UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark one)
☒ Quarterly Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2010

or

☐ Transition Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

For the transition period from _________ to _________

Commission File Number: 0-24277

CLARUS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	58-1972600
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

One Landmark Square
Stamford, Connecticut 06901
(Address of principal executive offices)
(Zip code)

(203) 428-2000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) YES ☐ NO ☒

As of April 23, 2010, there were outstanding 17,366,747 shares of common stock, par value $0.0001.

INDEX

CLARUS CORPORATION

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CLARUS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	March 31, 2010 (unaudited)	December 31, 2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 56,938	$ 58,363
Marketable securities	23,691	24,059
Interest receivable	3	6
Prepaids and other current assets	80	667
Total current assets	80,712	83,095
PROPERTY AND EQUIPMENT, NET	637	696
TOTAL ASSETS	$ 81,349	$ 83,791
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 1,500	$ 1,713
Total current liabilities	1,500	1,713
Deferred rent	458	446
Total liabilities	1,958	2,159
STOCKHOLDERS' EQUITY		
Preferred stock, $.0001 par value; 5,000,000 shares authorized; none issued	-	-
Common stock, $.0001 par value; 100,000,000 shares authorized; 17,441,747 and 17,441,747 shares issued and 17,366,747 and 17,366,747 outstanding in 2010 and 2009, respectively	2	2
Additional paid-in-capital	371,112	370,994
Accumulated deficit	(291,723)	(289,368)
Treasury stock, at cost	(2)	(2)
Accumulated other comprehensive gain	2	6
Total stockholders' equity	79,391	81,632
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 81,349	$ 83,791

SEE ACCOMPANYING NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

CLARUS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	THREE MONTHS ENDED MARCH 31, 2010	THREE MONTHS ENDED MARCH 31, 2009
OPERATING EXPENSES:		
General and administrative	$ 789	$ 923
Depreciation	79	89
Transaction costs	1,509	-
Total operating expenses	2,377	1,012
OPERATING LOSS	(2,377)	(1,012)
INTEREST INCOME	22	411
NET LOSS	$ (2,355)	$ (601)
Loss per common share:		
Basic	$ (0.14)	$ (0.04)
Diluted	$ (0.14)	$ (0.04)
Weighted average common shares outstanding:		
Basic	16,867	16,867
Diluted	16,867	16,867

SEE ACCOMPANYING NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

CLARUS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS
(UNAUDITED)
(IN THOUSANDS)

	THREE MONTHS ENDED MARCH 31, 2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (2,355)	$ (601)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation on property and equipment	79	89
Amortization of equity compensation plans	118	139
Amortization of discount on securities, net	(11)	(324)
Changes in operating assets and liablities:		
Decrease/(increase) in interest receivable, prepaids and other other current assets	590	(47)
Decrease in accounts payable and accrued liabilities	(213)	(195)
Increase in deferred rent	12	(1)
NET CASH USED IN OPERATING ACTIVITIES	(1,780)	(940)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of marketable securities	(9,140)	-
Proceeds from maturity of marketable securities	9,515	37,915
Purchase of equipment	(20)	(3)
NET CASH PROVIDED BY INVESTING ACTIVITIES	355	37,912
CASH FLOWS FROM FINANCING ACTIVITIES:		
	-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	-
CHANGE IN CASH AND CASH EQUIVALENTS	(1,425)	36,972
CASH AND CASH EQUIVALENTS, beginning of period	58,363	19,342
CASH AND CASH EQUIVALENTS, end of period	$ 56,938	$ 56,314
SUPPLEMENTAL DISCLOSURE:		
Cash paid for franchise and property taxes	$ 250	$ 70

SEE ACCOMPANYING NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

CLARUS CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements of Clarus Corporation and subsidiaries ("Clarus" or the "Company," which may be referred to as "we," "us," or "our") as of and for the three months ended March 31, 2010, have been prepared in accordance with accounting principles generally accepted in the United States of America and instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information in notes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of the unaudited condensed consolidated financial statements have been included. The results of the three months ended March 31, 2010 are not necessarily indicative of the results to be obtained for the year ending December 31, 2010. These interim financial statements should be read in conjunction with the Company's audited consolidated financial statements and footnotes thereto included in the Company's Form 10-K for the fiscal year ended December 31, 2009, filed with the Securities and Exchange Commission.

NOTE 2. ASSET REDEPLOYMENT STRATEGY

As part of our previously announced strategy to limit operating losses and enable the Company to redeploy its assets and use its substantial cash, cash equivalents and marketable securities to enhance stockholder value, on December 6, 2002, we sold substantially all of our electronic commerce business, which represented substantially all of our revenue-generating operations and related assets. During January 2003, we sold the assets relating to our Cashbook product representing the remainder of our operating assets.

The Company incurred $1,509,000 and zero, respectively, for transaction expenses in the first quarter of 2010 and 2009. Transaction expense consists primarily of professional fees and expenses related to due diligence, negotiation and documentation of acquisition, financing and related agreements for asset redeployment activities.

We are currently working to identify suitable merger partners or acquisition opportunities. Although we are not targeting specific business industries for potential acquisitions, we plan to seek businesses with substantial cash flow, experienced management teams, and operations in markets offering substantial growth opportunities.

NOTE 3. EARNINGS (LOSS) PER SHARE

Basic net (loss) per share was computed by dividing earnings (loss) on common stock by the weighted average number of common stock outstanding during each period. Diluted earnings per common share were computed by dividing earnings on common stock by the total of the weighted average number of shares of common stock outstanding during each period, plus the effect of outstanding stock options and restricted stock grants. The diluted net income (loss) per share for the three months ended March 31, 2010 and 2009 excludes incremental shares calculated using the treasury stock method, assumed from the conversion of stock options and 500,000 shares of restricted stock due to the net loss for the periods ended March 31, 2010 and 2009.

For the three months ended March 31, 2010, basic net loss per share attributable to common stockholders is the same as diluted net loss per share attributable to common stockholders because all potentially dilutive securities were anti-dilutive in computing diluted net loss per share for the period. Options to acquire 1,845,000 shares of common stock and 500,000 shares of restricted stock during the three months ended March 31, 2010, were outstanding, but not included in the calculation of weighted average number of diluted shares outstanding because the option and stock grant prices were higher than the average market price of the Company's common stock during the period. In addition, diluted net loss per share attributable to common stockholders would have excluded the potentially dilutive effect of options whose exercise prices were lower than the average market price of the Company's common stock during the three months ended March 31, 2010 and restricted stock, as their inclusion would have been anti-dilutive because the Company incurred losses during the period.

For the three months ended March 31, 2009, basic net loss per share attributable to common stockholders is the same as diluted net loss per share attributable to common stockholders because all potentially dilutive securities were anti-dilutive in computing diluted net loss per share for the period. Options to acquire 1,908,750 shares of common stock and 500,000 shares of restricted stock during the three months ended March 31, 2009, were outstanding, but not included in the calculation of weighted average number of diluted shares outstanding because the option and stock grant prices were higher than the average market price of the Company's common stock during the period. In addition, diluted net loss per share attributable to common stockholders would have excluded the potentially dilutive effect of options whose exercise prices were lower than the average market price of the Company's common stock during the three months ended March 31, 2009 and restricted stock, as their inclusion would have been anti-dilutive because the Company incurred losses during the period.

The following table is a reconciliation of basic and diluted shares outstanding used in the calculation of earnings per share:

	THREE MONTHS ENDED MARCH 31, 2010	THREE MONTHS ENDED MARCH 31, 2009
BASIC EARNINGS PER SHARE CALCULATION:		
Net loss	$ (2,355)	$ (601)
Weighted average common shares - basic	16,867	16,867
Basic net loss per share	$ (0.14)	$ (0.04)
DILUTED EARNINGS PER SHARE CALCULATION:		
Net loss	$ (2,355)	$ (601)
Weighted average common shares - basic	16,867	16,867
Effect of dilutive stock options	-	-
Effect of dilutive restricted stock	-	-
Weighted average common shares - diluted	16,867	16,867
Diluted net loss per share	$ (0.14)	$ (0.04)

NOTE 4. STOCK-BASED COMPENSATION PLAN

The Company adopted the 2005 Stock Incentive Plan (the "2005 Plan"), which was approved by stockholders at the Company's annual meeting in June 2005. Under the 2005 Plan, the Board of Directors has flexibility to determine the type and amount of awards to be granted to eligible participants, who must be employees of the Company or its subsidiaries, directors, officers or consultants to the Company. The 2005 Plan provides for grants of incentive stock options, nonqualified stock options, restricted stock awards, stock appreciation rights, and restricted units. As of March 31, 2010, the number of shares authorized and reserved for issuance under the 2005 Plan is 5.7 million, subject to an automatic annual increase equal to 4% of the total number of shares of Clarus' common stock outstanding. The aggregate number of shares of common stock that may be granted through awards under the 2005 Plan to any employee in any calendar year may not exceed 500,000 shares. The 2005 Plan will continue in effect until June 2015 unless terminated sooner. As of March 31, 2010, 748,750 stock options have been awarded under the plan, of which 90,000 are unvested and 658,750 are vested and eligible for exercise.

The Company recorded total non-cash stock compensation expense related to stock options and restricted stock as follows:

	THREE MONTHS ENDED MARCH 31, 2010	THREE MONTHS ENDED MARCH 31, 2009
Restricted Stock	$ 67,000	$ 67,000
Stock Options	51,000	72,000
Total	$ 118,000	$ 139,000

No options or restricted stock were granted during the three months ended March 31, 2010 or 2009.

A summary of the status of stock option grants as of March 31, 2009, and changes during the three months ended March 31, 2009, is presented below:

	Options	Weighted Average Exercise Price
Outstanding at December 31, 2009	1,968,750	$ 7.01
Granted	-	
Exercised	-	
Forfeited	-	
Outstanding at March 31, 2010	1,968,750	$ 7.01
Options exercisable at March 31, 2010	1,878,750	$ 7.06

The following table summarizes information about stock options outstanding as of March 31, 2010:

Exercise Price Range	Outstanding	Exercisable	Remaining Life In Years	Weighted Average Exercise Price
$3.85 - $ 4.45	123,750	123,750	5.7	$ 4.03
$4.46 - $10.00	1,845,000	1,755,000	5.3	$ 6.89
Total	1,968,750	1,878,750	5.5	$ 6.71

The fair value of unvested shares is determined based on the market price of our shares on the grant date. As of March 31, 2010, there were 90,000 unvested stock options and unrecognized compensation cost of $213,000 related to unvested stock options.

NOTE 5. COMPREHENSIVE INCOME (LOSS)

The Company utilizes SFAS No. 130 "Reporting Comprehensive Income." SFAS No. 130 establishes standards for reporting and presentation of comprehensive income (loss) and its components of net income (loss) and "Other Comprehensive Income (Loss)." "Other Comprehensive Income (Loss)" refers to revenues, expenses and gains and losses that are not included in net income (loss) but rather are recorded directly in stockholders' equity. The components of comprehensive income (loss) for the three months ended March 31, 2010 and 2009 were as follows:

	THREE MONTHS ENDED MARCH 31,	
(in thousands)	**2010**	**2009**
Net loss	$ (2,355)	$ (601)
Decrease in unrealized gain on marketable securities	(4)	(302)
Comprehensive loss	$ (2,359)	$ (903)

NOTE 6. CONTINGENCIES

We are not a party to nor are any of our properties subject to any pending legal, administrative or judicial proceedings other than routine litigation incidental to our business.

NOTE 7. NEW ACCOUNTING PRONOUNCEMENTS

There were no new accounting pronouncements for the three months ended March 31, 2010 that materially impacted the financial results or disclosures of the Company.

NOTE 8. RELATED PARTY TRANSACTIONS

In September 2003, the Company and Kanders & Company, an entity owned and controlled by the Company's Executive Chairman, Warren B. Kanders, entered into a 15-year lease with a five-year renewal option, as co-tenants with Kanders & Company to lease approximately 11,500 square feet in Stamford, Connecticut. Presently the Company pays $29,218 a month for its 75% portion of the lease. Kanders & Company pays $9,739 month for its 25% portion of the lease. Rent expense is recognized on a straight line basis. The lease provides the co-tenants with an option to terminate the lease in years eight and ten in consideration for a termination payment. The Company and Kanders & Company agreed to pay for their proportionate share of the build-out construction costs, fixtures, equipment and furnishings related to preparation of the space. In connection with the lease, the Company obtained a stand-by letter of credit in the amount of $850,000 to secure lease obligations for the Stamford facility. Kanders & Company reimburses the Company for a pro rata portion of the approximately $4,500 annual cost of the letter of credit.

The Company provides certain telecommunication, administrative and other office services as well as accounting and bookkeeping services to Kanders & Company that are reimbursed by Kanders & Company. Such services aggregated $35,700 during the quarter ended March 31, 2010 and $57,500 during the quarter ended March 31, 2009.

As of March 31, 2010, the Company had a net receivable of $12,100 from Kanders & Company. The amount due to and from Kanders & Company is included in prepaids and other current assets and accounts payable and accrued liabilities in the accompanying consolidated balance sheet. The outstanding amount was paid in April 2010. As of December 31, 2009, the Company had a net receivable of $52,000 from Kanders & Company. The amount due to and from Kanders & Company is included in prepaids and other current assets and accounts payable and accrued liabilities in the accompanying consolidated balance sheet. The outstanding amount was paid and received in the first quarter of 2010.

Until September 30, 2009, the Company previously provided certain telecommunication, administrative and other office services to Stamford Industrial Group, Inc. ("SIG") that were reimbursed by SIG. Warren B. Kanders, our Executive Chairman, also served as the Non-Executive Chairman of SIG. There were no services provided in the quarter ended March 31, 2010. Such services aggregated $11,300 during the quarter ended March 31, 2009.

As of March 31, 2010, the Company had no outstanding receivables from or payable to SIG. As of December 31, 2009, the Company had no outstanding receivables from or payables to SIG.

During the quarter ended March 31, 2010, the Company incurred charges of approximately $27,000 related to Kanders Aviation LLC ("Kanders Aviation"), an affiliate of the Company's Executive Chairman, Warren B. Kanders, relating to aircraft travel by officers of the Company for potential redeployment transactions, pursuant to the Transportation Services Agreement, dated December 18, 2003 between the Company and Kanders Aviation. There were no charges incurred for the quarter ended March 31, 2009.

As of March 31, 2010, the Company had a net payable of $27,000 from Kanders Aviation. The amount due to Kanders Aviation is included in accounts payable and accrued liabilities in the accompanying consolidated balance sheet. The outstanding amount was paid in April 2010. As of December 31, 2009, the Company had a no outstanding receivables from or payable to Kanders Aviation.

In the opinion of management, the rates, terms and considerations of the transactions with the related parties described above approximate those that the Company would have received in transactions with unaffiliated parties.

The Board of Directors has a general practice of requiring directors interested in a transaction not to participate in deliberations or to vote upon transactions in which they have an interest, and to be sure that transactions with directors, executive officers and major shareholders are on terms that align the interests of the parties to such agreements with the interests of the stockholders.

NOTE 9. NET OPERATING LOSS AND CAPITAL LOSS CARRYFORWARD EXPIRATION

At March 31, 2010, the Company has net operating loss, research and experimentation credit and alternative minimum tax credit carryforwards for U.S. federal income tax purposes of approximately $232.6 million, $1.3 million and $56,000, respectively. The Company's ability to benefit from certain net operating loss and tax credit carryforwards is limited under section 382 of the Internal Revenue Code due to a prior ownership change of greater than 50%. Accordingly, approximately $230.6 million of the $232.6 million of U.S. net operating loss carryforward is currently available to offset taxable income that the Company may recognize in the future. Of the approximately $230.6 million of net operating losses available to offset taxable income, approximately $212.5 million does not expire until 2020 or later, subject to compliance with Section 382 of the Internal Revenue Code as indicated by the following schedule:

NET OPERATING CARRYFORWARD EXPIRATION DATES
(UNAUDITED)
MARCH 31, 2010

Expiration Dates December 31,		Net Operating Loss Amount (000's)
2010	$	7,417
2011		7,520
2012		5,157
2020		29,533
2021		50,430
2022		115,000
2023		5,712
2024		3,566
2025		1,707
2026		476
2028		1,360
2029		4,074
2030		681
Total		232,633
Section 382 Limitation		(2,037)
After Limitations	$	230,596

*Subject to compliance with Section 382 of the Internal Revenue Code

NOTE 10. SUBSEQUENT EVENTS

Black Diamond Equipment, Ltd. Merger Agreement

On May 7, 2010, the Company entered into an Agreement and Plan of Merger (the "Black Diamond Merger Agreement") by and among Black Diamond Equipment, Ltd., a Delaware corporation ("Black Diamond" or "BDE"), Everest/Sapphire Acquisition, LLC ("Purchaser"), a Delaware limited liability company and wholly-owned direct subsidiary of Clarus, Sapphire Merger Corp. ("Merger Sub"), a Delaware corporation and a wholly-owned direct subsidiary of Purchaser, and Ed McCall, as Stockholders' Representative. Under the Black Diamond Merger Agreement, Purchaser will acquire BDE and its three subsidiaries through the merger of Merger Sub with and into BDE, with BDE as the surviving corporation of the merger (the "Black Diamond Merger").

Through the Black Diamond Merger Agreement, Clarus has agreed to acquire all of the outstanding common stock of BDE for an aggregate purchase price of $90 million (subject to certain closing adjustments), $4.5 million of which will be held in escrow for a one year period as security for any working capital adjustments to the purchase price or indemnification claims under the Black Diamond Merger Agreement.

The Black Diamond Merger was unanimously approved by the Company's Board of Directors and the merger consideration payable to BDE's stockholders has been confirmed to be fair to the Company's stockholders from a financial point of view by a fairness opinion received from Rothschild, Inc.

Gregory Mountain Products, Inc. Merger Agreement

On May 7, 2010, the Company entered into an Agreement and Plan of Merger (the "Gregory Merger Agreement") by and among Gregory Mountain Products, Inc., a Delaware corporation ("Gregory"), Everest/Sapphire Acquisition, LLC ("Gregory Purchaser"), a Delaware limited liability company and wholly-owned direct subsidiary of Clarus, Everest Merger I Corp., a Delaware corporation and a wholly-owned direct subsidiary of Gregory Purchaser ("Merger Sub One"), Everest Merger II, LLC, a Delaware limited liability company and a wholly-owned direct subsidiary of Gregory Purchaser ("Merger Sub Two"), and each of Kanders GMP Holdings, LLC and Schiller Gregory Investment Company, LLC, as the stockholders of Gregory (the "Gregory Stockholders"). Under the terms of the Gregory Merger Agreement, (i) Merger Sub One will merge with and into Gregory (the "First Step Merger"), with Gregory as the surviving corporation of the First Step Merger, and (ii) immediately following the effective time of the First Step Merger, as part of the same overall transaction, Gregory will merge with and into Merger Sub Two, (the "Second Step Merger" and together with the First Step Merger, the "Gregory Merger"), with Merger Sub Two as the surviving corporation of the Second Step Merger.

The sole member of Kanders GMP Holdings, LLC is Mr. Warren B. Kanders, our Executive Chairman and a member of our Board of Directors. The sole member of Schiller Gregory Investment Company, LLC is Mr. Robert R. Schiller, who, subject to and upon the Closing of the Black Diamond Merger, is expected to become our Executive Vice Chairman and a member of our Board of Directors.

In the Gregory Merger Agreement, the Company has agreed to acquire all of the outstanding common stock of Gregory for an aggregate purchase price of up to $45,000,000 (subject to certain closing adjustments), payable to the Gregory Stockholders as follows: (i) 50% in unregistered shares of the Company's common stock valued at $6.00 per share, and (ii) 50% in unsecured subordinated notes having a seven-year term. The purchase price will also be reduced by an amount equal to $1,478,424 in connection with certain payments and commitments by the Company to participants of a Gregory incentive plan.

The Gregory Merger was approved by a special committee comprised of independent directors of the Company's Board of Directors and the merger consideration payable to the Gregory Stockholders has been confirmed to be fair to the Company's stockholders from a financial point of view by a fairness opinion received from Ladenburg Thalmann & Co., Inc.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

This Report includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Clarus may use words such as "anticipates," "believes," "plans," "expects," "intends," "future," and similar expressions to identify forward-looking statements. These forward-looking statements involve a number of risks, uncertainties and assumptions which are difficult to predict. Clarus cautions you that any forward-looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statement. Examples of forward-looking statements include, but are not limited to: (i) statements about the benefits of Clarus' proposed acquisitions of Black Diamond and Gregory, including future financial and operating results that may be realized from the acquisitions; (ii) statements of plans, objectives and expectations of Clarus or its management or Board of Directors, including the expected timing of completion of the mergers; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements and other statements that are not historical facts. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, but are not limited to: (i) the risk that a condition to closing of the mergers may not be satisfied and the transactions will not be consummated; (ii) the risk that Clarus could be required to pay material termination fees if the mergers are not consummated; (iii) the risk that the businesses will not be integrated successfully; (iv) the risk that the expected financial or operating results may not be fully realized as expected; (v) material differences in the actual financial results of the mergers compared with expectations, including the impact of the mergers on Clarus' future earnings per share; (vi) disruption from the mergers; (vii) economic conditions and the impact they may have on Black Diamond and Gregory and their respective customers or demand for products; (viii) our ability to implement our acquisition growth strategy or obtain financing to support such strategy; (ix) the loss of any member of our senior management or certain other key executives; and (x) our ability to utilize our net operating loss carry forward. Additional factors that could cause Clarus' results to differ materially from those described in the forward-looking statements can be found in the "Risk Factors" section of Clarus' filings with the Securities and Exchange Commission, including its latest annual report on Form 10-K and most recently filed Forms 8-K and 10-Q, which may be obtained at our web site at www.claruscorp.com or the Securities and Exchange Commission's web site at www.sec.gov. All forward-looking statements included in this Report are based upon information available to Clarus as of the date of the Report, and speak only as the date hereof. We assume no obligation to update any forward-looking statements to reflect events or circumstances after the date of this Report.

OVERVIEW

AS PART OF OUR PREVIOUSLY ANNOUNCED STRATEGY TO LIMIT OPERATING LOSSES AND ENABLE THE COMPANY TO REDEPLOY ITS ASSETS AND USE ITS SUBSTANTIAL CASH, CASH EQUIVALENTS AND MARKETABLE SECURITIES TO ENHANCE STOCKHOLDER VALUE, ON DECEMBER 6, 2002, WE SOLD SUBSTANTIALLY ALL OF OUR ELECTRONIC COMMERCE BUSINESS, WHICH REPRESENTED SUBSTANTIALLY ALL OF OUR REVENUE GENERATING OPERATIONS AND RELATED ASSETS. RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND ANY FUTURE PERIODS PRIOR TO A REDEPLOYMENT OF OUR ASSETS ARE EXPECTED PRIMARILY TO REFLECT GENERAL AND ADMINISTRATIVE EXPENSES AND TRANSACTION EXPENSES ASSOCIATED WITH THE CONTINUING ADMINISTRATION OF THE COMPANY AND ITS EFFORTS TO REDEPLOY ITS ASSETS.

SUBSEQUENT EVENTS

On May 10, 2010, the Company filed a Current Report on Form 8-K with the Securities and Exchange Commission disclosing that it had entered into, and attaching as exhibits agreements and plans of merger, described below (the "Form 8-K"), to acquire each of Black Diamond Equipment, Ltd. and Gregory Mountain Products, Inc. The transactions are subject to customary closing conditions and Clarus anticipates completing the transactions in the second quarter of this year.

Black Diamond Equipment, Ltd. Merger Agreement

On May 7, 2010, the Company entered into an Agreement and Plan of Merger (the "Black Diamond Merger Agreement") by and among Black Diamond Equipment, Ltd., a Delaware corporation ("Black Diamond" or "BDE"), Everest/Sapphire Acquisition, LLC ("Purchaser"), a Delaware limited liability company and wholly-owned direct subsidiary of Clarus, Sapphire Merger Corp. ("Merger Sub"), a Delaware corporation and a wholly-owned direct subsidiary of Purchaser, and Ed McCall, as Stockholders' Representative. Under the Black Diamond Merger Agreement, Purchaser will acquire BDE and its three subsidiaries through the merger of Merger Sub with and into BDE, with BDE as the surviving corporation of the merger (the "Black Diamond Merger").

Through the Black Diamond Merger Agreement, Clarus has agreed to acquire all of the outstanding common stock of BDE for an aggregate purchase price of $90 million (subject to certain closing adjustments), $4.5 million of which will be held in escrow for a one year period as security for any working capital adjustments to the purchase price or indemnification claims under the Black Diamond Merger Agreement.

The Black Diamond Merger was unanimously approved by the Company's Board of Directors and the merger consideration payable to BDE's stockholders has been confirmed to be fair to the Company's stockholders from a financial point of view by a fairness opinion received from Rothschild, Inc.

The foregoing description of the Black Diamond Merger Agreement does not purport to be complete and is qualified in its entirety by reference to Item 1.01 of the Form 8-K and to the Black Diamond Merger Agreement, which is included as Exhibit 2.1 to the Form 8-K.

Gregory Mountain Products, Inc. Merger Agreement

On May 7, 2010, the Company entered into an Agreement and Plan of Merger (the "Gregory Merger Agreement") by and among Gregory Mountain Products, Inc., a Delaware corporation ("Gregory"), Everest/Sapphire Acquisition, LLC ("Gregory Purchaser"), a Delaware limited liability company and wholly-owned direct subsidiary of Clarus, Everest Merger I Corp., a Delaware corporation and a wholly-owned direct subsidiary of Gregory Purchaser ("Merger Sub One"), Everest Merger II, LLC, a Delaware limited liability company and a wholly-owned direct subsidiary of Gregory Purchaser ("Merger Sub Two"), and each of Kanders GMP Holdings, LLC and Schiller Gregory Investment Company, LLC, as the stockholders of Gregory (the "Gregory Stockholders"). Under the terms of the Gregory Merger Agreement, (i) Merger Sub One will merge with and into Gregory (the "First Step Merger"), with Gregory as the surviving corporation of the First Step Merger, and (ii) immediately following the effective time of the First Step Merger, as part of the same overall transaction, Gregory will merge with and into Merger Sub Two, (the "Second Step Merger" and together with the First Step Merger, the "Gregory Merger"), with Merger Sub Two as the surviving corporation of the Second Step Merger.

The sole member of Kanders GMP Holdings, LLC is Mr. Warren B. Kanders, our Executive Chairman and a member of our Board of Directors. The sole member of Schiller Gregory Investment Company, LLC is Mr. Robert R. Schiller, who, subject to and upon the Closing of the Black Diamond Merger, is expected to become our Executive Vice Chairman and a member of our Board of Directors.

In the Gregory Merger Agreement, the Company has agreed to acquire all of the outstanding common stock of Gregory for an aggregate purchase price of up to $45,000,000 (subject to certain closing adjustments), payable to the Gregory Stockholders as follows: (i) 50% in unregistered shares of the Company's common stock (which the Company will agree to register as soon as reasonably practicable after the closing) valued at $6.00 per share, and (ii) 50% in unsecured subordinated notes having a seven-year term. The purchase price will also be reduced by an amount equal to $1,478,424 in connection with certain payments and commitments by the Company to participants of a Gregory incentive plan.

The Gregory Merger was approved by a special committee comprised of independent directors of the Company's Board of Directors and the merger consideration payable to the Gregory Stockholders has been confirmed to be fair to the Company's stockholders from a financial point of view by a fairness opinion received from Ladenburg Thalmann & Co., Inc.

The foregoing description of the Gregory Merger Agreement does not purport to be complete and is qualified in its entirety by reference to Item 1.01 of the Form 8-K and to the Gregory Merger Agreement, which is included as Exhibit 2.2 to the Form 8-K.

CRITICAL ACCOUNTING POLICIES AND USE OF ESTIMATES

The Company's discussion of financial condition and results of operations is based on the consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these consolidated financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting periods. The Company continually evaluates its estimates and assumptions including those related to revenue recognition, impairment of long-lived assets, impairment of investments, and contingencies and litigation. The Company bases its estimates on historical experience and other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The Company believes the following critical accounting policies include the more significant estimates and assumptions used by management in the preparation of its consolidated financial statements. Our accounting policies are more fully described in Note 1 of our consolidated financial statements.

- The Company accounts for its marketable securities as available-for-sale. Available-for-sale securities have been recorded at fair value and related unrealized gains and losses have been excluded from earnings and are reported as a separate component of accumulated other comprehensive income (loss) until realized.

- The Company accounts for income taxes using the asset and liability method in accordance with ASC 740, "Income Taxes." The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is recorded for those deferred tax assets for which it is not more likely than not that realization will occur.

- The Company records compensation expense for all share-based awards granted based on the fair value of the award at the time of the grant. The fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing model that uses assumptions and estimates that the Company believes are reasonable. The Company recognizes the cost of the share-based awards on a straight-line basis over the requisite service period of the award.

SOURCES OF REVENUE

Until a redeployment of the Company's assets occurs, the Company's principal income will consist of interest, dividend and other investment income from cash, cash equivalents and marketable securities, which is reported as interest income in the Company's statement of operations.

OPERATING EXPENSES

General and administrative expense include salaries and employee benefits, non-cash equity compensation, rent, insurance, legal, accounting, investment management fees and other professional fees, state and local non-income based taxes, board of director fees as well as public company expenses such as transfer agent and listing fees and expenses.

Transaction expense consists primarily of professional fees and expenses related to due diligence, negotiation and documentation of acquisition, financing and related agreements.

RESULTS OF OPERATIONS - COMPARISON OF FIRST QUARTER 2010 TO FIRST QUARTER 2009

On December 6, 2002, the Company completed the disposition of substantially all its operating assets, and the Company is now evaluating alternative ways to redeploy its cash, cash equivalents and marketable securities into new businesses. The discussion below is therefore not meaningful to an understanding of future revenue, earnings, operations, business or prospects of the Company following such a redeployment of its assets.

GENERAL AND ADMINISTRATIVE

General and administrative expenses decreased $134,000 or 15% to $789,000 during the three month period ended March 31, 2010, compared to $923,000 during the three month period ended March 31, 2009. The decrease in general and administrative expense for the three month period ended March 31, 2010, compared to the three month period ended March 31, 2009, was primarily attributable to decreases in employment compensation and benefits, non-cash equity compensation expense offset by increases in state and local non-income based taxes and travel expenses. Management believes we will incur a net loss in 2010 as a result of our current level of expenses and due to low projected investment yields on our investment portfolio. General and administrative expense includes salaries and employee benefits, rent, insurance, legal, accounting and other professional fees, state and local non income based taxes, board of director fees as well as public company expenses such as transfer agent and listing fees and expenses.

TRANSACTION EXPENSES

Transaction expenses increased $1,509,000 or 100% during the three month period ended March 31, 2010 related to asset redeployment activities. The Company did not incur any transaction expenses during the three month period ended March 31, 2009. Transaction expense consists primarily of professional fees and expenses related to due diligence, negotiation and documentation of acquisition, financing and related agreements.

DEPRECIATION EXPENSE

Depreciation expense decreased $10,000 or 11% to $79,000 during the three month period ended March 31, 2010 compared to $89,000 during the three month period ended March 31, 2009. The decrease in depreciation expense was primarily due to more assets being fully depreciated partially offset by the purchase of new equipment that was not utilized during the quarter.

OTHER EXPENSE

There was no other expense incurred for the quarters ended March 31, 2010 or 2009.

INTEREST INCOME

Interest income decreased $389,000 or 95% to $22,000 for the quarter ended March 31, 2010 from $411,000 in the quarter ended March 31, 2009. Interest income for the quarters ended March 31, 2010 and 2009, includes $11,000 and $300,000 in discount accretion, respectively. The decrease in interest income was due primarily to lower rates of return on investments. The weighted average interest rate for our investments for the period ended March 31, 2010 was 0.11% compared to 1.94% for same period in 2009. The current earnings rate on our portfolio as of March 31, 2010 is 0.11%.

INCOME TAXES

As a result of the operating losses incurred since the Company's inception, no provision or benefit for income taxes was recorded during the quarters ended March 31, 2010 and 2009, respectively.

LIQUIDITY AND CAPITAL RESOURCES

The overall combined decrease of $1.8 million in cash, cash equivalents and marketable securities from $82.4 million to $80.6 million is primarily due to the increase in transaction costs and a decrease in interest income for the three month period ended March 31, 2010. Marketable securities decreased to $23.7 million at March 31, 2010 from $24.1 million at December 31, 2009.

Cash used in operating activities was approximately $1.8 million during the quarter ended March 31, 2010 compared to approximately $0.9 million during the quarter ended March 31, 2009. The $1.8 million consisted primarily of the Company's net loss, a decrease in accounts payables and accrued liabilities, discount amortization offset by non-cash expenses and an increase in interest receivable, prepaids and other current assets.

Cash provided by investing activities was approximately $0.4 million during the quarter ended March 31, 2010 compared to approximately $37.9 million provided by investing activities during the quarter ended March 31, 2009. The decrease in cash provided by investing activities is primarily due to the movement by the Company of additional money from investments to higher yielding money market funds in the prior year, as compared to a smaller shift in capital from marketable securities to cash and cash equivalents in the quarter ended March 31, 2010. During the quarter ended March 31, 2009, cash was provided by the maturity of marketable securities partially offset by additions to equipment.

There was no cash provided by or used in financing activities during the quarters ended March 31, 2010 or 2009.

At March 31, 2010, the Company has net operating loss, research and experimentation credit and alternative minimum tax credit carryforwards for U.S. federal income tax purposes of approximately $232.6 million, $1.3 million and $56,000, respectively. The Company's ability to benefit from certain net operating loss and tax credit carryforwards is limited under section 382 of the Internal Revenue Code due to a prior ownership change of greater than 50%. Accordingly, approximately $230.6 million of the $232.6 million of U.S. net operating loss carryforward is currently available to offset taxable income that the Company may recognize in the future. Of the approximately $230.6 million of net operating losses available to offset taxable income, approximately $212.5 million does not expire until 2020 or later, subject to compliance with Section 382 of the Internal Revenue Code.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our exposures to market risk since December 31, 2009.

ITEM 4. PROCEDURES AND CONTROLS

Evaluation of Disclosure Controls and Procedures

The Company's management carried out an evaluation, under the supervision and with the participation of the Company's Executive Chairman of the Board of Directors and Chief Financial Officer, its principal executive officer and principal financial officer, respectively of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of March 31, 2010, pursuant to Exchange Act Rule 13a-15. Such disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company is accumulated and communicated to the appropriate management on a basis that permits timely decisions regarding disclosure. Based upon that evaluation, the Company's Executive Chairman of the Board of Directors and Chief Financial Officer concluded that the Company's disclosure controls and procedures as of March 31, 2010 are effective.

Changes in Internal Control over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting that have come to management's attention during the first quarter ended March 31, 2010 evaluation that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS

Exhibit Number	Exhibit
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CLARUS CORPORATION

Date: May 10, 2010

/s/ Warren B. Kanders
Warren B. Kanders,
Executive Chairman of the Board of Directors
(Principal Executive Officer)

/s/ Philip A. Baratelli
Philip A. Baratelli,
Chief Financial Officer
(Principal Financial and Chief
Accounting Officer)

EXHIBIT INDEX

Number	Exhibit
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32.1	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Warren B. Kanders, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Clarus Corporation;

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 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; and

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: May 10, 2010

By: */s/ Warren B. Kanders*
Name: Warren B. Kanders
Title: Executive Chairman of the Board of Directors

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Philip A. Baratelli certify that:

1. I have reviewed this quarterly report on Form 10-Q of Clarus Corporation;

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 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; and

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: May 10, 2010

By: */s/ Philip A. Baratelli*
Name: Philip A. Baratelli
Title: Chief Financial Officer

EXHIBIT 32.1

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

I, Warren B. Kanders, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Clarus Corporation on Form 10-Q for the quarter ended March 31, 2010, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Clarus Corporation.

Date: May 10, 2010	*By: /s/ Warren B. Kanders*
	Name: Warren B. Kanders
	Title: Executive Chairman of the Board of Directors (Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

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

I, Philip A. Baratelli, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Clarus Corporation on Form 10-Q for the quarter ended March 31, 2010, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Clarus Corporation.

Date: May 10, 2010	*By: /s/ Philip A. Baratelli*
	Name: Philip A. Baratelli
	Title: Chief Financial Officer (Principal Financial and Chief Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.