    - (d) Disclosed in this 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.
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5. The registrant's other certifying officer(s) 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: September 21, 2012

/s/ Venerando J. Indelicato

Venerando J. Indelicato  
Treasurer and Principal  
Financial Officer

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CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of EnviroStar, Inc. (the "Company") on Form 10-K for the year ended June 30, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael S. Steiner, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

September 21, 2012

/s/ Michael S. Steiner  
Michael S. Steiner  
Principal Executive Officer

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CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of EnviroStar, Inc. (the "Company") on Form 10-K for the year ended June 30, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Venerando J. Indelicato, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

September 21, 2012

/s/ Venerando J. Indelicato  
Venerando J. Indelicato  
Principal Financial Officer

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