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 November 3, 2019

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OF 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to .

Commission File Number: 001-09232

VOLT INFORMATION SCIENCES, INC.

(Exact name of registrant as specified in its charter)

New York	**13-5658129**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
50 Charles Lindbergh Boulevard, Uniondale, New York	**11553**
(Address of principal executive offices)	*(Zip Code)*

Registrant's telephone number, including area code:
(516) 228-6700

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock $0.10 Par Value	**VOLT**	**NYSE AMERICAN**

Securities Registered Pursuant to Section 12(g) of the Act:
(Title of class)

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 Section 15(d) of the 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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No

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

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒	Smaller reporting company ☒	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

As of April 28, 2019, there were 21,211,828 shares of common stock outstanding. The aggregate market value of the voting and non-voting common stock held by non-affiliates as of April 28, 2019 was $61,647,969, calculated by using the closing price of the common stock on such date on the NYSE AMERICAN market of $4.92.

As of January 10, 2020, there were 21,408,659 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement to be filed for its 2020 Annual Meeting of Shareholders are incorporated by reference into Part III of this report to the extent stated herein.

VOLT INFORMATION SCIENCES, INC.
ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED NOVEMBER 3, 2019

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this report are "forward-looking" statements within the meaning of that term in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements include statements that reflect the current views of our senior management with respect to our financial performance and future events of our business and industry in general. The terms "expect," "intend," "plan," "believe," "project," "forecast," "estimate," "may," "should," "anticipate" and similar statements of a future or forward-looking nature identify forward-looking statements. Forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause our actual results to differ materially from those indicated in these forward-looking statements. We believe that these factors include, but are not limited to, the following:

- competition within the staffing industry which has few significant barriers to entry;
- weak economic and uncertain business conditions;
- failure to comply with financial covenants;
- inability to renew our credit facility or obtain a suitable replacement financing arrangement;
- inability to execute successfully on our business strategies or achieve the intended results;
- cyber-attacks or the improper disclosure of sensitive or confidential employee or customer data;
- employment-related claims, indemnification claims and other claims from clients and third parties;
- litigation costs;
- the loss of major customers;
- inability to maintain effective internal controls over financial reporting;
- new or increased government regulation, employment costs and taxes;
- foreign currency fluctuations and other global business risks;
- fluctuations in interest rates and turmoil in the financial markets;
- contracts with no minimum purchase requirements, or cancellable during the term or both;
- failure to keep pace with rapid changes in technology;
- vulnerability of information technology systems to damage and/or interruption;
- inability to attract and retain high quality personnel and members of management;
- changes in sentiment toward the staffing industry that could affect the marketplace for our services;
- inability to retain acceptable insurance coverage limits at a commercially reasonable cost and terms;
- unexpected changes in workers' compensation and other insurance plans;
- impairment charges relating to our goodwill and long-lived assets;
- volatility of stock price and related ability of investors to resell their shares at or above the purchase price;
- significant percentage of common stock owned by a limited number of shareholders and their ability to exercise significant influence over the Company;
- potential proxy contest for the election of directors at our annual meeting; and
- New York State law and our Articles of Incorporation and By-laws contain provisions that could make a takeover of the Company more difficult.

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this report, including under the caption "Risk Factors" in Item 1A of this report. There can be no assurance that we have correctly identified and appropriately assessed all factors affecting our business. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial also may adversely impact us. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Readers should not place undue reliance on any forward-looking statements contained in this report, which speak only as of the date of this report. We undertake no obligation to update any forward-looking statements after the date of this report to conform such statements to actual results or to changes in our expectations.

PART I

ITEM 1. *BUSINESS*

Volt Information Sciences, Inc. (the "Company" or "Volt") is a global provider of staffing services (traditional time and materials-based as well as project-based). Our staffing services consist of workforce solutions that include providing contingent workers, personnel recruitment services, and managed staffing services programs supporting primarily administrative and light industrial (commercial) as well as technical, information technology and engineering (professional) positions. Our managed service programs ("MSP") involve managing the procurement and on-boarding of contingent workers from multiple providers. Through June 2019, when we exited this business, our customer care solutions business specialized in serving as an extension of our customers' consumer relationships and processes including collaborating with customers, from help desk inquiries to advanced technical support. We also provided quality assurance services through the date of sale of this business in October 2017. In addition, through the date of the sale of Maintech in March 2017, we provided information technology infrastructure services which included server, storage, network and desktop IT hardware maintenance, data center and network monitoring and operations.

The Company was incorporated in New York in 1957. Unless the context otherwise requires, throughout this report, the words "Volt," "the Company," "we," "us" and "our" refer to Volt Information Sciences, Inc. and its consolidated subsidiaries.

Geographic Regions and Segments

Volt operates in approximately 70 of its own locations and hasan on-site presence in over 50 customer locations. Approximately 88% of our revenue is generated in the United States where we have employees in nearly all 50 states. Our principal non-U.S. markets include Europe, Canada and Asia Pacific locations. Our global footprint enables us to deliver consistent quality to our large strategic customers that require an established international presence.

Our reportable segments are (i) North American Staffing, (ii) International Staffing and (iii) North American MSP. All other business activities that do not meet the criteria to be reportable segments are aggregated with corporate services under the category Corporate and Other. Our reportable segments have been determined in accordance with our internal management structure, which is based on operating activities. We evaluate business performance based upon several metrics, primarily using revenue and segment operating income as the relevant financial measures. We believe segment operating income provides management and investors a measure to analyze operating performance of each business segment against historical and competitors' data, although historical results, including operating income, may not be indicative of future results as operating income is highly contingent on many factors including the state of the economy, competitive conditions and customer preferences.

We allocate all support related costs to the operating segments except for costs not directly relating to our operating activities such as corporate-wide general and administrative costs. These costs are not allocated to individual operating segments because doing so would not enhance the understanding of segment operating performance and such costs are not used by management to measure segment performance.

We report our segment information in accordance with the provisions of the Financial Accounting Standards Board Accounting Standards Codification 280,*Segment Reporting* ("ASC 280"). See Note 18, "Segment Disclosures" for further information.

In June 2019, the Company exited its customer care solutions business, which is currently reported as a part of the Corporate and Other category. This exit allows the Company to further strengthen its focus on its core staffing business and align its resources to streamline operations, improve cost competitiveness and increase profitability. The Company's other non-reportable businesses will continue to be combined and disclosed with corporate services under the category Corporate and Other.

Description of the Reportable Segments and Corporate and Other Category

North American and International Staffing Segments

Our two staffing services segments provide workforce management expertise through locations in North America, Europe and Asia Pacific locations. We deliver a broad spectrum of contingent staffing, direct placement, staffing management, and other employment services. Our contingent workers are placed on assignment with our customers in a broad range of occupations including manufacturing, assembly, warehousing, industrial, information technology, engineering, pharmaceutical, administrative, call center, accounting and finance.

Our contingent staffing services are provided for varying periods of time to companies and other organizations (including government agencies) ranging from smaller retail accounts that may require ten or fewer contingent workers at a time to large strategic accounts that require as many as several thousand contingent workers at a time. Our large strategic accounts typically enter into longer term agreements with us resulting in lower direct margins compared to our retail accounts.

Within our staffing services segments, we refer to customers that require multi-location, coordinated account management and service delivery in multiple skill sets as strategic customers, and to customers that are primarily in a single location with sales and delivery handled primarily from a geographically local team and with relatively few headcount on assignment in one or two skill sets as retail customers. We provide traditional staffing services for which we are paid predominantly on a time and materials basis. The contingent staff that we provide often work under the supervision of our customers.

Volt's contingent staffing services enable customers to easily scale their workforce to meet changing business conditions, complete a specific project, secure the services of a specialist on an as-needed basis, substitute for regular employees during vacation or other temporary absences, staff high turnover positions, or meet seasonal peaks in workforce needs. When requested, we also provide Volt personnel at the customer's location to coordinate and manage the administration of contingent workers. Many customers rely on Volt's staffing services as a strategic element of their overall workforce, allowing them to more efficiently meet their fluctuating staffing requirements.

Contingent workers are recruited through proprietary internet recruiting sites, independent web-based job search companies, and social networking talent communities through which we build and maintain proprietary databases of candidates from which we can fill current and future customer needs. The majority of contingent workers become Volt employees during the period of their assignment and we are responsible for the payment of wages, payroll taxes, workers' compensation insurance, unemployment insurance and other benefits. Customers will sometimes hire Volt's contingent workers as their own employees after a period of time, for which we usually receive a fee.

We also provide recruitment and direct placement services of specialists in the accounting, finance, administrative, call center, engineering, information technology, pharmaceutical, manufacturing, assembly and industrial support disciplines. These services are primarily provided on a contingency basis with fees earned only if our customers ultimately hire the candidates.

North American MSP Segment

Our North American MSP segment consists of managing the procurement and on-boarding of contingent workers and a broad range of specialized solutions that includes managing suppliers and providing sourcing and recruiting support, statement of work management, supplier performance measurement, optimization and analysis, benchmarking of spend demographics and market rate analysis, consolidated customer billing, and supplier payment management. The workforce placed on assignment through our MSPs is usually provided by third-party staffing providers ("associate vendors") or through our own staffing services. In most cases, we are only required to pay associate vendors after we receive payment from our customer. Our staffing services businesses also act as a subcontractor or associate vendor to other national providers in their MSPs. Our MSPs are typically administered through the use of vendor management system software ("VMS") licensed from various VMS providers.

In addition, our North American MSP segment provides payroll service solutions as well as recruitment process outsourcing (RPO) for our customers. With our payroll service solution (also known as referred services), the customer refers an individual to us, we employ the individual, and the individual works on an assignment for the customer at the customer's worksite. We manage and administer the individual's payroll, payroll taxes, workers' compensation, and benefits.

Corporate and Other Category

Our Corporate and Other category consists of our corporate services and remote hire services business in India, as well as our customer care solutions business through June 2019 and our quality assurance services and information technology infrastructure services businesses in fiscal 2017. We sold our information technology infrastructure business during the second quarter of fiscal 2017 and the quality assurance business during the fourth quarter of fiscal 2017.

Our corporate services provide entity-wide general and administrative functions that support all of our segments.

Our remote hire services business in India provides skilled resources, technical infrastructure, and management for various areas including software development, engineering, web design, technical support, call center operations, sales and marketing, customer service, research, and back-office accounting and administration.

Through the date of sale in October 2017, our quality assurance services business assisted in ensuring our customers' products perform as designed. These services extended to game, hardware, software, consumer product as well as mobile product and service offerings. We also provided business intelligence and analytics services by assisting our customers in making informed business decisions through implementing quality assurance methodologies, which when combined with visibility of our customers' data allowed us to reduce inefficiencies and optimize our customers' business.

Through the date of sale of Maintech in March 2017, our information technology infrastructure business provided IT hardware maintenance services on major brands of server, storage, network and desktop products to Fortune 1000 companies. Other services provided include remote monitoring for corporate data centers and networks, and planning, migration and support services for clients seeking to migrate to a cloud environment. We delivered our services across the United States and in major business centers globally and sold these services directly to corporate customers and through value-added resellers, partners and other resellers. Our target markets included financial services, telecommunications and aerospace.

Business Strategy

Strengthened the Foundation

Beginning in 2016, the Company focused on strengthening our foundation by simplifying our corporate structure, streamlining operational focus, strengthening our balance sheet and improving financial flexibility. We successfully monetized non-strategic company-owned real estate in fiscal 2016 and sold our non-core businesses including our quality assurance and our information technology infrastructure businesses in fiscal 2017 and exited our customer care solutions business in fiscal 2019. These divestitures enabled us to strengthen our liquidity position, simplify our corporate structure and streamline operational focus on opportunities within our core staffing services business.

In fiscal 2017, we deployed a new information technology system which encompassed our front and back-office financial suite that is critical to our success and offered more functionality at a lower cost to the Company. We continue to add functionality to our underlying information technology systems and to improve our competitiveness in the marketplace. Through our strategy of improving efficiency in all aspects of our operations, we believe we can continue to realize organic growth opportunities, reduce costs, and increase profitability.

In addition, during fiscal 2017, we significantly reduced our outstanding debt by $47.1 million, or 48%, as compared to debt outstanding at the end of fiscal 2016. On January 25, 2018, we entered into a two-year $115.0 million accounts receivable securitization program (“DZ Financing Program”) with DZ Bank AG Deutsche Zentral-Genossenschafsbank (“DZ Bank”) which improved our debt maturity profile and provided additional runway to execute our strategic plan. During fiscal 2019, we amended and restated the agreement to allow for the inclusion of certain accounts receivable from an originator in the United Kingdom further expanding our borrowing availability.

Current Strategic Priorities

In fiscal 2018 and 2019, we hired prominent staffing industry veterans to strengthen our sales leadership team with a focus on our new sales strategy to enhance financial performance and build a foundation for sustainable growth. This strategy includes the following priorities:

- *Organizational Design* - To strengthen the focus on sales and delivery performance across a spectrum of service offerings for maximum competitive advantage, we formed the Specialty Solutions Group, Strategic Solutions Group and Global Solutions Group. This design will allow Volt to steer its “go-to-market” strategy and performance based on a specialized job segment view as well as transform its delivery models to achieve dedicated focus, enhanced agility for customers’ needs and low-cost delivery benefits.

- *Delivery Excellence* - Improve talent acquisition and delivery with a more focused, customized, agile delivery approach by integrating recruiting tools to increase our speed to match candidates and to mobilize data analytics to drive strategy around job postings and return on investments. This initiative will continue to evolve based on the needs of our clients, and as we continue to improve in attracting candidates in the market.

- *Business Optimization* - Drive further efficiencies, productivity and cost savings by optimizing technology to drive performance through increased integration of available digital tools, reporting and processes and migrating from manual, customized processes to automated, standard processes. We expect these enhancements to yield meaningful cost savings, a portion of which can then be re-invested into important recruiting and candidate acquisition resources.

- *Growth and Expansion* - Achieve revenue and margin growth with new and existing client relationships, through realigned sales and delivery efforts. We are re-establishing our sales culture by realigning the sales teams based upon client buying patterns with an emphasis on building client relationships. To further incentivize growth within the sales teams, we overhauled our bonus plans to align with a ‘pay for performance’ structure and we have introduced a higher level of visibility and accountability into the sales culture.

Capital Allocation

We have prioritized our capital allocation strategy to strengthen our balance sheet and increase our competitiveness in the marketplace. The timing of these capital allocation priorities is highly dependent upon attaining the profitability objectives outlined in our plan and generating positive cash flows. We also see this as an opportunity to demonstrate our ongoing commitment to Volt shareholders as we continue to execute on our plan and return to sustainable profitability. Our capital allocation strategy includes the following elements:

- *Maintaining appropriate levels of working capital.* Our business requires a certain level of cash resources to efficiently execute operations. Consistent with similar companies in our industry and operational capabilities, we estimate this amount to be 1.5 times our weekly cash distributions on a global basis and must accommodate seasonality and cyclical trends;

- *Reinvesting in our business.* We continue to execute on our company-wide initiative of disciplined reinvestment in our business including new information technology systems, which will support our front-end recruitment and placement capabilities as well as increase efficiencies in our back-office financial suite. We are also investing in our sales and recruiting process and resources, which are critical to drive profitable revenue growth; and

- *Deleveraging our balance sheet.* By lowering our debt level, we will strengthen our balance sheet, reduce interest costs and reduce risk going forward.

Customers

The Company serves multinational, national and local customers, providing staffing services (traditional time and materials-based as well as project-based) and managed service programs (as well as customer care solutions through June 2019 and quality assurance services and information technology infrastructure services in fiscal 2017). The Company had no single customer that accounted for more than 10% of consolidated net revenue in fiscal 2019, 2018 or 2017. Our top 10 customers, which are not the same in each year, represented approximately 39%, 36% and 30% of revenue in fiscal 2019, 2018 and 2017, respectively. The loss of one or more of these customers, unless the business is replaced, could have an adverse effect on our results of operations or cash flows.

In fiscal 2019, the International Staffing segment's revenue included three customers which accounted for approximately 15%, 13% and 11% of the total revenue of that segment. The North American MSP segment's revenue included two customers which accounted for approximately 24% and 11% of the total revenue of that segment.

In fiscal 2018, the International Staffing segment's revenue included three customers which accounted for approximately 13%, 12% and 11% of the total revenue of that segment. The North American MSP segment's revenue included one customer which accounted for approximately 12% of the total revenue of that segment.

In fiscal 2017, the North American MSP segment's revenue included one customer which accounted for approximately 34% of the total revenue of that segment.

For fiscal 2019, 2018 and 2017, 88%, 88% and 87% of our total revenue, respectively, was from customers in the United States.

Competition

In most areas, no single company has a dominant share of the employment services market. The largest companies in the industry collectively represent less than half of all staffing services revenues, and there are many smaller companies competing in varying degrees at local levels or in particular market sectors. Dominant leaders in the industry include Adecco, Allegis, Kelly Services, Inc., Manpower Group and Randstad.

In addition, there are numerous smaller local companies in the various geographic markets in which we operate. Companies in our industries primarily compete on price, service quality, new capabilities and technologies, marketing methods and speed of fulfilling assignments.

Intellectual Property

VOLT is the principal registered trademark for our brand in the United States. ARCTERN, REMOTEHIRE and VOLTSOURCE are other registered trademarks in the United States. The Company also owns and uses common law trademarks and service marks.

We also own copyrights and license technology from many providers. We rely on a combination of intellectual property rights in the United States and abroad to protect our brand and proprietary information.

Seasonality

Our staffing services revenue and operating income are typically lowest in our first fiscal quarter due to the holiday season and are affected by customer facility closures during the holidays (in some cases for up to two weeks), and closures caused by severe weather conditions. The demand for our staffing services typically increases during our third and fourth fiscal quarters when customers increase the use of our administrative and industrial labor during the summer vacation period. The first few months of the calendar year typically have the lowest margins as employer payroll tax contributions restart each year in January. Margins typically increase in subsequent fiscal quarters as annual payroll tax contribution maximums are met, particularly for higher salaried employees.

Employees

As of November 3, 2019, Volt employed approximately17,100 people, including approximately 15,900 who were on contingent staffing assignments, with the remainder as full-time employees. The workers on contingent staffing assignments are on our payroll for the length of their assignment.

We are focused on developing a team that has both strong and deep experience and the leadership skills that are required to support our growth. Our strategy is to be a leader in the markets we serve, which we plan to achieve by developing new workforce capabilities and a committed, diverse world-class management team.

We believe that our relations with our employees are satisfactory. While claims and legal actions related to staffing matters arise on a routine basis, we believe they are inherent in maintaining a large workforce.

Regulation

Some states in the United States and certain foreign countries license and regulate contingent staffing service firms and employment agencies. Compliance with applicable present federal, state and local environmental laws and regulations has not had, and we believe that compliance with those laws and regulations in the future will not have, a material effect on our competitive position, financial condition, results of operations or cash flows.

Access to Our Information

We electronically file our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports with the SEC. These and other SEC reports filed by us are available to the public free of charge at the SEC's website at www.sec.gov and in the Investors section on our website at www.volt.com, as soon as reasonably practicable after filing with the SEC. You may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549.

Copies of our Code of Conduct and Ethics and other significant corporate documents (our Corporate Governance Guidelines, Nominating/Corporate Governance Committee Charter, Audit Committee Charter, Human Resources and Compensation Committee Charter, Code of Business Conduct and Ethics, Whistleblower Policy, Foreign Corrupt Practices Act Policy, Equal Employment Opportunity Policy, Privacy Policy and Insider Trading Policy) are also available in the Corporate Governance section at our website. Copies are also available without charge upon request to Volt Information Sciences, Inc., 50 Charles Lindbergh Boulevard, Suite 206, Uniondale, NY 11553, Attention: Shareholder Relations, or by calling us at 817-778-8424.

ITEM 1A. *RISK FACTORS*

Risk Factors

We maintain a risk management program which incorporates assessments by our officers, senior management and board of directors, as periodically updated. The following risks have been identified. You should carefully consider these risks along with the other information contained in this report. The following risks could materially and adversely affect our business and, as a result, our financial condition, results of operations, and the market price of our common stock. Other risks and uncertainties not known to us or that we currently do not recognize as material could also materially adversely affect our business and, as a result, our financial condition, results of operations, cash flows, and the market price of our common stock.

The contingent staffing industry is very competitive with few significant barriers to entry

The markets for Volt's staffing services are highly competitive with few barriers to entry. Our industry is large and fragmented, comprised of thousands of firms employing millions of people and generating billions of dollars in annual revenue. In most areas, no single company has a dominant share of the employment services market. Some of our competitors are larger than us, have substantial marketing and financial resources and may be better positioned in certain markets than we are. These companies may be better able than we are to attract and retain qualified personnel, to offer more favorable pricing and terms, or otherwise attract and retain the business that we seek. Any inability to compete effectively could adversely affect our business and financial results. Clients may also take advantage of low-cost alternatives including using their own in-house resources rather than engaging a third party. In addition, some of our staffing services customers, generally larger companies, are mandated or otherwise motivated to utilize the services of small or minority-owned companies rather than large corporations. There can be no assurance that we will be able to continue to compete effectively in our business segments.

Our business is adversely affected by weak economic and other business conditions

During periods of elevated unemployment levels, demand for contingent and permanent personnel decreases, which adversely impacts our staffing services. During slower economic activity, many companies tend to reduce their use of contingent workers and reduce their recruitment of new employees. Decreased demand and higher unemployment levels result in lower levels of pay rate increases and increased pressure on our markup of staffing service rates, direct margins and higher unemployment insurance costs.

Our credit facility contains financial covenants that may limit our ability to take certain actions

We remain dependent upon our financing agreement which includes certain financial covenants. These covenants could constrain the execution of our business strategy and growth plans. Our ability to continue to meet these financial covenants is not assured. If we default under any of these requirements, our lenders could restrict our ability to access funds in our customer collections account, declare all outstanding borrowings, accrued interest and fees due and payable, or significantly increase the cost of the facility. Under such circumstances, there could be no assurance that we would have sufficient liquidity to repay or refinance the indebtedness at favorable rates or at all. If we are forced to refinance these borrowings on less favorable terms, our results of operations and financial condition could be adversely affected by increased costs and rates. As of November 3, 2019, we were in compliance with all covenant requirements.

The inability to renew our credit facility could negatively affect our operations and limit our liquidity

We rely on financing for future working capital, capital expenditures and other corporate purposes. The structure of our financing requires us to renew our arrangements periodically. There can be no assurance that refinancing will be available to us or that we will be able to negotiate replacement financing at reasonable costs or on reasonable terms. The volatility in credit and capital markets may create additional risks to our business in the future. Turmoil in the credit markets or a contraction in the availability of credit may make it more difficult for us to meet our working capital requirements and could have a material adverse effect on our business, results of operations and financial position.

We may not be able to execute successfully on our business strategies or achieve the intended results

Our business strategy focuses on growing revenues and driving growth in higher margin services. We have made targeted investments, adjusted our operating models and increased the resources necessary for driving sustainable growth within our targeted higher-margin service offerings.

If we are unsuccessful in executing on our business strategies, we may not achieve either our stated goal of revenue growth or the intended productivity improvements, which could negatively impact profitability and liquidity and require us to alter our strategy.

We could incur liabilities or our reputation could be damaged from a cyber-attack or improper disclosure or loss of sensitive or confidential company, employee, associate, candidate or client data, including personal data

Our business involves the use, storage and transfer of certain information about our full-time and contingent employees, customers and other individuals. We rely upon multiple information technology systems and networks, some of which are web-based or managed by third parties, to process, transmit and store electronic information and to manage or support a variety of critical business processes and activities. This information contains sensitive or confidential employee and customer data, including personally identifiable information. The secure and consistent operation of these systems, networks and processes is critical to our business operations. Our systems and networks have been, and will continue to be, the target of cyber-attacks, computer viruses, worms, phishing attacks, malicious software programs, and other cyber-security incidents that could result in the unauthorized release, gathering, monitoring, use, loss or destruction of our customers' or employees' sensitive and personal data. Successful cyber-attacks or other data breaches, as well as risks associated with compliance with applicable data privacy laws, could harm our reputation, divert management attention and resources, increase our operating expenses due to the employment of consultants and third-party experts and the purchase of additional infrastructure, and/or subject us to legal liability, resulting in increased costs and loss of revenue.

While we proactively safeguard our data and have enhanced security software and controls, it is possible that our security controls over sensitive or confidential data and other practices we and our third-party service providers follow may not prevent improper access to, or disclosure of, such information. Any such disclosure or security breach could subject us to significant monetary damages or losses, litigation, regulatory enforcement actions or fines. In addition, our liability insurance might not be sufficient in scope or amount to cover us against claims related to security breaches, social engineering, cyber-attacks and other related data disclosure, loss or breach.

As cyber-attacks increase in frequency and sophistication, our cyber-security and business continuity plans may not be effective in anticipating, preventing and effectively responding to all potential cyber-risk exposures. Further, data privacy is subject to frequently changing rules and regulations, which are not uniform and may possibly conflict in jurisdictions and countries where we provide services. Our failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability or impairment to our reputation in the marketplace.

Additionally, our employees and certain of our third-party service providers may have access or exposure to sensitive customer data and systems. The misuse or unauthorized disclosure of information could result in contractual and legal liability for us due to the actions or inactions of our employees or vendors.

We are subject to employment–related claims, commercial indemnification claims and other claims and losses that could have a material adverse effect on our business

Our staffing services business employs or engages individuals on a contingent basis and places them in a customer's workplace. Our ability to control the customer's workplace is limited, and we risk incurring liability to our employees for injury (which can result in increased workers' compensation costs) or other harm that they suffer in the scope of employment at the customer's workplace or while under the customer's control.

Additionally, we risk liability to our customers for the actions or inactions of our employees, including those individuals employed on a contingent basis that may cause harm to our customers or other employees. Such actions may be the result of errors and omissions in the application of laws, rules, policies and procedures, discrimination, retaliation, negligence or misconduct on the part of our employees, damage to customer facilities or property due to negligence, criminal activity and other similar claims. In some cases, we must indemnify our customers for certain acts of our employees, and certain customers have negotiated broad indemnification provisions. We may also incur fines, penalties and losses that are not covered by insurance or negative publicity with respect to these matters. There can be no assurance that the policies and procedures we have in place will be effective or that we will not experience losses due to such risks. In addition, we may face claims related to violations of wage and hour regulations, Fair Credit Reporting Act violations, discrimination, harassment, negligence or misconduct by our employees, and claims relating to the misclassification of independent contractors, among other types of claims.

Costs related to litigation, legal proceedings and investigations could adversely impact our financial condition

We may be involved in pending and threatened legal proceedings brought by third parties and investigations by government and regulatory agencies from time to time, the outcomes of which are inherently uncertain and difficult to predict. It is uncertain at what point any such matters may materially affect us, and there can be no assurance that our financial resources or insurance policies are sufficient to cover the cost of any or all of such claims. Therefore, there can be no assurance that such matters would not have an adverse effect on our financial condition, results of operations or cash flows.

The loss of major customers could adversely impact our business

We experience revenue concentration with large customers within certain operating segments, as well as concentrations of interrelated customers. Although we have no customer that represents over 10% of our consolidated revenue, there are customers that exceed 10% of revenues within both the International Staffing and North American MSP segments. The deterioration of the financial condition or significant change to the business or staffing model of these customers or multiple customers in a similar industry, or similar customers that are interdependent could have a material adverse effect on our business, financial condition and results of operations.

Additionally, any reductions, delays or cancellation of contracts with any of our key customers, or the loss of one or more key customers, could materially reduce our revenue and operating income. There can be no assurance that our current customers will continue to do business with us or that contracts with existing customers will continue at current or historical levels.

Failure to maintain adequate financial and management processes and internal controls could lead to errors in our financial reporting

The accuracy of our financial reporting is dependent on the effectiveness of our internal controls. We are required to provide a report from management to our shareholders on our internal control over financial reporting that includes an assessment of the effectiveness of these controls. Internal control over financial reporting has inherent limitations, including human error, the possibility that controls could be circumvented or become inadequate because of changed conditions, resource challenges and fraud. Because of these inherent limitations, internal control over financial reporting might not prevent or detect all misstatements or fraud. If we cannot maintain and execute adequate internal control over financial reporting or implement required new or improved controls that provide reasonable assurance of the reliability of the financial reporting and preparation of our financial statements for external use, we could suffer harm to our reputation, fail to meet our public reporting requirements in a timely fashion, be unable to properly report on our business and our results of operations, or be required to restate our financial statements. These circumstances could lead to a significant decrease in the trading price of our shares, or the delisting of our shares from the NYSE AMERICAN, which would harm our shareholders.

New or increased government regulation, employment costs or taxes could have a material adverse effect on our business, especially for our contingent staffing business

Certain of our businesses are subject to licensing and regulation in some states and most foreign jurisdictions. There can be no assurance that we will be able to continue to comply with these requirements, or that the cost of compliance will not become material. Additionally, the jurisdictions in which we do or intend to do business may:

- create new or additional regulations that mandate additional requirements or prohibit or restrict the types of services that we currently provide;
- change regulations in ways that cause short-term disruption or impose costs to comply;
- impose new or additional employment costs that we may not be able to pass on to customers or that could cause customers to reduce their use of our services;
- require us to obtain additional licenses; or
- increase taxes (especially payroll and other employment-related taxes) or enact new or different taxes payable by the providers or users of services such as those offered by us, thereby increasing our costs, some of which we may not be able to pass on to customers or that could cause customers to reduce their use of our services especially in our staffing services, which could adversely impact our results of operations or cash flows.

In some of our foreign markets, new and proposed regulatory activity may impose additional requirements and costs, which could have an adverse effect on our contingent staffing business.

Our operational results could be negatively impacted by currency fluctuations and other global business risks and regulations

Our global operations subject us to risks relating to our international business activities, including global economic conditions, fluctuations in currency exchange rates and numerous legal and regulatory requirements placed upon the Company’s international clients.

Variation in the economic condition or unemployment levels in any of the foreign countries in which the Company does business may severely reduce the demand for the Company’s services.

Our business is exposed to fluctuation in exchange rates. Our operations outside the United States are reported in the applicable local currencies and then translated into U.S. dollars at the applicable currency exchange rates for inclusion in our Consolidated Financial Statements. Exchange rates for currencies of these countries may fluctuate in relation to the U.S. dollar and these fluctuations may have an adverse or favorable effect on our operating results when translating foreign currencies into U.S. dollars.

In addition, the Company faces risks in complying with various foreign laws and technical standards and unpredictable changes in foreign regulations, including U.S. legal requirements governing U.S. companies operating in foreign countries, legal and cultural differences in the conduct of business, potential adverse tax consequences, difficulty in staffing and managing international operations.

We are additionally subject to numerous legal and regulatory requirements that prohibit bribery and corrupt acts. These include the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010, as well as similar legislation in many of the countries and territories in which we operate. While we have training programs and appropriate internal controls in place, there can be no assurances that these will be effective to prevent and detect all potential business practices that are prohibited by our policies and these laws and regulations.

The United Kingdom's ("U.K.") referendum to exit from the European Union ("E.U.") will continue to have uncertain effects and could adversely impact our business, results of operations and financial condition

On June 23, 2016, the U.K. voted to exit from the E.U. (commonly referred to as "Brexit"). The terms of Brexit and the resulting U.K./E.U. relationship continue to be uncertain for companies doing business both in the U.K. and the overall global economy. The U.K. vote has impacted global markets, including various currencies, and resulted in volatility in the value of the British Pound as compared to the U.S. dollar and other major currencies. The fluctuation of currency exchange rates may expose us to gains and losses on non-U.S. currency transactions. Volatility in the securities markets and in currency exchange rates may continue as the U.K. negotiates its exit from the E.U. While we have not experienced any material financial impact from Brexit on our business to date, we cannot predict its future implications. Any impact from Brexit on our business and operations over the long term will depend, in part, on the outcome of tariff, tax treaties, trade, regulatory, and other negotiations the U.K. conducts.

Fluctuations in interest rates and turmoil in the financial markets could increase our cost of borrowing and impede access to or increase the cost of financing our operations

While we have access to global credit markets, credit markets may experience significant disruption or deterioration, which could make future financing difficult or more expensive to secure. Interest rates are highly sensitive to many factors that are beyond our control, including general economic conditions, trade negotiations and policies of various governmental and regulatory agencies and, in particular, the Federal Reserve Board. Increases in interest rates would increase our borrowing costs over time and could negatively impact our results of operations.

If a financial institution that is party to our credit facility were to declare bankruptcy or become insolvent, they may be unable to perform under their agreement with us. This could leave us with reduced borrowing capacity, which could have an adverse impact on our business, financial condition and results of operations.

Many of our contracts provide no minimum purchase requirements, are cancellable during the term, or both

In our staffing services business, most of our contracts, even those with multi-year terms, provide no assurance of any minimum amount of revenue, and under many of these contracts we still must compete for each individual placement or project. In addition, many of our contracts contain cancellation provisions under which the customer can cancel the contract at any time or on relatively short notice, even if we are not in default under the contract. Therefore, these contracts do not provide the assurances that typical long-term contracts often provide and are inherently uncertain with respect to the amount of revenue and earnings we may recognize.

Our results of operations and ability to grow may be negatively affected if we are not able to keep pace with rapid changes in technology

The Company's success depends on our ability to keep pace with rapid technological changes in the development, implementation and operation of our services and solutions. We must innovate and evolve our services and products to satisfy customer requirements, attract talent and remain competitive. There can be no assurance that in the future we will be able to foresee changes needed to identify, develop and commercialize innovative and competitive services and products in a timely and cost-effective manner to achieve customer acceptance in markets characterized by rapidly changing technology and frequent new product and service introductions.

We rely extensively on our information technology systems which are vulnerable to damage and interruption

We rely on information technology networks and systems, including the Internet and cloud services, to process, transmit and store electronic and financial information, manage a variety of business processes and activities, and comply with regulatory, legal and tax requirements. We depend on our information technology infrastructure for digital marketing activities, collection and retention of customer data, employee information and for electronic communications among our locations, personnel, customers and suppliers around the world. While we take various precautions and have enhanced controls around our systems, our information technology systems may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components thereof, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors or catastrophic events. Our sales, financial condition and results of operations may be materially and adversely affected, and we could experience delays in reporting our financial results, if our information technology systems suffer severe damage, disruption or shutdown and our business continuity plans do not effectively resolve the issues in a timely manner.

We are dependent upon the quality of our personnel

Our operations are dependent upon our ability to attract and retain skilled personnel, for temporary assignments and projects, as well as internally, including in the areas of maintenance and protection of our systems. The availability of such skilled personnel is dependent upon a number of economic and demographic conditions. We may, in the future, find it difficult or costlier to hire such personnel in the face of competition from our competitors.

In addition, variations in the unemployment rate and higher wages sought by contingent workers in certain technical fields that continue to experience labor shortages could affect our ability to meet our customers' demands in these fields and adversely affect our results of operations.

Our operations are also dependent on the continued efforts of our senior management and the performance and productivity of our managers and in-house field personnel. Our ability to attract and retain business is significantly affected by the quality of services rendered. The loss of high quality personnel and members of management with significant experience in our industry without replacement by personnel with similar quality and experience may cause a significant disruption to our business. Moreover, the loss of key managers and field personnel could jeopardize existing customer relationships which may be based upon long-standing relationships with those managers and field personnel.

Changes in sentiment toward the staffing industry could affect the marketplace for our services

From time to time, the staffing industry has come under criticism from unions, works councils, regulatory agencies and other constituents that maintain that labor and employment protections, such as wage and benefits regulations, are subverted when customers use contingent staffing services. Our business is dependent on the continued acceptance of contingent staffing arrangements as a source of flexible labor for our customers. If attitudes or business practices in some locations change due to pressure from organized labor, political groups or regulatory agencies, it could have a material adverse effect on our business, results of operations and financial condition.

Our ability to retain acceptable insurance coverage limits at commercially reasonable cost and terms may adversely impact our financial results

We cannot be certain we will be able to obtain appropriate types or levels of insurance in the future, that adequate replacement policies will be available on acceptable terms, if at all, and at commercially reasonable cost, or that the companies from which we have obtained insurance will be able to pay claims we make under such policies. Our coverage under certain insurance policies is limited and the losses that we may face may not be covered, may be subject to high deductibles or may exceed the limits purchased.

Some customers require extensive insurance coverage and request insurance endorsements that are not available under standard monoline policies. There can be no assurance that we will be able to negotiate acceptable compromises with customers or negotiate appropriate changes in our insurance contracts. This may adversely affect our ability to take on new customers or accepted changes in insurance terms with existing customers.

Unexpected changes in workers' compensation and other insurance plans may negatively impact our financial condition

We purchase workers' compensation insurance through mandated participation in certain state funds, and the experience-rated premiums in these state plans relieve the Company of any additional liability. Liability for workers' compensation in all other states as well as automobile and general liability is insured under a paid loss deductible casualty insurance program for losses exceeding specified deductible levels. We are financially responsible for losses below the specified deductible limits.

The Company is self-insured for a portion of its medical benefit programs. The liability for the self-insured medical benefits is limited on a per-claimant basis through the purchase of stop-loss insurance. The Company's retained liability for the self-insured medical benefits is determined by utilizing actuarial estimates of expected claims based on statistical analysis of historical data.

Unexpected changes related to our workers' compensation, medical and disability benefit plans may negatively impact our financial condition. Changes in the severity and frequency of claims, state laws regarding benefit levels and allowable claims, actuarial estimates, or medical cost inflation could result in costs that are significantly higher. If future claims-related liabilities increase beyond our expectations, or if we must make unfavorable adjustments to accruals for prior accident years, our costs could increase significantly. There can be no assurance that we will be able to increase the fees charged to our customers in a timely manner and in a sufficient amount to cover the increased costs that result from any changes in claims-related liabilities.

Decline in our operating results could lead to impairment charges relating to our goodwill and long-lived assets

We regularly monitor our International Staffing goodwill as well as company-wide long-lived assets for impairment indicators. Changes in economic or operating conditions impacting our estimates and assumptions could result in the impairment of our goodwill or long-lived assets. In the event that we determine that our goodwill or long-lived assets are impaired, we may be required to record a significant non-cash charge to earnings that could adversely affect our results of operations.

Our stock price could be volatile and, as a result, investors may not be able to resell their shares at or above the price they paid for them

Our stock price has in the past, and could in the future, fluctuate as a result of a variety of factors, including:

- our failure to meet the expectations of the investment community or our estimates of our future results of operations;
- industry trends and the business success of our customers;
- loss of one or more key customers;
- strategic moves by our competitors, such as product or service announcements or acquisitions;
- regulatory developments;
- litigation;
- general economic conditions;
- other domestic and international macroeconomic factors unrelated to our performance; and
- any of the other previously noted risk factors.

The stock market has experienced, and is likely to in the future experience, volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations, as well as our relatively low daily trading volume, may also adversely affect the market price of our common stock.

Certain shareholders, whose interests may differ from those of other shareholders, own a significant percentage of our common stock and are able to exercise significant influence over Volt

Ownership of a significant amount of our outstanding common stock is concentrated among certain substantial shareholders, including related family members and certain funds. Although there can be no assurance as to how these shareholders will vote, if they were to vote in the same manner, certain combinations of these shareholders might be able to control the outcome of matters requiring shareholder approval and could have significant influence over our affairs. The interests of our substantial shareholders may not align with those of our other shareholders.

Furthermore, the provisions of the New York Business Corporation Law, to which we are subject, require the affirmative vote of the holders of two-thirds of all of our outstanding shares entitled to vote to adopt a plan of merger or consolidation between us and another entity and to approve any sale, lease, exchange or other disposition of all or substantially all of our assets not made in our usual and regular course of business. Accordingly, our substantial shareholders, acting together, could prevent the approval of such transactions even if such transactions are in the best interests of our other shareholders.

Our business could be negatively affected as a result of a potential proxy contest for the election of directors at our annual meeting or other shareholder activism

A proxy contest would require us to incur significant legal fees and proxy solicitation expenses and require significant time and attention by management and the Board of Directors. The potential of a proxy contest or other shareholder activism could interfere with our ability to execute our strategic plan, give rise to perceived uncertainties as to our future direction, adversely affect our relationships with key business partners, result in the loss of potential business opportunities or make it more difficult to attract and retain qualified personnel, any of which could materially and adversely affect our business and operating results.

The market price of our common stock could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties related to stockholder activism.

New York State law and our Articles of Incorporation and By-laws contain provisions that could make corporate ownership changes at Volt more difficult

Certain provisions of New York State law and our articles of incorporation and by-laws could have the effect of delaying or preventing a third party from acquiring Volt, even if a change in control would be beneficial to our shareholders. In addition, provisions of our articles of incorporation and by-laws include:

- requiring advance notice for shareholder proposals and director nominees;
- permitting removal of directors only for cause; and
- providing that vacancies on the Board of Directors will be filled for the unexpired term by a majority vote of the remaining directors then in office.

ITEM 1B. *UNRESOLVED STAFF COMMENTS*

None.

ITEM 2. ***PROPERTIES***

Our corporate headquarters is located in approximately 11,000 square feet at 50 Charles Lindbergh Boulevard, Uniondale, New York 11553. A summary of our principal owned and leased properties (those exceeding 20,000 square feet) that are currently in use is set forth below:

Location	Business Segment/Category	Own/Lease	Lease Expiration	Approximate Square Feet
Orange County, California	North American Staffing North American MSP Corporate & Other	Lease	2031	200,000

We lease space in approximately 70 other facilities, excluding month-to-month leases, each of which consists of less than 20,000 square feet. The Company's leases expire at various times from 2020 until 2031.

At times, we lease space to others in the buildings that we occupy if we do not require the space for our own business. We believe that our facilities are adequate for our presently anticipated uses, and we are not dependent upon any individual leased premises.

For additional information pertaining to lease commitments, see our Note 16 (a) on Commitments and Contingencies in our Consolidated Financial Statements.

ITEM 3. ***LEGAL PROCEEDINGS***

From time to time, the Company is subject to claims in legal proceedings arising in the ordinary course of its business, including payroll-related and various employment-related matters. All litigation currently pending against the Company relates to matters that have arisen in the ordinary course of business and the Company believes that such matters will not have a material adverse effect on its consolidated financial condition, results of operations or cash flows.

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***

Market for Common Stock

As the Company is a "smaller reporting company," for the annual period ending November 3, 2019, it is not required to provide the performance graph under Item 201(e) of Regulation S-K.

Our common stock is traded on the NYSE AMERICAN under the symbol "VOLT". Prior to September 9, 2019, our common stock was traded on the NYSE AMERICAN under the symbol "VISI". The following table sets forth, for the periods indicated, the high and low sales prices or the high and low bid quotations for our common stock for the fiscal years ended November 3, 2019 and October 28, 2018. The over-the-counter market bid quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

Fiscal Period		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2019	High	$ 3.70	$ 5.00	$ 4.84	$ 4.64
	Low	$ 2.15	$ 3.67	$ 4.15	$ 2.76
2018	High	$ 4.70	$ 4.45	$ 4.00	$ 3.85
	Low	$ 3.60	$ 2.60	$ 2.65	$ 2.70

On January 10, 2020, there were 232 holders of record of our common stock, exclusive of shareholders whose shares were held by brokerage firms, depositories and other institutional firms in "street name" for their customers.

Dividends

Cash dividends have not been declared or paid for the two years ended November 3, 2019 and through the date of this report.

Issuer Purchases of Equity Securities

There were no shares purchased in the fourth quarter of fiscal 2019.

ITEM 6. SELECTED FINANCIAL DATA

The following selected financial data reflects the results of operations and balance sheet data for the fiscal years ended November 3, 2019, October 28, 2018, and October 29, 2017. The data below should be read in conjunction with, and is qualified by reference to, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and the Company's Consolidated Financial Statements and notes thereto. The financial information presented may not be indicative of our future performance.

Volt Information Sciences, Inc. and Subsidiaries
Selected Financial Data

For the year ended, *(in thousands, except per share data)*	**November 3, 2019**	**October 28, 2018**	**October 29, 2017 (a)**
	53 weeks	*52 weeks*	*52 weeks*
STATEMENT OF OPERATIONS DATA			
Net revenue	$ 997,090	$ 1,039,170	$ 1,194,436
Operating income (loss)	$ (9,833)	$ (28,407)	$ 39,163
Income (loss) from continuing operations, net of income taxes	$ (15,186)	$ (32,685)	$ 28,825
Loss from discontinued operations, net of income taxes	$ —	$ —	$ (1,693)
Net income (loss)	$ (15,186)	$ (32,685)	$ 27,132
PER SHARE DATA:			
Basic:			
Income (loss) from continuing operations	$ (0.72)	$ (1.55)	$ 1.38
Loss from discontinued operations	—	—	(0.08)
Net income (loss)	$ (0.72)	$ (1.55)	$ 1.30
Weighted average number of shares	21,119	21,051	20,942
Diluted:			
Income (loss) from continuing operations	$ (0.72)	$ (1.55)	$ 1.37
Loss from discontinued operations	—	—	(0.08)
Net income (loss)	$ (0.72)	$ (1.55)	$ 1.29
Weighted average number of shares	21,119	21,051	21,017

(in thousands)	**November 3, 2019**	**October 28, 2018**	**October 29, 2017 (a)**
BALANCE SHEET DATA			
Cash and cash equivalents	$ 28,672	$ 24,763	$ 37,077
Working capital	$ 89,352	$ 104,171	$ 81,881
Total assets	$ 218,004	$ 236,696	$ 284,809
Short-term borrowings, including current portion of long-term debt	$ —	$ —	$ 50,000
Long-term debt, excluding current portion	$ 55,000	$ 50,000	$ —
Total stockholders' equity	$ 36,189	$ 50,499	$ 83,994
Note - Cash dividends were not declared or paid during the above periods.			

(a) Fiscal 2017 included a $48.0 million gain from the sale of our quality assurance business and a $3.9 million gain from the sale of our information technology business.

ITEM 7. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

The following discussion should be read in conjunction with the Consolidated Financial Statements and notes thereto.

Note Regarding the Use of Non-GAAP Financial Measures

We have provided certain Non-GAAP financial information, which includes adjustments for special items and certain line items on a constant currency basis, as additional information for segment revenue, our consolidated net income (loss) and segment operating income (loss). These measures are not in accordance with, or an alternative for, measures prepared in accordance with generally accepted accounting principles ("GAAP") and may be different from Non-GAAP measures reported by other companies. We believe that the presentation of Non-GAAP measures on a constant currency basis and the elimination of special items provides useful information to management and investors regarding certain financial and business trends relating to our financial condition and results of operations because they permit evaluation of the results of our operations without the effect of currency fluctuations or special items that management believes make it more difficult to understand and evaluate our results of operations. Special items generally include impairments, restructuring and severance costs, as well as certain income or expenses that the Company does not consider to be indicative of the current and future period performance.

Segments

Our reportable segments are (i) North American Staffing, (ii) International Staffing and (iii) North American MSP. All other business activities that do not meet the criteria to be reportable segments are aggregated with corporate services under the category Corporate and Other. Our reportable segments have been determined in accordance with our internal management structure, which is based on operating activities. We evaluate business performance based upon several metrics, primarily using revenue and segment operating income as the relevant financial measures. We believe segment operating income provides management and investors a measure to analyze operating performance of each business segment against historical and competitors' data, although historical results, including operating income, may not be indicative of future results as operating income is highly contingent on many factors including the state of the economy, competitive conditions and customer preferences.

We allocate all support related costs to the operating segments except for costs not directly relating to our operating activities such as corporate-wide general and administrative costs. These costs are not allocated to individual operating segments because doing so would not enhance the understanding of segment operating performance and such costs are not used by management to measure segment performance.

We report our segment information in accordance with the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification 280, *Segment Reporting* ("ASC 280"), aligning with the way the Company evaluates its business performance and manages its operations.

In June 2019, the Company exited its customer care solutions business, which was reported as a part of the Corporate and Other category. This exit allows the Company to further strengthen its focus on its core staffing business and align its resources to streamline operations, improve cost competitiveness and increase profitability. The Company's other non-reportable businesses will continue to be combined and disclosed with corporate services under the category Corporate and Other.

Overview

We are a global provider of staffing services (traditional time and materials-based as well as project-based). Our staffing services consist of workforce solutions that include providing contingent workers, personnel recruitment services, and managed staffing services programs supporting primarily administrative and light industrial (commercial) as well as technical, information technology and engineering (professional) positions. Our managed service programs ("MSP") involves managing the procurement and on-boarding of contingent workers from multiple providers. Through June 2019, when we exited this business, our customer care solutions business specialized in serving as an extension of our customers' consumer relationships and processes including collaborating with customers, from help desk inquiries to advanced technical support.

As of November 3, 2019, we employed approximately17,100 people, including 15,900 contingent workers. Contingent workers are on our payroll for the length of their assignment. We operate in approximately 70 of our own locations and have an on-site presence in over 50 customer locations. Approximately 88% of our revenue is generated in the United States. Our principal international markets include Europe, Canada and Asia Pacific locations. The industry is highly fragmented and very competitive in all of the markets we serve.

Recent Developments

On January 14, 2020, the Company executed an amendment to the DZ Financing Program. The modifications to the agreement were to (1) extend the Amortization Date, as defined, from January 25, 2021 to January 25, 2023, and extend the Facility Maturity Date, as defined, from July 25, 2021 to July 25, 2023; and (2) revise an existing covenant to maintain positive net income in any fiscal year ending after 2020. All other terms and conditions remain unchanged.

In the first quarter of fiscal 2020, the Company approved a restructuring plan (the "Plan") as part of its strategic initiative to optimize the Company's cost infrastructure. Included in this initiative is the Company's plan to leverage the global capabilities of our staffing operations based in Bangalore, India and offshore a significant number of strategically identified roles to this location. The plan will affect approximately 125 employees. The Company expects to incur a total estimated pre-tax restructuring charge of approximately $1.2 million of severance and benefit costs in the first half of its fiscal year ending November 1, 2020. As a result of this offshoring plan, along with executing on additional organizational cost savings initiatives during fiscal 2020, the Company estimates it will realize annualized net savings of approximately $10.0 million.

Consolidated Results of Continuing Operations and Financial Highlights (Fiscal 2019 vs. Fiscal 2018)

Results of Continuing Operations by Segment (Fiscal 2019 *(53 weeks)* vs. Fiscal 2018 *(52 weeks)*)

	Year Ended November 3, 2019					
(in thousands)	**Total**	**North American Staffing**	**International Staffing**	**North American MSP**	**Corporate and Other (1)**	**Elimination (2)**
Net revenue	**$ 997,090**	**$ 830,947**	**$ 114,377**	**$ 39,010**	**$ 15,320**	**$ (2,564)**
Cost of services	844,527	708,824	95,552	28,324	14,391	(2,564)
Gross margin	**152,563**	**122,123**	**18,825**	**10,686**	**929**	**—**
Selling, administrative and other operating costs	157,052	103,437	15,422	5,595	32,598	—
Restructuring and severance costs	4,656	719	510	68	3,359	—
Impairment charges	688	4	—	—	684	—
Operating income (loss)	**(9,833)**	**17,963**	**2,893**	**5,023**	**(35,712)**	**—**
Other income (expense), net	(4,375)					
Income tax provision	978					
Net loss	**$ (15,186)**					

	Year Ended October 28, 2018					
(in thousands)	**Total**	**North American Staffing**	**International Staffing**	**North American MSP**	**Corporate and Other (1)**	**Elimination (2)**
Net revenue	**$ 1,039,170**	**$ 860,544**	**$ 117,351**	**$ 29,986**	**$ 35,228**	**$ (3,939)**
Cost of services	885,492	735,050	98,640	22,637	33,104	(3,939)
Gross margin	**153,678**	**125,494**	**18,711**	**7,349**	**2,124**	**—**
Selling, administrative and other operating costs	173,337	112,459	15,986	5,571	39,321	—
Restructuring and severance costs	8,242	932	328	145	6,837	—
Impairment charges	506	—	—	—	506	—
Operating income (loss)	**(28,407)**	**12,103**	**2,397**	**1,633**	**(44,540)**	**—**
Other income (expense), net	(3,320)					
Income tax provision	958					
Net loss	**$ (32,685)**					

(1) Revenues are primarily derived from Volt Customer Care Solutions business through June 2019.
(2) The majority of intersegment sales results from North American Staffing providing resources to Volt Customer Care Solutions business.

Results of Operations Consolidated (Fiscal 2019 vs. Fiscal 2018)

Net revenue in fiscal 2019 decreased $42.1 million, or 4.0%, to $997.1 million from $1,039.2 million in fiscal 2018, including the impact of fiscal 2019 consisting of 53 weeks while fiscal 2018 consisted of 52 weeks. The revenue decline was primarily due to decreases in our North American Staffing segment of $29.6 million, the Corporate and Other category of $19.9 million and the negative impact of foreign currency fluctuations of $6.0 million. These decreases were partially offset by an increase of $9.0 million in our North American MSP segment and $3.0 million in our International Staffing segment on a constant currency basis. Excluding the impact on net revenue of the 53rd week in fiscal 2019 of approximately $18.9 million, foreign currency fluctuations and $20.5 million in revenue from businesses exited during the periods, net revenue decreased $34.4 million, or 3.5%.

Operating loss in fiscal 2019 decreased $18.6 million, or 65.4%, to $9.8 million from $28.4 million in fiscal 2018. Excluding the businesses exited during the periods, as well as restructuring and severance costs and impairment charges, operating loss in fiscal 2019 decreased $14.6 million, or 67.2%. This decrease in operating loss of $14.6 million was primarily the result of improvements in our North American Staffing segment of $4.9 million and North American MSP segment of $3.1 million. In addition, the Corporate and Other category improved by $6.2 million primarily as a result of reductions in corporate support costs.

Results of Continuing Operations by Segments (Fiscal 2019 vs. Fiscal 2018)

Net Revenue

The North American Staffing segment revenue decreased $29.6 million, or 3.4% in fiscal 2019. Excluding the impact of the 53rd week in fiscal 2019 of approximately $15.8 million partially offset by revenue from our customer care solutions business, which we exited in June 2019, of $1.2 million, revenue decreased $44.2 million or 5.1% in fiscal 2019. The segment's revenue was impacted by lower demand from certain large customers and changes in other customers' staffing models, partially offset by growth from new and existing customers. This was primarily driven by decreases from our customers in our administrative and office job category and to a lesser extent in our professional job category. The year over year decrease in revenue improved from a decline of 6.4% in fiscal 2018 compared to fiscal 2017.

The International Staffing segment revenue decreased $3.0 million, or 2.5%. Excluding the negative impact of foreign currency fluctuations of $6.0 million and $0.7 million of revenue from a business exited in fiscal 2018, partially offset by the 53rd week in fiscal 2019 of approximately $2.2 million, International Staffing revenue increased by $1.5 million, or 1.3%, primarily due to growth in direct hire and managed service business.

The North American MSP segment revenue increase of $9.0 million, or 30.1%, was primarily due to growth in both payroll service and managed service businesses. Excluding the 53rd week in fiscal 2019 of approximately $0.9 million, revenue increased $8.1 million, or 27.1%. The loss of several programs in early fiscal 2018 was offset by new contracts and program expansions in the latter half of the year.

The Corporate and Other category revenue decreased $19.9 million, or 56.5%, primarily as a result of our exit from the customer care solutions business in the beginning of June 2019.

Cost of Services and Gross Margin

Cost of services in fiscal 2019 decreased $41.0 million, or 4.6%, to $844.5 million from $885.5 million in fiscal 2018. Excluding the impact on cost of services of the 53rd week in fiscal 2019 of approximately $15.6 million, cost of services in fiscal 2019 decreased $56.5 million, or 6.4%, to $829.0 million. Gross margin as a percent of revenue in fiscal 2019 increased to 15.3% from 14.8% in fiscal 2018. Our North American Staffing segment margin as a percent of revenue improved as a result of lower payroll tax rates, partially offset by a higher mix of larger price-competitive customers and a decline in higher-margin direct hire revenue. In addition, our North American MSP segment margin as a percent of revenue increased due to increases in both payroll and managed service businesses. This improvement was partially offset by lower margins from our customer care solutions business which we exited in June 2019 and lower headcount from reduced client demand earlier in the year. Excluding this business, gross margin increased to 15.5% and 15.1% in fiscal years 2019 and 2018, respectively.

Selling, Administrative and Other Operating Costs

Selling, administrative and other operating costs in fiscal 2019 decreased $16.2 million, or 9.4%, to $157.1 million from $173.3 million in fiscal 2018. Excluding the impact on selling, administrative and other operating costs of the 53rd week in fiscal 2019 of approximately $2.6 million, selling, administrative and other operating costs in fiscal 2019 decreased $18.8 million, or 10.9%, to $154.5 million. This decrease was primarily due to on-going cost reductions in all areas of the business including $13.1 million in labor costs due to lower headcount and revised incentive plans, $2.4 million in facility related costs and $1.0 million in travel expenses. In addition, legal and consulting fees were $3.0 million lower primarily related to corporate and cost-efficiency initiatives in the first quarter of 2018. These improvements were offset by $1.9 million in higher medical claims experience in fiscal 2019. As a percent of revenue, these costs were 15.8% and 16.7% in fiscal years 2019 and 2018, respectively.

Restructuring and Severance Costs

On October 16, 2018, the Company approved a restructuring plan (the “2018 Plan”) based on an organizational and process redesign intended to optimize the Company's strategic growth initiatives and overall business performance. Restructuring and severance costs in fiscal 2019 decreased $3.5 million to $4.7 million from $8.2 million in fiscal 2018. The costs in fiscal 2019 primarily included $2.1 million of severance and lease termination costs in connection with exiting our customer care solutions business, $1.0 million incurred under the 2018 Plan and $0.9 million incurred in accordance with the separation agreement with the former Chief Financial Officer. The remaining $0.7 million of restructuring and severance costs were from other restructuring actions taken by the Company as part of its continued efforts to reduce costs and achieve operational efficiency.

In fiscal 2018, costs primarily included $4.4 million incurred under the 2018 Plan and $2.6 million incurred in accordance with the separation agreement with the Company's former President and Chief Executive officer. The remaining $1.2 million of restructuring and severance costs are from other restructuring actions taken by the Company as part of its continued efforts to reduce costs and achieve operational efficiency.

Impairment Charges

Impairment charges in fiscal 2019 increased $0.2 million to $0.7 million from $0.5 million in fiscal 2018. In fiscal 2019, we recorded an impairment charge of $0.3 million on equipment used in our customer care solutions business, $0.3 million on software no longer in use and $0.1 million on equipment in closed facilities. In fiscal 2018, we made the decision to forgo future use of a previously purchased software tool, which resulted in an impairment charge of $0.5 million.

Other Income (Expense), net

Other expense in fiscal 2019 increased $1.1 million, or 31.8%, to $4.4 million from $3.3 million in fiscal 2018 primarily as a result of non-cash net foreign exchange loss on intercompany balances as well as increased interest expense as a result of higher weighted-average rates and an increase in borrowings under our financing program. These increases were partially offset by lower amortization of deferred financing fees.

Income Tax Provision

Income tax provision in fiscal 2019 amounted to $1.0 million and was primarily related to locations outside of the United States. The income tax provision of $1.0 million in fiscal 2018 was primarily related to locations outside the United States, which was partially offset by a $1.1 million reversal of uncertain tax provisions in early 2018.

Liquidity and Capital Resources

Our primary sources of liquidity are cash flows from operations and proceeds from our financing arrangements with DZ Bank and with PNC Bank, National Association ("PNC Bank") until the termination of the PNC Financing Program (as defined below) in January 2018. Borrowing capacity under these arrangements is directly impacted by the level of accounts receivable, which fluctuates during the year due to seasonality and other factors. Our business is subject to seasonality with our fiscal first quarter billings typically the lowest due to the holiday season and generally increasing in the fiscal third and fourth quarters when our customers increase the use of contingent labor. Generally, the first and fourth quarters of our fiscal year are the strongest for operating cash flows. Our operating cash flows consist primarily of collections of customer receivables offset by payments for payroll and related items for our contingent staff and in-house employees; federal, foreign, state and local taxes; and trade payables. We generally provide customers with 15 - 45 day credit terms, with few extenuating exceptions, while our payroll and certain taxes are paid weekly.

We manage our cash flow and related liquidity on a global basis. We fund payroll, taxes and other working capital requirements using cash supplemented as needed from our borrowings. Our weekly payroll payments inclusive of employment-related taxes and payments to vendors are approximately $20.0 million. We generally target minimum global liquidity to be 1.5 times our average weekly requirements taking into account seasonality and cyclical trends. We also maintain minimum effective cash balances in foreign operations and use a multi-currency netting and overdraft facility for our European entities to further minimize overseas cash requirements. We believe our cash flow from operations will be sufficient to meet our cash needs for the next twelve months.

Capital Allocation

We have prioritized our capital allocation strategy to strengthen our balance sheet and increase our competitiveness in the marketplace. The timing of these initiatives is highly dependent upon attaining the profitability objectives outlined in our plan. We also see this as an opportunity to demonstrate our ongoing commitment to Volt shareholders as we continue to execute on our plan and return to sustainable profitability. Our capital allocation strategy includes the following elements:

- *Maintaining appropriate levels of working capital.* Our business requires a certain level of cash resources to efficiently execute operations. Consistent with similar companies in our industry and operational capabilities, we estimate this amount to be 1.5 times our weekly cash distributions on a global basis and must accommodate seasonality and cyclical trends;

- *Reinvesting in our business.* We continue to execute on our company-wide initiative of disciplined reinvestment in our business including new information technology systems, which will support our front-end recruitment and placement capabilities as well as increase efficiencies in our back-office financial suite. We are also investing in our sales and recruiting process and resources, which are critical to drive profitable growth;

- *Deleveraging our balance sheet.* By lowering our debt level, we will strengthen our balance sheet, reduce interest costs and reduce risk going forward.

Initiatives to Improve Operating Income, Cash Flows and Liquidity

We continue to make progress on several initiatives undertaken to enhance our liquidity position and shareholder value.

On July 19, 2019, we amended and restated our long-term$115.0 million accounts receivable securitization program with DZ Bank, which was originally executed on January 25, 2018. The restated agreement allows for the inclusion of certain accounts receivable from an originator in the United Kingdom, which added an additional $5.0 - $7.0 million in borrowing availability. This will improve available liquidity allowing us to continue to advance our capital allocation plan and will provide us with additional resources to execute our business strategy.

On January 14, 2020, the Company executed an amendment to the DZ Financing Program. The modifications to the agreement were to (1) extend the Amortization Date, as defined, from January 25, 2021 to January 25, 2023, and extend the Facility Maturity Date, as defined, from July 25, 2021 to July 25, 2023; and (2) revise an existing covenant to maintain positive net income in any fiscal year ending after 2020. All other terms and conditions remain unchanged.

Entering fiscal 2020, we have significant tax benefits including federal net operating loss carryforwards of$207.2 million, U.S. state NOL carryforwards of $239.3 million, international NOL carryforwards of $9.3 million and federal tax credits of $53.5 million, which are fully reserved with a valuation allowance which we will be able to utilize against future profits. We also have capital loss carryforwards of $12.9 million, which we will be able to utilize against future capital gains that may arise in the near future. As of November 3, 2019, the U.S. federal NOL carryforwards will expire at various dates between 2031 and 2038 (with some indefinite), the U.S. state NOL carryforwards expire at various dates between 2020 and 2038, the international NOL carryforwards expire at various dates beginning in 2020 (with some indefinite), capital loss carryforwards expire between 2020 and 2022 and federal tax credits expire between 2020 and 2037.

As previously discussed, we continue to add functionality to our underlying information technology systems and to improve our competitiveness in the marketplace. Through our strategy of improving efficiency in all aspects of our operations, we believe we can realize organic growth opportunities, reduce costs and increase profitability. During fiscal 2019 and 2018, we also took certain restructuring actions that will improve selling, general and administrative costs. This is due in part from efficiencies gained from our information technology investment, as well as additional headcount reduction and lease termination initiatives taken under our 2018 Plan. Consistent with our ongoing strategic efforts, cost savings will be used to strengthen our operations as needed.

Liquidity Outlook and Further Considerations

As previously noted, our primary sources of liquidity are cash flows from operations and proceeds from our financing arrangement. Both operating cash flows and borrowing capacity under our financing arrangement is directly related to the levels of accounts receivable generated by our businesses. Our level of borrowing capacity under the DZ Financing Program increases or decreases in tandem with any increases or decreases in accounts receivable based on revenue fluctuations.

On June 4, 2019, we entered into an amendment with DZ Bank to temporarily exclude the receivables due from a specific customer from the securitization pool under our DZ Financing Program for three subsequent reporting periods as of May 2019 through July 2019. This customer experienced internal processing issues related to specific Volt purchase orders resulting in significant payment delays, which negatively impacted the 90-Day Delinquency Rate, as defined in the DZ Financing Program. Although this change improved the delinquency rate, it also temporarily decreased our borrowing availability under the DZ Financing Program by approximately $2.0 - $3.0 million. These payment delays were not credit related and the Company collected the past due amounts. The issue was resolved and the receivables from this customer were added back to the securitization pool under the original terms of the agreement, as permitted under a provision in the amendment.

In June 2019, we exited our customer care solutions business. This business previously contributed accounts receivable as collateral under the DZ Financing Program and its exit had a diminishing effect on our borrowing base under the DZ Financing Program.

At November 3, 2019, the Company had outstanding borrowings under the DZ Financing Program of$55.0 million, borrowing availability, as defined, under the DZ Financing Program, of $22.3 million and global liquidity of $42.2 million.

Our DZ Financing Program is subject to termination under certain events of default such as breach of covenants, including the aforementioned financial covenants. At November 3, 2019, we were in compliance with all debt covenants. We believe, based on our 2020 plan, we will continue to be able to meet our financial covenants under the amended DZ Financing Program.

The following table sets forth our cash and global liquidity levels at the end of our last fiscal five quarters:

Global Liquidity

	October 28, 2018	January 27, 2019	April 28, 2019	July 28, 2019	November 3, 2019
Cash and cash equivalents *(a)*	**$ 24,763**	**$ 32,925**	**$ 39,689**	**$ 36,031**	**$ 28,672**
Total outstanding debt	**$ 50,000**	**$ 55,000**	**$ 55,000**	**$ 55,000**	**$ 55,000**
Cash in banks *(b) (c)*	$ 17,685	$ 23,646	$ 29,946	$ 24,224	$ 19,945
DZ Financing Program (*d*)	38,302	31,072	22,222	16,416	22,271
Global liquidity	**55,987**	**54,718**	**52,168**	**40,640**	**42,216**
Minimum liquidity threshold	15,000	15,000	15,000	15,000	15,000
Available liquidity	**$ 40,987**	**$ 39,718**	**$ 37,168**	**$ 25,640**	**$ 27,216**

a. Per financial statements.

b. Amount generally includes outstanding checks.

c. Amounts in the USB collections account are excluded from cash in banks as the balance is included in the borrowing availability under the DZ Financing Program. As of November 3, 2019, the balance in the USB collections account included in the DZ Financing Program availability was $7.5 million.

d. The borrowing base included the receivables from the United Kingdom effective July 19, 2019 and excluded the receivables from the customer care solutions business which we exited in June 2019.

Cash flows from operating, investing and financing activities, as reflected in our Consolidated Statements of Cash Flows, are summarized in the following table:

	For the Year Ended	
(in thousands)	November 3, 2019	October 28, 2018
Net cash provided by (used in) operating activities	$ 7,368	$ (10,735)
Net cash used in investing activities	(8,842)	(3,234)
Net cash provided by (used in) financing activities	3,899	(1,740)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(525)	(1,844)
Net increase (decrease) in cash and cash equivalents	**$ 1,900**	**$ (17,553)**

Fiscal Year Ended November 3, 2019 compared to the Fiscal Year Ended October 28, 2018

Cash Flows – Operating Activities

The net cash provided by operating activities in fiscal 2019 was$7.4 million, an increase of $18.1 million from fiscal 2018. Thisincrease resulted primarily from the$17.5 million decrease in net loss in fiscal 2019 and a$1.4 million change in operating assets and liabilities.

Cash Flows – Investing Activities

The net cash used in investing activities in fiscal 2019 was$8.8 million, principally from the purchases of property, equipment and software of$9.1 million primarily relating to our investment in updating our business processes, back-office financial suite and information technology tools. The net cash used in investing activities in fiscal 2018 was $3.2 million, principally from purchases of property, equipment and software of$3.6 million primarily relating to our investment in updating our business processes, back-office financial suite and information technology tools.

Cash Flows – Financing Activities

The net cash provided by financing activities in fiscal 2019 was $3.9 million principally from a $5.0 million increase in net borrowing under the DZ Financing Program, partially offset by the payment of debt issuance costs of $0.8 million related to the DZ Financing Program. The net cash used in financing activities in fiscal 2018 was $1.7 million principally from the payment of debt issuance costs of $1.5 million related to the DZ Financing Program.

Financing Program

On July 19, 2019, the Company amended and restated the DZ Financing Program, which was originally executed on January 25, 2018. The restated agreement allows for the inclusion of certain accounts receivable from an originator in the United Kingdom, which added an additional $5.0 - $7.0 million in borrowing availability. All other material terms and conditions of the original agreement remained substantially unchanged.

The DZ Financing Program is fully collateralized by certain receivables of the Company that are sold to a wholly-owned, consolidated, bankruptcy-remote subsidiary. To finance the purchase of such receivables, we may request that DZ Bank make loans from time to time to the Company that are secured by liens on those receivables.

On June 4, 2019, the Company entered into an amendment with DZ Bank to temporarily exclude the receivables due from a specific customer from the securitization pool under the DZ Financing Program for three subsequent reporting periods as of May 2019 through July 2019. This customer experienced internal processing issues related to specific Volt purchase orders resulting in significant payment delays, which negatively impacted the 90-Day Delinquency Rate, as defined in the DZ Financing Program. Although this change improved the delinquency rate, it temporarily decreased the Company's borrowing availability under the DZ Financing Program by approximately $2.0 - $3.0 million. These payment delays were not credit related and the Company collected the past due amounts. The issue was resolved and the receivables from this customer were added back to the securitization pool under the original terms of the agreement, as permitted under a provision in the amendment.

Loan advances may be made under the DZ Financing Program through January 25, 2021 and all loans will mature no later than July 25, 2021. Loans will accrue interest (i) with respect to loans that are funded through the issuance of commercial paper notes, at the CP rate, and (ii) otherwise, at a rate per annum equal to adjusted LIBOR. The CP rate will be based on the rates paid by the applicable lender on notes it issues to fund related loans. Adjusted LIBOR is based on LIBOR for the applicable interest period and the rate prescribed by the Board of Governors of the Federal Reserve System for determining the reserve requirements with respect to Eurocurrency funding. If an event of default occurs, all loans shall bear interest at a rate per annum equal to the prime rate (the federal funds rate plus 3%) plus 2.5%.

The DZ Financing Program also includes a letter of credit sub-facility with a sub-limit of $35.0 million. As of November 3, 2019, the letter of credit participation was $24.2 million inclusive of $22.8 million for the Company's casualty insurance program, $1.2 million for the security deposit required under certain real estate lease agreements and $0.2 million for the Company's corporate credit card program. The Company used $30.0 million of funds available under the DZ Financing Program to temporarily collateralize the letters of credit, until the letters of credit were established with DZ Bank on January 31, 2018.

The DZ Financing Program contains customary representations and warranties as well as affirmative and negative covenants, with such covenants being less restrictive than those under the PNC Financing Program (as defined below). The agreement also contains customary default, indemnification and termination provisions. The DZ Financing Program is not an off-balance sheet arrangement, as the bankruptcy remote subsidiary is a 100%-owned consolidated subsidiary of the Company.

The Company is subject to certain financial and portfolio performance covenants under the DZ Financing Program, including (1) a minimum Tangible Net Worth (as defined under the DZ Financing Program) of at least $30.0 million through fiscal 2019, which will increase to $40.0 million in fiscal 2020; (2) positive net income in any fiscal year ending after 2019; (3) maximum debt to tangible net worth ratio of 3:1 and (4) a minimum of $15.0 million in liquid assets (as defined under the DZ Financing Program). At November 3, 2019, there was $22.3 million of borrowing availability, as defined, under the DZ Financing program and the Company was in compliance with all debt covenants.

The Company had entered into the original agreement with DZ Bank when it exited its financing relationship with PNC Bank ("PNC Financing Program"). The Company used funds made available by the DZ Financing Program to repay all amounts outstanding under the PNC Financing Program, which terminated in accordance with its terms. The Company uses the availability from the DZ Financing Program from time-to-time for working capital and other general corporate purposes.

Off-Balance Sheet Arrangements

As of November 3, 2019, we issued letters of credit against our DZ Financing Program totaling$24.2 million including $22.8 million for the Company's casualty insurance program, $1.2 million for the security deposit required under certain lease agreements and$0.2 million for the Company's corporate credit card program.

As of October 28, 2018, we issued letters of credit against our DZ Financing Program totaling$25.4 million including $23.5 million for the Company's casualty insurance program, $1.1 million for the security deposit required under certain lease agreements and$0.8 million for the Company's corporate credit card program.

Critical Accounting Policies and Estimates

Management's discussion and analysis of our financial position and results of operations are based upon our Consolidated Financial Statements, which are included in Item 8, Financial Statements and Supplementary Data of this report and have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates, judgments, assumptions and valuations that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures. While management believes that its estimates, judgments and assumptions are appropriate, significant differences in actual experience or significant changes in assumptions may materially affect our future results. Management believes the critical accounting policies and areas that require the most significant estimates, judgments, assumptions or valuations used in the preparation of our financial statements are those summarized below.

Goodwill

We perform our annual impairment test for goodwill during the second quarter of the fiscal year and when a triggering event occurs between annual impairment tests. When testing goodwill, the Company has the option to first assess qualitative factors for reporting units that carry goodwill. International Staffing is the only segment which carries goodwill. The qualitative assessment includes assessing the totality of relevant events and circumstances that affect the fair value or carrying value of the reporting unit. These events and circumstances include macroeconomic conditions, industry and competitive environment conditions, overall financial performance, reporting unit specific events and market considerations. We may also consider recent valuations of the reporting unit, including the magnitude of the difference between the most recent fair value estimate and the carrying value, as well as both positive and adverse events and circumstances, and the extent to which each of the events and circumstances identified may affect the comparison of a reporting unit's fair value with its carrying value. If the qualitative assessment results in a conclusion that it is more likely than not that the fair value of a reporting unit exceeds the carrying value, then no further testing is performed for that reporting unit.

When a qualitative assessment is not used, or if the qualitative assessment is not conclusive and it is necessary to calculate the fair value of a reporting unit, then the impairment analysis for goodwill is performed at the reporting unit level using a one-step approach ("Step 1") as we have early adopted Accounting Standards Update 2017-04, *Intangibles - Goodwill and Other (Topic 350)Simplifying the Test for Goodwill Impairment*. In conducting our goodwill impairment testing, we compare the fair value of the reporting unit with goodwill to the carrying value, using various valuation techniques including income (discounted cash flow) and market approaches. The Company believes the blended use of both approaches compensates for the inherent risk associated with using either one on a stand-alone basis, and this combination is indicative of the factors a market participant would consider when performing a similar valuation.

For the fiscal 2019 test performed in the second quarter, we elected to bypass the qualitative assessment and prepared a Step 1 analysis. Our Step 1 analysis used significant assumptions including expected revenue and expense growth rates, forecasted capital expenditures, working capital levels and a discount rate of 15%. Under the market-based approach significant assumptions included relevant comparable company earnings multiples including the determination of whether a premium or discount should be applied to those comparables. During the second quarter of fiscal 2019, it was determined that no adjustment to the carrying value of goodwill of $5.4 million was required as our Step 1 analysis resulted in the fair value of the reporting unit exceeding its carrying value. There were no triggering events since the annual goodwill impairment assessment that caused the Company to perform an interim impairment assessment.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as well as for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using current tax laws and rates in effect for the years in which those temporary differences are expected to be recovered or settled. 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. We must then assess the likelihood that our deferred tax assets will be realized. If we do not believe that it is more likely than not that our deferred tax assets will be realized, a valuation allowance is established. When a valuation allowance is increased or decreased, a corresponding tax expense or benefit is recorded.

Accounting for income taxes involves uncertainty and judgment in how to interpret and apply tax laws and regulations within our annual tax filings. Such uncertainties may result in tax positions that may be challenged and overturned by a tax authority in the future which would result in additional tax liability, interest charges and possible penalties. Interest and penalties are classified as a component of income tax expense.

We recognize the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement. Changes in recognition or measurement are reflected in the period in which the change in estimate occurs.

Realization of deferred tax assets is dependent upon reversals of existing taxable temporary differences, taxable income in prior carryback years, and future taxable income. Significant weight is given to positive and negative evidence that is objectively verifiable. We have a three-year cumulative loss position which is significant negative evidence in considering whether deferred tax assets are realizable and the accounting guidance restricts the amount of reliance we can place on projected taxable income to support the recovery of the deferred tax assets. A valuation allowance has been recognized due to the uncertainty of realization of our loss carryforwards and other deferred tax assets. Management believes that the remaining deferred tax assets are more likely than not to be realized based upon consideration of all positive and negative evidence, including scheduled reversal of deferred tax liabilities and tax planning strategies determined on a jurisdiction-by-jurisdiction basis.

Casualty Insurance Program

We purchase workers' compensation insurance through mandated participation in certain state funds, and the experience-rated premiums in these state plans relieve us of any additional liability. Liability for workers' compensation in all other states as well as automobile and general liability is insured under a paid loss deductible casualty insurance program for losses exceeding specified deductible levels and we are financially responsible for losses below the specified deductible limits. The casualty program is secured by a letter of credit against the Company's DZ Financing Program of $22.8 million as of November 3, 2019.

We recognize expenses and establish accruals for amounts estimated to be incurred up to the policy deductible, both reported and not yet reported, policy premiums and related legal and other claims administration costs. We develop estimates for claims as well as claims incurred but not yet reported using actuarial principles and assumptions based on historical and projected claim incidence patterns, claim size and the length of time over which payments are expected to be made. Actuarial estimates are updated as loss experience develops, additional claims are reported or settled and new information becomes available. Any changes in estimates are reflected in operating results in the period in which the estimates are changed. Depending on the policy year, adjustments to final expected paid amounts are determined as of five years after the end of the respective policy year or through the ultimate life of the claim.

Medical Insurance Program

We are self-insured for a portion of our medical benefit programs for our employees. Eligible contingent staff on assignment with customers are offered medical benefits through a fully insured program administered through a third party. Employees contribute a portion of the cost of these medical benefit programs.

The liability for the self-insured medical benefits is limited on a per claimant basis through the purchase of stop-loss insurance. Our retained liability for the self-insured medical benefits is determined utilizing actuarial estimates of expected claims based on statistical analysis of historical data.

Litigation

We are subject to certain legal proceedings as well as demands, claims and threatened litigation that arise in the normal course of our business. If the potential loss from any claim or legal proceeding is considered probable and the amount can be reasonably estimated, a liability and an expense are recorded for the estimated loss. Significant judgment is required in both the determination of probability and the determination of whether an exposure is reasonably estimable. Development of the accrual includes consideration of many factors including potential exposure, the status of proceedings, negotiations, discussions with internal and outside counsel, results of similar litigation and, in the case of class action lawsuits, participation rates. As additional information becomes available, we will revise the estimates. If the actual outcome of these matters is different than expected, an adjustment is charged or credited to expense in the period the outcome occurs or the period in which the estimate changes. To the extent that an insurance company is contractually obligated to reimburse us for a liability, we record a receivable for the amount of the probable reimbursement.

Accounts Receivable

We make ongoing estimates relating to the collectability of our trade accounts receivable and maintain an allowance for estimated losses resulting from the inability of our customers to make required payments. In determining the amount of the allowance for uncollectible accounts receivable, we make judgments on a customer-by-customer basis based on the customer's current financial situation, such as bankruptcies, and other difficulties collecting amounts billed. Losses from uncollectible accounts have not exceeded our allowance historically. As we cannot predict with certainty future changes in the financial stability of our customers, actual future losses from uncollectible accounts may differ from our estimates. If the financial condition of our customers were to deteriorate, resulting in their inability to make payments, a larger allowance may be required. In the event we determined that a smaller or larger allowance was appropriate, we would record a credit or a charge to Selling, administrative and other operating costs in the period in which we made such a determination.

New Accounting Standards

For additional information regarding new accounting guidance see Note 1 - Summary of Business and Significant Accounting Policies in our Consolidated Financial Statements.

ITEM 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

Market risk is the potential economic gain or loss that may result from changes in market rates and prices. In the normal course of business, the Company's earnings, cash flows and financial position are exposed to market risks relating to the impact of interest rate changes and foreign currency exchange rate fluctuations. We limit these risks through risk management policies and procedures.

Interest Rate Risk

We centrally manage our debt and investment portfolios considering investment opportunities and risks, tax consequences and overall financing strategies. At November 3, 2019, we had cash and cash equivalents on which interest income is earned at variable rates. At November 3, 2019, we had a long-term $115.0 million accounts receivable securitization program, which can be increased subject to credit approval from DZ Bank, to provide additional liquidity to meet our short-term financing needs.

The interest rates on these borrowings and financings are variable and, therefore, interest and other expense and interest income are affected by the general level of U.S. and foreign interest rates. Based upon the current levels of cash invested, notes payable to banks and utilization of the securitization program, on a short-term basis, a hypothetical 1-percentage-point increase in interest rates would have increased net interest expense by $0.2 million or a hypothetical 1-percentage-point decrease in interest rates would have decreased net interest expense by $0.2 million in fiscal 2019.

Foreign Currency Risk

We have operations in several foreign countries and conduct business in the local currency in these countries. As a result, we have risk associated with currency fluctuations as the value of foreign currencies fluctuates against the dollar, in particular the British Pound, Euro, Canadian Dollar, Singapore Dollar and Indian Rupee. These fluctuations impact reported earnings.

Fluctuations in currency exchange rates also impact the U.S. dollar amount of our net investment in foreign operations. The assets and liabilities of our foreign subsidiaries are translated into U.S. dollars at the exchange rates in effect at the fiscal year-end balance sheet date. Income and expenses accounts are translated at an average exchange rate during the year which approximates the rates in effect at the transaction dates. The resulting translation adjustments are recorded in stockholders' equity as a component of accumulated other comprehensive income. The U.S. dollar strengthened relative to many foreign currencies as of November 3, 2019 compared to October 28, 2018. Consequently, stockholders' equity increased by $0.3 million as a result of the foreign currency translation as of November 3, 2019.

Based upon the current levels of net foreign assets, a hypothetical 10% devaluation of the U.S. dollar as compared to these currencies as of November 3, 2019 would result in an approximate $0.7 million positive translation adjustment recorded in other comprehensive income within stockholders' equity. Conversely, a hypothetical 10% appreciation of the U.S. dollar as compared to these currencies as of November 3, 2019 would result in an approximately $0.7 million negative translation adjustment recorded in other comprehensive income within stockholders' equity. We do not use derivative instruments for trading or other speculative purposes.

ITEM 8. *FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA*

Our financial statements and supplementary data are included at the end of this report beginning on page F-1. See the index appearing on the pages following this report.

ITEM 9. *CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE*

None

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Based on an evaluation under the supervision and with the participation of the Company's management, our Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") were effective as of November 3, 2019 to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to the Company's management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Management's Annual Report 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) under the Exchange Act). Management conducted an assessment of the effectiveness of the Company's internal control over financial reporting based on the criteria set forth in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on the Company's assessment, management has concluded that its internal control over financial reporting was effective as of November 3, 2019 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP.

This Annual Report on Form 10-K does not include an audit report on internal control over financial reporting by the Company's registered public accounting firm. The Company's internal control over financial reporting was not subject to audit by the Company's registered public accounting firm pursuant to the SEC's Exchange Act Rule 12b-2 that permits the Company to provide only management's assessment report for the year ended November 3, 2019.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting which occurred during the fiscal quarter ended November 3, 2019, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Inherent Limitations of Internal Control

Management, including the Company's Chief Executive Officer and Chief Financial Officer, does not expect that the Company's internal controls will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of internal controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Also, any evaluation of the effectiveness of internal controls in future periods are subject to the risk that those internal controls may become inadequate because of changes in business conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ITEM 9B. *OTHER INFORMATION*

Amendment No. 1 to Amended and Restated Receivables Loan and Security Agreement

On January 14, 2020, the Company executed Amendment No. 1 to the Amended and Restated Receivables Loan and Security Agreement. The modifications to the agreement were to (1) extend the Amortization Date, as defined, from January 25, 2021 to January 25, 2023, and extend the Facility Maturity Date, as defined, from July 25, 2021 to July 25, 2023; and (2) revise an existing covenant to maintain positive net income in any fiscal year ending after 2020. All other terms and conditions remain unchanged.

A copy of Amendment No. 1 is attached to this Annual Report as Exhibit 10.39, and this summary is qualified in its entirety by reference to such exhibit.

PART III

ITEM 10. *DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE*

The information required to be furnished pursuant to this item will be set forth under the captions “Proposal One: Election of Directors,” “Executive Officers,” “Corporate Governance,” “Section 16(a) Beneficial Ownership Reporting Compliance” and “Miscellaneous - Available Information” in the Company’s Proxy Statement for our 2020 Annual Meeting of Shareholders (the “Proxy Statement”) or in an amendment to this Annual Report, which information is incorporated herein by reference.

ITEM 11. *EXECUTIVE COMPENSATION*

The information required to be furnished pursuant to this item is incorporated by reference from the information set forth under the caption “Executive Compensation” in the Proxy Statement or in an amendment to this Annual Report, which information is incorporated herein by reference.

ITEM 12. *SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS*

The information required to be furnished pursuant to this item will be set forth under the caption “Security Ownership of Certain Beneficial Owners and Management” in the Proxy Statement or in an amendment to this Annual Report, which information is incorporated herein by reference.

ITEM 13. *CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE*

The information required to be furnished pursuant to this item will be set forth under the captions “Transactions With Related Persons” and “Corporate Governance - Director Independence” in the Proxy Statement or in an amendment to this Annual Report, which information is incorporated herein by reference.

ITEM 14. *PRINCIPAL ACCOUNTING FEES AND SERVICES*

The information required to be furnished pursuant to this item will be set forth under the caption “Principal Accountant Fees and Services” in the Proxy Statement or in an amendment to this Annual Report, which information is incorporated herein by reference.

PART IV

ITEM 15. ***EXHIBITS, FINANCIAL STATEMENT SCHEDULES***

(a)(1) Financial Statements

The following documents are filed as a part of this report:

(a)(2) Financial Statement Schedules

All schedules have been omitted because the required information is included in the Consolidated Financial Statements or the notes thereto, or because they are not required.

(b) Exhibits - The following exhibits are filed as part of, or incorporated by reference into, this report:

Exhibits	Description
3.1	Restated Certificate of Incorporation of the Company, as amended (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 3, 2015 filed June 10, 2015; File No. 001-09232)
3.2	Amended and Restated By-Laws of the Company, as amended through September 7, 2017 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed September 12, 2017; File No. 001-9232)
10.1*	2006 Incentive Stock Plan (incorporated by reference to Exhibit A to the Company's Proxy Statement filed February 27, 2007; File No. 001-09232)
10.2*	Form of Restricted Stock Grant Notice for Employees (incorporated by reference to Exhibit 10.4 to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2010 filed April 9, 2013; File No. 001-09232)
10.3*	Form of Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed April 13, 2009; File No. 001-09232)
10.4	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.01 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2005 filed September 9, 2005; File No. 001-09232)
10.5*	Employment Agreement, dated March 23, 2015, by and between the Company and Paul Tomkins (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed March 26, 2015; File No. 001-9232)
10.6*	Employment Agreement, dated October 19, 2015, between the Company and Michael Dean (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed October 21, 2015; File No. 001-9232)
10.7*	2015 Equity Incentive Plan (incorporated by reference to Appendix A to the Company's Proxy Statement filed February 29, 2016; File No. 001-9232)
10.8	Lease Agreement, dated February 25, 2016, by and between Glassell Grand Avenue Partners, LLC and Volt Information Sciences, Inc. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed March 1, 2016; File No. 001-9232)
10.9*	Volt Information Sciences, Inc. Deferred Compensation and Supplemental Savings Plan, amended and restated effective June 8, 2016 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 1, 2016 filed June 9, 2016; File No. 001-9232)
10.10*	Volt Information Sciences, Inc. Annual Incentive Plan, effective September 7, 2016 (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2016 filed September 9, 2016; File No. 001-9232)
10.11*	First Amendment, dated January 27, 2017, to the Employment Agreement between the Company and Michael D. Dean dated October 19, 2015 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed January 30, 2017; File No. 001-09232)
10.12*	Amended and Restated Employment Agreement by and between the Company and Jerome Shaw, dated as of February 21, 2017 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed February 24, 2017; File No. 001-09232)
10.13*	Employment Agreement, dated as of June 12, 2017, between the Company and Leonard Naujokas (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed June 12, 2017; File No. 001-09232)
10.14	Receivables Loan and Security Agreement, dated as of January 25, 2018, by and among Volt Funding II, LLC, as borrower, Volt Information Sciences, Inc., as servicer, the lenders and letter of credit participants party thereto from time to time, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main, New York Branch, as agent, and Autobahn Funding Company LLC and DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main, New York Branch, as letter of credit issuers (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed January 29, 2018; File No. 001-9232)
10.15	Receivables Purchase and Sale Agreement, dated as of January 25, 2018, among Volt Management Corp. and P/S Partner Solutions, Ltd., as originators, Volt Information Sciences, Inc. and Volt Funding II, LLC, as buyer (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed January 29, 2018; File No. 001-9232)
10.16	Limited Guaranty, dated as of January 25, 2018, by Volt Information Sciences, Inc. in favor of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main, New York Branch, as agent (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed January 29, 2018; File No. 001-9232)

10.17	Amendment No. 1, dated June 8, 2018, to the Receivables Loan and Security Agreement, dated as of January 25, 2018, among Volt Funding II, LLC, as borrower, Volt Information Sciences, Inc., as servicer, Autobahn Funding Company LLC, as conduit lender, the other lenders party thereto, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main, New York Branch, as agent, and Autobahn Funding Company LLC and DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main, New York Branch, as letter of credit issuers (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended July 29, 2018 filed September 7, 2018; File No. 001-09232)
10.18*	Separation Agreement by and between Volt Information Sciences, Inc. and Michael D. Dean, dated as of June 29, 2018 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed July 3, 2018; File No. 001-9232)
10.19*	Volt Information Sciences, Inc. Form of Performance Stock Unit Award Agreement (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed June 19, 2018; File No. 001-9232)
10.20*	Volt Information Sciences, Inc. Form of Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed June 19, 2018; File No. 001-9232)
10.21*	Employment Agreement, dated December 4, 2018, between the Company and Linda Perneau (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed December 6, 2018; File No. 001-9232)
10.22*	Separation Agreement by and between Volt Information Sciences, Inc. and Ann R. Hollins, dated as of October 12, 2018 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed December 6, 2018; File No. 001-9232)
10.23	Amendment No. 2, dated January 4, 2019, to the Receivables Loan and Security Agreement, dated as of January 25, 2018, among Volt Funding II, LLC, as borrower, Volt Information Sciences, Inc., as servicer, Autobahn Funding Company LLC, as conduit lender, the other lenders party thereto, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main, New York Branch, as agent, and Autobahn Funding Company LLC and DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main, New York Branch, as letter of credit issuers (incorporated by reference to Exhibit 10.51 to the Company's Annual Report on Form 10-K for the fiscal year ended October 28, 2018 filed January 9, 2019; File No. 001-9232)
10.24	Amendment No. 3 dated February 15, 2019 to the Receivables Loan and Security Agreement dated as of January 25, 2018, among Volt Funding II, LLC, as borrower, Volt Information Sciences, Inc., as servicer, the lenders and letter of credit participants party thereto from time to time, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main, New York Branch, as agent, and Autobahn Funding Company LLC and DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main, New York Branch, as letter of credit issuers (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed February 20, 2019; File No. 001-9232)
10.25*	2019 Equity Incentive Plan (incorporated by reference to Appendix A to the Company's Proxy Statement filed February 22, 2019; File No. 001-9232)
10.26	Amendment No. 4 dated June 4, 2019 to the Receivables Loan and Security Agreement dated as of January 25, 2018, among Volt Funding II, LLC, as borrower, Volt Information Sciences, Inc., as servicer, the lenders and letter of credit participants party thereto from time to time, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main, New York Branch, as agent, and Autobahn Funding Company LLC and DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main, New York Branch, as letter of credit issuers (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q as filed June 5, 2019; File No. 001-9232)
10.27*	Amended and Restated Employment Agreement by and between Volt Information Sciences, Inc. and Lori M. Schultz, dated as of June 25, 2019 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed June 27, 2019; File No. 001-9232)
10.28	Amended and Restated Receivables Loan and Security Agreement, dated as of July 19, 2019, by and among Volt Funding II, LLC, as borrower, Volt Information Sciences, Inc., as servicer, the lenders and letter of credit participants party thereto from time to time, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main, New York Branch, as agent, and Autobahn Funding Company LLC and DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main, New York Branch, as letter of credit issuers (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed July 24, 2019; File No. 001-9232)
10.29	Amended and Restated Receivables Purchase and Sale Agreement, dated as of July 19, 2019, among Volt Management Corp. and P/S Partner Solutions, Ltd., as originators, Volt Information Sciences, Inc. and Volt Funding II, LLC, as buyer (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed July 24, 2019; File No. 001-9232)
10.30	Receivables Purchase and Sale Agreement, dated as of July 19, 2019, among Volt Consulting Group Limited and Volt Europe Limited, as originators, Volt Information Sciences, Inc. and Volt Funding II, LLC, as buyer (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed July 24, 2019; File No. 001-9232)
10.31	Amended and Restated Limited Guaranty, dated as of July 19, 2019, by Volt Information Sciences, Inc. in favor of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main, New York Branch, as agent (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed July 24, 2019; File No. 001-9232)
10.32*	Employment Agreement by and between Volt Information Sciences, Inc. and Herbert M. Mueller, effective as of August 24, 2019 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed August 14, 2019; File No. 001-9232)
10.33*	Volt Information Sciences, Inc. Form of Performance Stock Unit Award Agreement (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed September 6, 2019; File No. 001-9232)
10.34*	Volt Information Sciences, Inc. Form of Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed September 6, 2019; File No. 001-9232)
10.35*	Volt Information Sciences, Inc. Form of Director Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed September 6, 2019; File No. 001-9232)
10.36*	Volt Information Sciences, Inc. Form of Director Deferred Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed September 6, 2019; File No. 001-9232)
10.37*	Amendment to Employment Agreement, dated November 4, 2019, between Nancy Avedissian and Volt Informations Sciences, Inc.
10.38*	Amendment to Employment Agreement, dated December 30, 2019, between Linda Perneau and Volt Informations Sciences, Inc.

10.39	Amendment No. 1, dated January 14, 2020, to the Amended and Restated Receivables Loan and Security Agreement. dated July 19, 2019 by and among Volt Funding II, LLC, as borrower, Volt Information Sciences, Inc., as servicer, the lenders and letter of credit participants party thereto from time to time, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main, New York Branch, as agent, and Autobahn Funding Company LLC and DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main, New York Branch, as letter of credit issuers
21	Subsidiaries of the Registrant
23	Consent of Independent Registered Public Accounting Firm
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

* Management contracts and compensatory plans or arrangements required to be filed as an exhibit pursuant to Item 15(b) of Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

VOLT INFORMATION SCIENCES, INC.

Date: January 15, 2020	By:	/s/ Linda Perneau Linda Perneau President and Chief Executive Officer (Principal Executive Officer)
Date: January 15, 2020	By:	/s/ Herbert M. Mueller Herbert M. Mueller Senior Vice President and Chief Financial Officer (Principal Financial Officer)
Date: January 15, 2020	By:	/s/ Leonard Naujokas Leonard Naujokas Controller and Chief Accounting Officer (Principal Accounting Officer)

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

Date: January 15, 2020	By:	/s/ William J. Grubbs William J. Grubbs Chairman of the Board
Date: January 15, 2020	By:	/s/ Linda Perneau Linda Perneau President and Chief Executive Officer (Principal Executive Officer)
Date: January 15, 2020	By:	/s/ Celia R. Brown Celia R. Brown Director
Date: January 15, 2020	By:	/s/ Nick S. Cyprus Nick S. Cyprus Director
Date: January 15, 2020	By:	/s/ Bruce G. Goodman Bruce G. Goodman Director
Date: January 15, 2020	By:	/s/ Arnold Ursaner Arnold Ursaner Director

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Volt Information Sciences, Inc. and subsidiaries:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Volt Information Sciences, Inc. and subsidiaries (the Company) as of November 3, 2019 and October 28, 2018, the related consolidated statements of operations, comprehensive loss, stockholders' equity and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at November 3, 2019 and October 28, 2018, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting 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.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1968.

New York, New York
January 15, 2020

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
(In thousands, except per share amounts)

	Year Ended	
	November 3, 2019	**October 28, 2018**
NET REVENUE	$ **997,090**	$ **1,039,170**
Cost of services	844,527	885,492
GROSS MARGIN	**152,563**	**153,678**
Selling, administrative and other operating costs	157,052	173,337
Restructuring and severance costs	4,656	8,242
Impairment charges	688	506
OPERATING LOSS	**(9,833)**	**(28,407)**
OTHER INCOME (EXPENSE), NET		
Interest income	274	173
Interest expense	(3,156)	(2,765)
Foreign exchange gain (loss), net	(612)	403
Other income (expense), net	(881)	(1,131)
TOTAL OTHER INCOME (EXPENSE), NET	**(4,375)**	**(3,320)**
LOSS BEFORE INCOME TAXES	**(14,208)**	**(31,727)**
Income tax provision	978	958
NET LOSS	$ **(15,186)**	$ **(32,685)**
PER SHARE DATA:		
Basic:		
Net loss	$ **(0.72)**	$ **(1.55)**
Weighted average number of shares	21,119	21,051
Diluted:		
Net loss	$ **(0.72)**	$ **(1.55)**
Weighted average number of shares	21,119	21,051

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

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Loss
(In thousands)

	Year Ended	
	November 3, 2019	October 28, 2018
NET LOSS	**$ (15,186)**	**$ (32,685)**
Other comprehensive income (loss):		
Foreign currency translation adjustments net of taxes of $0 and $0, respectively	269	(1,809)
COMPREHENSIVE LOSS	**$ (14,917)**	**$ (34,494)**

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

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(In thousands, except share amounts)

	November 3, 2019	October 28, 2018
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 28,672	$ 24,763
Restricted cash	9,772	11,781
Short-term investments	3,022	3,063
Trade accounts receivable, net of allowances of $117 and $759, respectively	135,950	157,445
Other current assets	7,252	7,444
TOTAL CURRENT ASSETS	**184,668**	**204,496**
Other assets, excluding current portion	7,446	7,808
Property, equipment and software, net	25,890	24,392
TOTAL ASSETS	**$ 218,004**	**$ 236,696**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accrued compensation	$ 21,507	$ 27,120
Accounts payable	36,341	33,498
Accrued taxes other than income taxes	11,244	15,275
Accrued insurance and other	24,654	23,335
Income taxes payable	1,570	1,097
TOTAL CURRENT LIABILITIES	**95,316**	**100,325**
Accrued insurance and other, excluding current portion	12,029	13,478
Deferred gain on sale of real estate, excluding current portion	20,270	22,216
Income taxes payable, excluding current portion	289	600
Deferred income taxes	17	510
Long-term debt, net	53,894	49,068
TOTAL LIABILITIES	**181,815**	**186,197**
Commitments and contingencies		
STOCKHOLDERS' EQUITY:		
Preferred stock, par value $1.00; Authorized - 500,000 shares; Issued - none	—	—
Common stock, par value $0.10; Authorized - 120,000,000 shares; Issued - 23,738,003; Outstanding - 21,367,821 and 21,179,068, respectively	2,374	2,374
Paid-in capital	77,688	79,057
Retained earnings	(10,917)	9,738
Accumulated other comprehensive loss	(6,801)	(7,070)
Treasury stock, at cost; 2,370,182 and 2,558,935 shares, respectively	(26,155)	(33,600)
TOTAL STOCKHOLDERS' EQUITY	**36,189**	**50,499**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 218,004**	**$ 236,696**

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

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
Consolidated Statements of Stockholders' Equity
(In thousands, except number of share data)

	Common Stock $0.10 Par Value		Paid-in Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Stockholders' Equity
	Shares	Amount					
BALANCE AT OCTOBER 29, 2017	**23,738,003**	**$ 2,374**	**$ 78,645**	**$ 45,843**	**$ (5,261)**	**$ (37,607)**	**$ 83,994**
Net loss	—	—	—	(32,685)	—	—	(32,685)
Share-based compensation	—	—	1,270	—	—	—	1,270
Issuance of common stock	—	—	(858)	(3,420)	—	4,007	(271)
Other comprehensive loss	—	—	—	—	(1,809)	—	(1,809)
BALANCE AT OCTOBER 28, 2018	**23,738,003**	**$ 2,374**	**$ 79,057**	**$ 9,738**	**$ (7,070)**	**$ (33,600)**	**$ 50,499**
Net loss	—	—	—	(15,186)	—	—	(15,186)
Share-based compensation	—	—	499	—	—	—	499
Issuance of common stock	—	—	(1,868)	(5,895)	—	7,445	(318)
Effect of new accounting principle	—	—	—	426	—	—	426
Other comprehensive income	—	—	—	—	269	—	269
BALANCE AT NOVEMBER 3, 2019	**23,738,003**	**$ 2,374**	**$ 77,688**	**$ (10,917)**	**$ (6,801)**	**$ (26,155)**	**$ 36,189**

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

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended	
	November 3, 2019	**October 28, 2018**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (15,186)	$ (32,685)
Adjustments to reconcile net loss to cash provided by (used in) operating activities:		
Depreciation and amortization	6,955	7,209
Release of doubtful accounts and sales allowances	(245)	(198)
Unrealized foreign currency exchange loss	510	27
Impairment charges	688	506
Loss on dispositions of property, equipment, and software	14	266
Amortization of gain on sale leaseback of property	(1,944)	(1,944)
Deferred income tax (benefit) provision	(88)	24
Share-based compensation expense	499	1,270
Change in operating assets and liabilities:		
Trade accounts receivable	22,472	16,735
Other assets	432	5,111
Accounts payable	2,839	(3,723)
Accrued expenses and other liabilities	(9,712)	(4,107)
Income taxes	134	774
Net cash provided by (used in) operating activities	**7,368**	**(10,735)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sales of investments	391	755
Purchases of investments	(221)	(443)
Proceeds from sales of property, equipment and software	41	19
Purchases of property, equipment, and software	(9,053)	(3,565)
Net cash used in investing activities	**(8,842)**	**(3,234)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(20,000)	(124,696)
Draw-down on borrowings	25,000	124,696
Debt issuance costs	(783)	(1,469)
Withholding tax payment on vesting of restricted stock awards	(318)	(271)
Net cash provided by (used in) financing activities	**3,899**	**(1,740)**
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(525)	(1,844)
Net increase (decrease) in cash, cash equivalents, and restricted cash	1,900	(17,553)
Cash, cash equivalents and restricted cash, beginning of year	36,544	54,097
Cash, cash equivalents, and restricted cash, end of year	**$ 38,444**	**$ 36,544**
Cash paid during the year:		
Interest	$ 3,156	$ 2,765
Income taxes	$ 1,194	$ 3,341
Reconciliation of cash, cash equivalents, and restricted cash		
Current assets:		
Cash and cash equivalents	$ 28,672	$ 24,763
Restricted cash	9,772	11,781
Cash, cash equivalents, and restricted cash, end of the period	**$ 38,444**	**$ 36,544**

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

NOTE 1: Summary of Business and Significant Accounting Policies

We are a global provider of staffing services (traditional time and materials-based as well as project-based). Our staffing services consist of workforce solutions that include providing contingent workers, personnel recruitment services, and managed staffing services programs supporting primarily administrative and light industrial (“commercial”) as well as technical, information technology and engineering (“professional”) positions. Our managed service programs (“MSP”) involves managing the procurement and on-boarding of contingent workers from multiple providers. Through the time of our exit from the customer care solutions business in June 2019, we served as an extension of our customers’ consumer relationships and processes including collaborating with customers, from help desk inquiries to advanced technical support.

Our complementary businesses offer customized talent and supplier management solutions to a diverse client base. Volt services global industries including aerospace, automotive, banking and finance, consumer electronics, information technology, insurance, life sciences, manufacturing, media and entertainment, pharmaceutical, software, telecommunications, transportation, and utilities. The Company was incorporated in New York in 1957. The Company’s stock was traded on the NYSE AMERICAN under the symbol “VISI” until September 6, 2019. As of September 9, 2019, the Company’s stock was traded on the NYSE AMERICAN under the symbol "VOLT".

(a) Fiscal Year

The Company’s fiscal year ends on the Sunday nearest October 31st. The fiscal year 2019 consisted of 53 weeks and fiscal 2018 consisted of 52 weeks.

(b) Consolidation

The consolidated financial statements include the accounts of the Company and all subsidiaries over which the Company exercises control. All intercompany balances and transactions have been eliminated in consolidation.

(c) Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. On an ongoing basis, the Company evaluates its estimates, assumptions and judgments, including those related to revenue recognition, allowance for doubtful accounts, casualty reserves, valuation of goodwill, intangible assets and other long-lived assets, share-based compensation, employee benefit plans, restructuring and severance accruals, income taxes and related valuation allowances and loss contingencies. Actual results could differ from those estimates and changes in estimates are reflected in the period in which they become known.

(d) Revenue Recognition

Revenue is recognized when control of the promised services is transferred to the Company's customers at an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. The majority of customer contracts have performance obligations that the Company satisfies over time and revenue is recognized by consistently applying a method of measuring progress toward satisfaction of that performance obligation. The Company will generally utilize an input measure of time (e.g., hours, weeks, months) of service provided, which depicts the progress toward completion of each performance obligation.

Certain customer contracts have variable consideration, including rebates, guarantees, credits, or other similar items that reduce the transaction price. The Company will generally estimate the variable consideration using the expected value method to predict the amount of consideration to which it will become entitled, based on the circumstances of each customer contract and historical evidence. Revenue is recognized net of variable consideration to the extent that it is probable that a significant future reversal will not occur.

In scenarios where a third-party vendor is involved in the Company's revenue transactions with its customers, the Company will evaluate whether it is the principal or the agent in the transaction. When Volt acts as the principal, it controls the performance obligation prior to transfer of the service to the customer and reports the related consideration as gross revenues and the costs as cost of services. When Volt acts as an agent, it does not control the performance obligation prior to transfer of the service to the customer and it reports the related amounts as revenue on a net basis.

Refer to Note 2, Revenue Recognition for the revenue policies related to each specific transaction type.

(e) Expense Recognition

Cost of services within staffing services consists primarily of contingent worker payroll, related employment taxes and benefits, and the cost of facilities used by contingent workers in fulfilling assignments and projects for staffing services customers, including reimbursable costs. Indirect cost of staffing services is included in Selling, administrative and other operating costs in the Consolidated Statements of Operations. The Cost of services differ from the cost included within Selling, administrative and other operating costs in that they arise specifically and directly from the actions of providing staffing services to customers.

Gross margin is calculated as revenue less direct costs for staffing services.

Selling, Administrative and Other Operating Costs

Selling, administrative and other operating costs primarily relate to the Company's selling and administrative efforts, as well as the indirect costs associated with providing staffing services.

(f) Comprehensive Income (Loss)

Comprehensive income (loss) is the net income (loss) of the Company combined with other changes in stockholders' equity not involving ownership interest changes. The Company recognizes foreign currency translation as comprehensive income (loss).

(g) Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

(h) Short-Term Investments and Related Deferred Compensation, Net

The Company has a nonqualified deferred compensation and supplemental savings plan that permits eligible employees to defer a portion of their compensation. The employee compensation deferral is invested in short-term investments corresponding to the employees' investment selections, primarily mutual funds, which are held in a trust and are reported at current market prices. The liability associated with the nonqualified deferred compensation and supplemental savings plan consists of participant deferrals and earnings thereon, and is reflected as a current liability within Accrued compensation in an amount equal to the fair value of the underlying short-term investments held in the plan. Changes in asset values result in offsetting changes in the liability as the employees realize the rewards and bear the risks of their investment selections.

(i) Property, Equipment and Software, Net

Property and equipment are stated at cost and depreciation is calculated on the straight-line method over the estimated useful lives of the assets. Costs for both on-premise and cloud computing software that will be used for internal purposes and incurred during the application development stage are capitalized and amortized to expense over the estimated useful life of the underlying software. Training and maintenance costs are expensed as incurred.

The major classifications of property, equipment and software, including their respective expected useful lives, consisted of the following:

Buildings	25 to 32 years
Machinery and Equipment	3 to 15 years
Leasehold improvements	Shorter of length of lease or life of the asset
Software	3 to 7 years

Property, equipment and software are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable or it is no longer probable that software development will be completed. If circumstances require a long-lived asset or asset group be reviewed for possible impairment, the Company first compares undiscounted cash flows expected to be generated by each asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds the fair value.

(j) Goodwill

Goodwill represents the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognized. The Company early-adopted and applies the method of assessing goodwill for possible impairment permitted by Accounting Standards Update ("ASU") No. 2017-04, *Intangibles – Goodwill and Other (Topic 350) Simplifying the Test for Goodwill Impairment.* The Company first assesses the qualitative factors for reporting units that carry goodwill. If the qualitative assessment results in a conclusion that it is more likely than not that the fair value of a reporting unit exceeds the carrying value, then no further testing is performed for that reporting unit.

When a qualitative assessment is not used, or if the qualitative assessment is not conclusive and it is necessary to calculate fair value of a reporting unit, then the impairment analysis for goodwill is performed at the reporting unit level using a one-step approach. In conducting the goodwill impairment test, the fair value of a reporting unit is compared with its carrying amount utilizing various valuation techniques. If the fair value of the reporting unit exceeds its carrying value, then no further testing is performed. If the fair value of the reporting unit is less than its carrying value, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill.

The Company performs its annual impairment review of goodwill in its second fiscal quarter and when a triggering event occurs between annual impairment tests.

(k) Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases as well as for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using current tax laws and rates in effect for the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized within income in the period that includes the enactment date. The Company must then assess the likelihood that its deferred tax assets will be realized. If the Company does not believe that it is more likely than not that its deferred tax assets will be realized, a valuation allowance is established. When a valuation allowance is increased or decreased, a corresponding tax expense or benefit is recorded.

Accounting for income taxes involves uncertainty and judgment in how to interpret and apply tax laws and regulations within the Company's annual tax filings. Such uncertainties may result in tax positions that may be challenged and overturned by a tax authority in the future, which would result in additional tax liability, interest charges and possible penalties. Interest and penalties are classified as a component of income tax expense.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement. Changes in recognition or measurement are reflected in the period in which the change in estimate occurs.

(l) Share-Based Compensation

The Company accounts for share-based awards as either equity or liability awards based upon the characteristics of each instrument. The compensation cost is measured based on the grant date fair value of the award. The fair value of liability awards is re-measured periodically based on the effect that the market condition has on these awards. The share-based compensation expense for all awards is recognized over the requisite service or performance periods as a cost in Selling, administrative and other operating costs in the Company's Consolidated Statement of Operations. The Company has elected to account for forfeitures as they occur. If there are any modifications or cancellations of the underlying unvested awards, the Company may be required to accelerate any remaining unearned share-based compensation cost or incur incremental cost.

(m) Foreign Currency

Assets and liabilities of non-U.S. subsidiaries that operate in a local currency environment, where that local currency is the functional currency, are translated to U.S. dollars at exchange rates in effect at the balance sheet date. Income and expense accounts are translated at average exchange rates during the year which approximate the rates in effect at the transaction dates.

The resulting translation adjustments are directly recorded to a separate component of Accumulated other comprehensive income (loss). Gains and losses arising from intercompany foreign currency transactions that are of a long-term nature are reported in the same manner as translation adjustments. Gains and losses arising from intercompany foreign currency transactions that are not of a long-term nature and certain transactions of the Company's subsidiaries which are denominated in currencies other than the subsidiaries' functional currency are recognized as incurred in Foreign exchange gain (loss), net in the Consolidated Statements of Operations.

(n) Fair Value Measurement

In accordance with Accounting Standards Codification ("ASC") 820,*Fair Value Measurements (*"ASC 820"), the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. Fair value is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Quoted prices in active markets for similar assets and liabilities, quoted prices for identically similar assets or liabilities in markets that are not active and models for which all significant inputs are observable either directly or indirectly.

Level 3: Unobservable inputs reflecting the reporting entity's own assumptions or external inputs for inactive markets.

The Company uses this framework for measuring fair value and disclosures about fair value measurement. The Company uses fair value measurements in areas that include: impairment testing for goodwill and long-lived assets; share-based compensation arrangements, and financial instruments. The carrying amounts of the Company's financial instruments, which include cash, cash equivalents, restricted cash, accounts receivable, accounts payable, and short-term borrowings under the Company's credit facilities, approximated their fair values, due to the short-term nature of these instruments, and the fair value of the long-term debt is based on the interest rates the Company believes it could obtain for borrowings with similar terms.

The Company recognizes transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer.

(o) Legal and Other Contingencies

The Company is involved in various demands, claims and actual and threatened litigation that arise in the normal course of business. If the potential loss from any claim or legal proceeding is considered probable and the amount can be reasonably estimated, a liability and an expense are recorded for the estimated loss. Significant judgment is required in both the determination of probability and the determination of whether an exposure is reasonably estimable. Actual expenses could differ from these estimates in subsequent periods as additional information becomes known.

(p) Concentrations of Credit Risk

Cash and cash equivalents are maintained with several financial institutions and deposits held with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and the Company mitigates its credit risk by spreading its deposits across multiple financial institutions and monitoring their respective risk profiles.

(q) Restructuring and Severance Charges

The Company accounts for restructuring activities in accordance with ASC 420,*Exit or Disposal Cost Obligations.* Under the guidance, for the cost of restructuring activities that do not constitute a discontinued operation, the liability for the current fair value of expected future costs associated with such restructuring activity is recognized in the period in which the liability is incurred. The costs of restructuring activities taken pursuant to a management approved restructuring plan are segregated.

(r) Earnings (Loss) Per Share

Basic earnings per share is calculated by dividing net income (loss) by the weighted-average number of common shares outstanding during the period. The diluted earnings per share computation includes the effect of potential common shares outstanding during the period. Potential common shares include the dilutive effects of shares that would be issuable upon the exercise of outstanding "in the money" stock options and unvested restricted stock units. The dilutive impact is determined by applying the treasury stock method. Performance-based share awards are included in the computation of diluted earnings per share only to the extent that the underlying performance conditions: (i) are satisfied by the end of the reporting period, or (ii) would be satisfied if the end of the reporting period were the end of the related performance period and the result would be dilutive.

(s) Treasury Stock

The Company records treasury stock at the cost to acquire it and includes treasury stock as a component of Stockholders' Equity. In determining the cost of the treasury shares when either sold or issued, the Company uses the FIFO (first-in, first-out) method. If the proceeds from the sale of the treasury shares are greater than the cost of the shares sold, the excess proceeds are recorded as additional paid-in capital. If the proceeds from the sale of the treasury shares are less than the original cost of the shares sold, the excess cost first reduces any additional paid-in capital arising from previous sales of treasury shares for that class of stock, and any additional excess is recorded as a reduction of retained earnings.

(t) New Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") or other standard setting bodies. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on its consolidated financial position or results of operations upon adoption.

New Accounting Standards Not Yet Adopted by the Company

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement: Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement* ("ASU 2018-13"), which changes the fair value measurement disclosure requirements of ASC 820. ASU 2018-13 is effective for all entities for fiscal years beginning after December 15, 2019, including interim periods therein. Early adoption is permitted for any eliminated or modified disclosures upon issuance of ASU 2018-13. ASU 2018-13 is effective for the Company in the first quarter of fiscal 2021. The Company does not anticipate a significant impact upon adoption.

In June 2018, the FASB issued ASU 2018-07, *Compensation - Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting* ("ASU 2018-07"). ASU 2018-07 expands the guidance in Topic 718 to include share-based payments for goods and services to non-employees and generally aligns it with the guidance for share-based payments to employees. The amendments are effective for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year, which for the Company will be the first quarter of fiscal 2020. The Company does not anticipate a significant impact upon adoption.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). This ASU provides guidance for recognizing credit losses on financial instruments based on an estimate of current expected credit losses model. The FASB subsequently issued ASU 2019-04, *Codification Improvements to Topic 326, Financial Instruments - Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments* and ASU 2019-11, *Codification Improvements to Topic 326, Financial Instruments - Credit Losses* to clarify and address certain items related to the amendments in ASU 2016-13. ASU 2019-05, *Financial Instruments - Credit Losses (Topic 326): Targeted Transition Relief*, was issued to provide entities that have certain instruments within the scope of ASC 326 with an option to irrevocably elect the fair value option under ASC 825-10, *Financial Instruments - Overall*, applied on an instrument-by-instrument basis for eligible instruments. ASU 2019-10, *Financial Instruments - Credit Losses (Topic 326), Derivatives and Hedging (Topic 815) and Leases (Topic 842)* amends the mandatory effective date for ASU 2016-13. The amendments are effective for fiscal years beginning after December 15, 2022 for entities that are eligible to be defined by the SEC as a smaller reporting company, which for the Company will be the first quarter of fiscal 2023. Although the impact upon adoption will depend on the financial instruments held by the Company at that time, the Company does not anticipate a significant impact on its consolidated financial statements based on the instruments currently held and its historical trend of bad debt expense relating to trade accounts receivable.

In February 2016, the FASB issued ASU 2016-02,*Leases (Topic 842)* ("ASU 2016-02"). This ASU requires that lessees recognize assets and liabilities for leases with lease terms greater than twelve months in the statement of financial position and also requires improved disclosures to help users of financial statements better understand the amount, timing and uncertainty of cash flows arising from leases. The amendments are effective for fiscal years beginning after December 15, 2018, which for the Company will be the first quarter of fiscal 2020. Although the Company has made significant progress toward completing its evaluation of the impact of the pending adoption of ASU 2016-02 on its consolidated financial statements, our preliminary assessments are subject to change. The transition will be applied on a modified retrospective basis and the package of three practical expedients has been elected to be used for transitional implementation. Accordingly, we will not reassess: 1) whether any expired or existing contracts are or contain leases; 2) the lease classification for any expired or existing leases; or 3) initial direct costs for any existing leases. The Company expects that most of its operating lease commitments will be subject to the new standard and recognized as operating lease liabilities and right-of-use assets upon adoption, which will increase the Company's total assets and total liabilities by approximately $50 - $60 million to such amounts prior to adoption. In addition, the Company's deferred gain on the sale of real estate in the amount of $22.2 million will be recognized as a cumulative-effect adjustment to equity upon adoption. This gain is currently being amortized at approximately $0.5 million a quarter as an offset to rent expense in the Consolidated Statements of Operations and is included as an adjustment to reconcile net loss to cash provided by operating activities in the Consolidated Statements of Cash Flows.

Management has evaluated other recently issued accounting pronouncements and does not believe that any of these pronouncements will have a significant impact on the Company's consolidated financial statements and related disclosures.

Recently Adopted by the Company

In August 2018, the FASB issued ASU 2018-15, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract* ("ASU 2018-15"), which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal use software license). ASU 2018-15 is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years. Early adoption of the amendments is permitted including adoption in any interim period. The amendments in ASU 2018-15 should be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. The Company early adopted this standard on a prospective basis in the second quarter of fiscal 2019. Adoption of this standard did not have a significant impact on the Company's consolidated financial statements.

In May 2017, the FASB issued ASU 2017-09,*Compensation - Stock Compensation (Topic 718): Scope of Modification Accounting*. This ASU provides guidance on the types of changes to the terms or conditions of share-based payment awards to which an entity would be required to apply modification accounting. An entity would not apply modification accounting if the fair value, vesting conditions, and classification of the awards are the same immediately before and after the modification. The Company adopted this ASU in the first quarter of fiscal 2019, resulting in no significant impact on the Company's consolidated financial statements.

In February 2017, the FASB issued ASU 2017-05,*Other Income - Gains and Losses from the Derecognition of Non-financial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Non-financial Assets.* This ASU clarifies the scope and application of Subtopic 610-20 on the sale or transfer of non-financial assets and in substance non-financial assets to non-customers, including partial sales. The Company adopted this ASU in the first quarter of fiscal 2019, resulting in no significant impact on the Company's consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18,*Statement of Cash Flows (Topic 230): Restricted Cash*. This ASU clarifies how entities should present restricted cash and restricted cash equivalents in the statement of cash flows and requires the entities to show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. The Company adopted this ASU retrospectively in the first quarter of fiscal 2019, resulting in no significant impact on the Company's consolidated financial statements other than a change in the presentation of restricted cash on the Consolidated Statements of Cash Flows.

In August 2016, the FASB issued ASU 2016-15,*Statement of Cash Flows (Topic 230) - Classification of Certain Cash Receipts and Cash Payments: A Consensus of the FASB Emerging Issues Task Force*. The amendments provide guidance on eight specific cash flow classification issues: debt prepayment or debt extinguishment costs, settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, corporate and bank-owned life insurance policies, distributions received from equity method investees, beneficial interests in securitization transactions and separately identifiable cash flows and application of the predominance principle. The Company adopted this ASU in the first quarter of fiscal 2019, resulting in no significant impact on the Company's consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09,*Revenue from Contracts with Customers (Topic 606).* The core principle of this amendment is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The FASB issued subsequent amendments to improve and clarify the implementation guidance of Topic 606. This standard was adopted by the Company in the first quarter of fiscal 2019. Please refer to Note 2, Revenue Recognition for additional disclosures.

All other ASUs that became effective for Volt in fiscal 2019 were not applicable to the Company at this time and therefore, did not have any impact during the period.

NOTE 2: Revenue Recognition

Adoption of ASU 2014-09, ***Revenue from Contracts with Customers (Topic 606)***

As of October 29, 2018, the Company adopted ASU 2014-09,*Revenue from Contracts with Customers*, using the modified retrospective method applied to those contracts which were not completed as of October 29, 2018. Results for reporting periods beginning on October 29, 2018 are presented under ASC 606, while prior period amounts are not adjusted and continue to be reported in accordance with historical accounting guidance.

The cumulative impact of adopting ASC 606 resulted in an increase of$0.4 million to opening retained earnings. The impact is primarily driven by an adjustment to deferred revenue due to a change in the required criteria for defining customer contracts under the new guidance. As of and for the period ended November 3, 2019, the consolidated financial statements were not materially impacted by the implementation of ASC 606.

Revenue Recognition

All of the Company's revenue and trade receivables are generated from contracts with customers. Revenue is recognized when control of the promised services is transferred to the Company's customers at an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. The Company's revenue is recorded net of any sales or other similar taxes collected from its customers.

A performance obligation is a promise in a contract to transfer a distinct service to the customer. The majority of the Company's contracts contain single performance obligations. For performance obligations that the Company satisfies over time, revenue is recognized by consistently applying a method of measuring progress toward satisfaction of that performance obligation. The Company will generally utilize an input measure of time (e.g., hours, weeks, months) of service provided, which depicts the progress toward completion of each performance obligation.

Volt generally determines the standalone selling prices based on the prices included in the customer contracts. The price as specified in its customer contracts is typically considered the standalone selling price as it is an observable input that depicts the price as if sold to a similar customer. Certain customer contracts have variable consideration, including rebates, guarantees, credits, or other similar items that reduce the transaction price. The Company will generally estimate the variable consideration using the expected value method to predict the amount of consideration to which it will become entitled, based on the circumstances of each customer contract and historical evidence. Revenue is recognized net of variable consideration to the extent that it is probable that a significant future reversal will not occur. The Company's estimated amounts of variable consideration are not material and it does not believe that there will be significant changes to its estimates.

In certain scenarios where a third-party vendor is involved in the Company's revenue transactions with its customers, the Company will evaluate whether it is the principal or the agent in the transaction. When Volt acts as the principal, it controls the performance obligation prior to transfer of the service to the customer and reports the related consideration as gross revenues and the costs as cost of services. When Volt acts as an agent, it does not control the performance obligation prior to transfer of the service to the customer and it reports the related amounts as revenue on a net basis. The Company generally demonstrates control over the service when it is responsible for the fulfillment of services under the contract, responsible for the workers performing the service and when it has latitude in establishing pricing. Volt generally acts as an agent in its transactions within its MSP programs where the Company provides comprehensive management of its customer's contingent workforce and receive fees based on the volume of services managed within each program. The Company is the agent in these transactions since it does not have the responsibility for the fulfillment of the services by the vendors or contractors (referred to as associate vendors). In these transactions, the Company does not control the third-party providers' staffing services provided to the customers prior to those services being transferred to the customer.

Revenue Service Types

Staffing Services
Volt's primary service is providing contingent (temporary) workers to its customers. These services are primarily provided through direct agreements with customers, and Volt provides these services using its employees and, in some cases, by subcontracting with other vendors of contingent workers. Volt's costs in providing these services consist of the wages and benefits provided to the contingent workers as well as the recruiting costs, payroll department costs and other administrative costs. The Company recognizes revenue for its contingent staffing services over time as services are performed in an amount that reflects the consideration it expects to be entitled to in exchange for its services, which is generally calculated as hours worked multiplied by the agreed-upon hourly bill rate. The customer simultaneously receives and consumes the benefits of the services as they are provided. The Company applies the practical expedient to recognize revenue for these services over the term of the agreement commensurate to the amount it has the right to invoice the customer.

Direct Placement Services
Direct placement services include providing qualified candidates to the Company's customers to hire on a permanent basis. These services are primarily recognized at a point in time when the qualified candidate is placed and begins permanent employment which is the point when control has transferred to the customer and the Company has the right to payment for the service. Each placement is a single performance obligation under the Company's contracts and the related consideration is typically based upon a percentage of the candidates' base salary. Direct placement revenue is recognized net of a reserve for permanent placement candidates that do not remain with the customer through the contingency period, which is typically 60 days or less. This contingency is estimated based on historical data and recorded as a refund liability.

Managed Service Programs ("MSP")
The Company's MSP programs provide comprehensive solutions for delivery of contingent labor for assignment to customers, including supplier and worker sourcing, selecting, qualifying, on/off-boarding, time and expense recordation, reporting and approved invoicing and payment processing procedures. Since the individual activities are not distinct, the Company accounts for these activities as a single performance obligation. The Company's fee for these MSP services is a fixed percentage of the staffing services spend that is managed through the program. The Company recognizes revenue over time for each month of MSP services provided as the customer simultaneously receives and consumes the services the Company provides. The Company applies the practical expedient to recognize revenue for these services over the term of the agreement commensurate to the amount it has the right to invoice the customer.

Call Center Services
The customer care solutions business specializes in serving as an extension of its customers' relationships and processes, from help desk inquiries to advanced technical support. The Company earns a fee based upon the type, volume and level of services provided as part of the call center operations. Since the individual activities are not distinct, the Company accounts for them as a single performance obligation. The Company recognizes revenue over time as the customer simultaneously receives and consumes the services the Company provides. The Company applies the practical expedient to recognize revenue for these services over the term of the agreement commensurate to the amount it has the right to invoice the customer.

Disaggregation of Revenues

The following table presents our segment revenues disaggregated by service type (in thousands):

	Fiscal Year Ended November 3, 2019					
Segment	**Total**	**North American Staffing**	**International Staffing**	**North American MSP**	**Corporate and Other**	**Eliminations**
Service Revenues:						
Staffing Services	$ 950,595	$ 822,550	$ 105,815	$ 22,987	$ 728	$ (1,485)
Direct Placement Services	14,880	8,397	4,600	2,962	—	(1,079)
Managed Service Programs	17,023	—	3,962	13,061	—	—
Call Center Services	14,592	—	—	—	14,592	—
	$ 997,090	**$ 830,947**	**$ 114,377**	**$ 39,010**	**$ 15,320**	**$ (2,564)**
Geographical Markets:						
Domestic	$ 878,095	$ 827,641	$ —	$ 38,337	$ 14,592	$ (2,475)
International, principally Europe	118,995	3,306	114,377	673	728	(89)
	$ 997,090	**$ 830,947**	**$ 114,377**	**$ 39,010**	**$ 15,320**	**$ (2,564)**

Payment Terms

Customer payment terms vary by arrangement although payments are typically due within 15 - 45 days of invoicing.The timing between the satisfaction of the performance obligations and the payment is not significant and the Company currently does not have any significant financing components or significant payment terms.

Unsatisfied Performance Obligations

The Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which they will recognize revenue at the amount to which it has the right to invoice for services performed. Unsatisfied performance obligations for contracts not meeting the aforementioned criteria are immaterial.

Accounts Receivable, Contract Assets and Contract Liabilities

The Company records accounts receivable when its right to consideration becomes unconditional. The Company maintains a sales allowance for any potential billing errors and service-related adjustments to the customer. The amount of the sales allowance is determined based on a historical transaction analysis and additions to the sales allowance are recorded as a reduction to net revenue.

As required under Topic 606, the Company changed its presentation to show this allowance as a liability, whereas under Topic 605, these accounts receivables were recorded net of an allowance. As of November 3, 2019, the change in the reserve balance from adoption was $0.4 million. Contract assets primarily relate to the Company's rights to consideration for services provided that are conditional on satisfaction of future performance obligations. The Company records contract liabilities when payments are made or due prior to the related performance obligations being satisfied. The current portion of contract liabilities is included in Accrued insurance and other in the Consolidated Balance Sheets. The Company does not have any material contract assets or long-term contract liabilities as of November 3, 2019 and October 28, 2018.

The Company may incur fulfillment costs after obtaining a contract to generate a resource that will be used to provide the MSP services. These costs are related to the set up and implementation of customer specific MSP programs and are considered incremental and recoverable costs to fulfill the Company's contract with the customer. These costs are deferred and amortized over the expected period of benefit of the MSP services provided to the customer, determined by taking into consideration its customer contracts and other relevant factors. Amortization expense is included in Selling, administrative and other operating costs on the Consolidated Statements of Operations. Deferred fulfillment costs were immaterial as of November 3, 2019.

NOTE 3: Restricted Cash and Short-Term Investments

Restricted cash primarily includes amounts related to requirements under certain contracts with MSP customers, for whom the Company manages the customers' contingent staffing requirements, including processing of associate vendor billings into single, combined customer billings and distribution of payments to associate vendors on behalf of customers, as well as minimum cash deposits required to be maintained as collateral. Distribution of payments to associate vendors are generally made shortly after receipt of payment from customers, with undistributed amounts included in restricted cash and accounts payable between receipt and distribution of these amounts, where contractually required. At November 3, 2019 and October 28, 2018 restricted cash included $9.3 million and $11.3 million, respectively, restricted for payment to associate vendors and $0.5 million and $0.5 million, respectively, restricted for other collaterized accounts.

At November 3, 2019 and October 28, 2018, short-term investments were$3.0 million and $3.1 million, respectively. These short-term investments consisted primarily of the fair value of deferred compensation investments corresponding to employees' selections, primarily in mutual funds, based on quoted prices in active markets.

NOTE 4: Fair Value of Financial Instruments

The following table presents assets and liabilities measured at fair value (in thousands):

	November 3, 2019	October 28, 2018	Fair Value Hierarchy
Short-term investments	$ 3,022	$ 3,063	Level 1
Total financial assets	**$ 3,022**	**$ 3,063**	
Deferred compensation plan liabilities	$ 3,022	$ 3,063	Level 1
Total financial liabilities	**$ 3,022**	**$ 3,063**	

The fair value of the deferred compensation plan liabilities is based on the fair value of the investments corresponding to the employees' investment selections, primarily in mutual funds, based on quoted prices in active markets for identical assets. The deferred compensation plan liability is recorded in Accrued compensation in the Consolidated Balance Sheets.

There have been no changes in the methodology used to fair value the financial instruments as well as no transfers between levels during the fiscal years ended November 3, 2019 and October 28, 2018.

NOTE 5: Trade Accounts Receivable

Trade accounts receivable includes both billed and unbilled amounts due from customers. Billed trade receivables generally do not bear interest. Unbilled receivables represent accrued revenue earned and recognized on contracts for which billings have not yet been presented to the customer. At November 3, 2019 and October 28, 2018, trade accounts receivable included unbilled receivables of $7.7 million and $7.9 million, respectively.

The Company maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable portfolio. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions, customers' financial condition, and current receivable aging and payment patterns. Additions to the allowance for doubtful accounts are recorded to Selling, administrative and other operating costs in the Consolidated Statement of Operations. The Company also maintains a sales allowance for specific customers related to billing disputes. The amount of the sales allowance is determined based on discount estimates and historical credits issued and additions to the sales allowance are recorded as a reduction to net revenue. Account balances are written off against the allowances when the Company believes it is probable the amount will not be received. As required under ASC 606*,* the Company changed its presentation to show this sales allowance as a liability, which is included in Accrued insurance and other in the Consolidated Balance Sheet.

For the years ended November 3, 2019 and October 28, 2018, the activity in the allowance accounts were as follows (in thousands):

	Balance at beginning of year	Adoption of Topic 606	Provision / (Release)	Deductions	Balance at end of year
Year Ended November 3, 2019					
Sales allowance	$ 705	$ (705)	$ —	$ —	$ —
Allowance for doubtful accounts	54	—	150	(87)	117
Total included in Trade Accounts Receivable	**$ 759**	**$ (705)**	**$ 150**	**$ (87)**	**$ 117**
Accrued Sales Reserve included in Accrued insurance and other	**$ —**	**$ 705**	**$ (395)**	**$ —**	**$ 310**

	Balance at beginning of year	Provision / (Release)	Deductions	Balance at end of year
Year Ended October 28, 2018				
Sales allowance	$ 895	$ (190)	$ —	$ 705
Allowance for doubtful accounts	354	(8)	(292)	54
Total included in Trade Accounts Receivable	**$ 1,249**	**$ (198)**	**$ (292)**	**$ 759**

NOTE 6: Property, Equipment and Software

Property, equipment and software consisted of (in thousands):

	November 3, 2019	October 28, 2018
Land and buildings	$ 375	$ 363
Machinery and equipment	30,215	31,856
Leasehold improvements	3,398	4,322
Less: Accumulated depreciation and amortization	(29,757)	(31,751)
Property and equipment	**4,231**	**4,790**
Software	101,903	94,527
Less: Accumulated amortization	(80,244)	(74,925)
Property, equipment, and software, net	**$ 25,890**	**$ 24,392**

Depreciation and amortization expense totaled $7.0 million and $7.2 million for the fiscal years ended 2019 and 2018, respectively. Depreciation and amortization is included in Cost of services and Selling, administrative and other operating costs in the Consolidated Statements of Operations.

NOTE 7: Impairment Charges

Impairment of Property, Equipment and Software

In fiscal 2019, there was a $0.3 million impairment of equipment used in the customer care solutions business, which was exited in June 2019. In addition, the Company recorded a $0.3 million impairment charge for previously purchased software that will no longer be used, as well as a $0.1 million impairment charge on equipment from closed facilities. In fiscal 2018, the Company recorded an impairment charge of $0.5 million for previously purchased software no longer in use.

Impairment of Goodwill

The Company performs its annual impairment test for goodwill during the second quarter of the fiscal year and when a triggering event occurs between annual impairment tests. For the fiscal 2019 test performed in the second quarter, we elected to bypass the qualitative assessment and prepared a Step 1 analysis. Our Step 1 analysis used significant assumptions including expected revenue and expense growth rates, forecasted capital expenditures, working capital levels and a discount rate of 15%. Under the market-based approach significant assumptions included relevant comparable company earnings multiples including the determination of whether a premium or discount should be applied to those comparables. During the second quarter of fiscal 2019, it was determined that no adjustment to the carrying value of goodwill of $5.4 million was required as our Step 1 analysis resulted in the fair value of the reporting unit exceeding its carrying value.

The following represents the change in the carrying amount of goodwill during each fiscal year (in thousands):

	International Staffing		
	October 28, 2018	**Foreign Currency Translation Adjustment**	**November 3, 2019**
Aggregate goodwill acquired	$ 10,483	$ —	$ 10,483
Accumulated impairment losses	(3,733)	—	(3,733)
Foreign currency translation adjustment	(1,399)	46	(1,353)
Goodwill, net of impairment losses	**$ 5,351**	**$ 46**	**$ 5,397**

NOTE 8: Restructuring and Severance Charges

The Company incurred total restructuring and severance costs of$4.7 million and $8.2 million for fiscal 2019 and 2018, respectively.

2018 Restructuring Plan

On October 16, 2018, the Company approved a restructuring plan (the "2018 Plan") based on an organizational and process redesign intended to optimize the Company's strategic growth initiatives and overall business performance. In connection with the 2018 Plan, the Company incurred restructuring charges comprised of severance and benefit costs and facility and lease termination costs. The 2018 Plan was completed by the end of fiscal 2019. The total costs since inception through November 3, 2019 were approximately $5.4 million, consisting of $1.1 million in North American Staffing, $0.4 million in International Staffing and $3.9 million in Corporate and Other. As of November 3, 2019, the Company anticipates payments of $0.9 million will be made in fiscal 2020. The remaining$1.3 million related to facility and lease termination costs will be paid through December 2025.

Change in Executive Management

Effective June 6, 2018, Michael Dean departed from his role as President and Chief Executive Officer of the Company and is no longer a member of the Board of Directors of the Company (the "Board of Directors"). The Company and Mr. Dean subsequently executed a separation agreement, effective June 29, 2018. The Company incurred related severance costs of $2.6 million in the third quarter of fiscal 2018, which is payable over a period of24 months.

Effective August 23, 2019, Paul Tomkins stepped down from his role as Senior Vice President and Chief Financial Officer of the Company. The Company and Mr. Tomkins subsequently executed a separation agreement, effective September 11, 2019. The Company incurred related severance costs of $0.9 million in the fourth quarter of fiscal 2019, which is payable over a period of 12 months beginning November 2019.

Exit of Customer Care Solutions Business

In June 2019, the Company exited its customer care solutions business, which is currently reported as a part of the Corporate and Other category. This exit will enable the Company to further strengthen its focus on its core staffing business, align its resources to streamline operations, improve cost competitiveness and increase profitability. As a result of this exit, the Company incurred restructuring and severance costs of $2.1 million during fiscal 2019.

Other Restructuring Costs

During fiscal 2019 and 2018, there were other restructuring actions taken by the Company as part of its continued efforts to reduce costs and achieve operational efficiency. The Company recorded severance costs of $0.7 million and $1.3 million, respectively, primarily resulting from the elimination of certain positions.

The following tables present the restructuring and severance and benefit costs for the twelve months ended November 3, 2019 and October 28, 2018 (in thousands):

	Year Ended November 3, 2019				
	Total	North American Staffing	International Staffing	North American MSP	Corporate & Other
Severance and benefit costs	$ 803	$ 200	$ 404	$ —	$ 199
Other	260	37	33	14	176
2018 Plan	**1,063**	**237**	**437**	**14**	**375**
Severance and benefit costs	212	—	—	—	212
Other	1,849	—	—	—	1,849
Exit of Customer Care Solutions Business	**2,061**	**—**	**—**	**—**	**2,061**
Severance and benefit costs	493	390	48	—	55
Other	171	92	25	54	—
Other	**664**	**482**	**73**	**54**	**55**
Change in Executive Management	**868**	**—**	**—**	**—**	**868**
Total	**$ 4,656**	**$ 719**	**$ 510**	**$ 68**	**$ 3,359**

	Year Ended October 28, 2018				
	Total	North American Staffing	International Staffing	North American MSP	Corporate & Other
Severance and benefit costs	$ 1,526	$ 401	$ —	$ —	$ 1,125
Other	2,826	428	—	—	2,398
2018 Plan	**4,352**	**829**	**—**	**—**	**3,523**
Severance and benefit costs	1,009	103	210	37	659
Other	246	—	118	108	20
Other	**1,255**	**103**	**328**	**145**	**679**
Change in Executive Management	**2,635**	**—**	**—**	**—**	**2,635**
Total	**$ 8,242**	**$ 932**	**$ 328**	**$ 145**	**$ 6,837**

Accrued restructuring and severance costs are included in Accrued compensation and Accrued insurance and other in the Consolidated Balance Sheets. Activity for the fiscal years ended November 3, 2019 and October 28, 2018 are summarized as follows (in thousands):

	November 3, 2019	October 28, 2018
Balance, beginning of year	**$ 5,702**	**$ 297**
Charged to expense	4,656	8,242
Cash payments	(6,513)	(2,837)
Ending Balance	**$ 3,845**	**$ 5,702**

The remaining balance at November 3, 2019 of $3.8 million, primarily related to Corporate and Other, includes $1.6 million related to the cost reduction plan implemented in fiscal 2018, $1.5 million related to change in executive management, $0.6 million related to the exit of the customer care solutions business and $0.1 million of other restructuring and severance charges.

NOTE 9: Accrued Insurance

(a) Casualty Insurance Program

Workers' compensation insurance is purchased through mandated participation in certain state funds, and the experience-rated premiums in these state plans relieve the Company of any additional liability. Liability for workers' compensation in all other states as well as automobile and general liability (collectively "casualty liability") is insured under a paid loss deductible casualty insurance program for losses exceeding specified deductible levels. The Company is financially responsible for losses below the specified policy deductible limits while losses incurred above the deductible limit are absorbed by the insurer. The casualty program is secured by a letter of credit against the Company's DZ Financing Program of $22.8 million as of November 3, 2019.

The Company recognizes expense and establishes accruals for amounts estimated to be incurred up to the policy deductible, both reported and not yet reported, policy premiums and related legal and other claims administration costs. The Company develops estimates for claims, as well as claims incurred but not yet reported, using actuarial principles and assumptions based on historical and projected claim incidence patterns, claim size and the length of time over which payments are expected to be made. Actuarial estimates are updated as loss experience develops, additional claims are reported or settled and new information becomes available. Any changes in estimates are reflected in operating results in the period in which the estimates are changed. Depending on the policy year, adjustments to final expected paid amounts are determined as of five years after the end of the respective policy year or through the ultimate life of the claim. Expense recognized by the Company under its casualty insurance program amounted to $9.6 million and $10.2 million in fiscal 2019 and 2018, respectively.

(b) Medical Insurance Programs

The Company is self-insured for a portion of its medical benefit programs for its employees. Eligible contingent staff on assignment with customers are offered medical benefits through a fully insured program administered by a third-party. Employees contribute a portion of the cost of these medical benefit programs.

The liability for the self-insured medical benefits is limited on a per claimant basis through the purchase of stop-loss insurance. The Company's retained liability for the self-insured medical benefits is determined utilizing actuarial estimates of expected claims based on statistical analysis of historical data. The Company records the expense associated with the expected losses, net of employee contributions, primarily in Selling, administrative and other operating costs in the Consolidated Statement of Operations, depending on the employee's role. Expense recognized by the Company under its self-insured medical benefit programs amounted to $5.4 million and $4.3 million in fiscal 2019 and 2018, respectively.

NOTE 10: Income Taxes

Loss before income taxes is derived from (in thousands):

	Year Ended	
	November 3, 2019	October 28, 2018
U.S. Domestic	$ (17,529)	$ (36,077)
International	3,321	4,350
Loss before income tax	**$ (14,208)**	**$ (31,727)**

Income tax provision (benefit) by taxing jurisdiction consists of (in thousands):

	Year Ended	
	November 3, 2019	October 28, 2018
Current:		
U.S. Federal	$ —	$ (1,423)
U.S. State and local	6	188
International	1,060	2,169
Total current	**$ 1,066**	**$ 934**
Deferred:		
U.S. State and local	$ 4	$ (2)
International	(92)	26
Total deferred	**(88)**	**24**
Income tax provision	**$ 978**	**$ 958**

The difference between the income tax provision on income (loss) and the amount computed at the U.S. federal statutory rate is due to (in thousands):

	Year Ended	
	November 3, 2019	October 28, 2018
U.S. Federal statutory rate	$ (2,984)	$ (7,424)
U.S. State income tax, net of U.S. Federal tax benefits	142	212
International permanent differences	95	(161)
International tax rate differentials	145	1,282
U.S. tax on international income	471	(1,136)
General business credits	(1,718)	(2,400)
Non-deductible expenses	358	64
Other, net	—	(1,108)
Change in valuation allowance for rate change	—	26,798
Change in valuation allowance for deferred tax assets	4,469	(15,169)
Income tax provision	**$ 978**	**$ 958**

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, and also include operating loss carryforwards. The significant components of the Company's deferred tax assets and liabilities are as follows (in thousands):

	November 3, 2019	October 28, 2018
Deferred tax assets:		
Net operating loss carryforwards	$ 60,706	$ 55,522
Capital loss carryforwards	3,357	3,403
U.S. federal tax credit carryforwards	53,462	51,288
Deferred income	6,045	6,366
Compensation accruals	3,199	4,305
Other, net	5,744	5,365
Total deferred tax assets	**132,513**	**126,249**
Less valuation allowance	(123,266)	(118,559)
Deferred tax assets, net	**9,247**	**7,690**
Deferred tax liabilities:		
Unremitted earnings from foreign subsidiaries	2,017	2,010
Software development costs	6,767	4,884
Other, net	466	959
Total deferred tax liabilities	**9,250**	**7,853**
Net deferred tax liability	**$ (3)**	**$ (163)**
Balance sheet classification		
Non-current assets	$ 14	$ 347
Non-current liabilities	(17)	(510)
Net deferred tax asset (liability)	**$ (3)**	**$ (163)**

At November 3, 2019, the Company has available unused U.S. federal net operating loss ("NOL") carryforwards of$207.2 million, U.S. state NOL carryforwards of $239.3 million, international NOL carryforwards of $9.3 million, capital loss carryforwards of $12.9 million and federal tax credits of $53.5 million. As of November 3, 2019, the U.S. federal NOL carryforwards expire at various dates between 2031 and 2038 (with some indefinite), the U.S. state NOL carryforwards expire at various dates between 2020 and 2038, the international NOL carryforwards expire at various dates beginning in 2020 (with some indefinite), capital loss carryforwards expire between 2020 and 2022 and federal tax credits expire between 2020 and 2037. At November 3, 2019, the undistributed earnings of the Company's non-U.S. subsidiaries are not intended to be permanently invested outside of the U.S. and therefore U.S. deferred taxes have been provided.

A valuation allowance has been recognized due to the uncertainty of realization of the loss carryforwards and other deferred tax assets. Beginning in fiscal 2010, the Company's cumulative U.S. domestic and certain non-U.S. results for each three-year period were a loss. Accordingly, the Company recorded a full valuation allowance against its net U.S. domestic and certain net non-U.S. deferred tax assets as a non-cash charge to income tax expense. The three-year cumulative loss continued in fiscal 2019 so the Company maintained a full valuation allowance against its net U.S. domestic and certain net non-U.S. deferred tax assets resulting in a total valuation allowance of $123.3 million and $118.6 million for fiscal 2019 and 2018, respectively. In reaching this conclusion, the Company considered the U.S. domestic demand and recent operating losses causing the Company to be in a three-year cumulative loss position. Management believes that the remaining deferred tax assets are more likely than not to be realized based upon consideration of all positive and negative evidence, including scheduled reversal of deferred tax liabilities and tax planning strategies determined on a jurisdiction-by-jurisdiction basis.

The Company recognizes income tax benefits for tax positions determined more likely than not to be sustained upon examination based on the technical merits of the positions. The following table sets forth the change in the accrual for uncertain tax positions, excluding interest and penalties (in thousands):

	November 3, 2019	October 28, 2018
Balance, beginning of year	$ 491	$ 1,495
Decreases relating to tax positions taken in a prior period	(21)	(10)
Settlements	(146)	—
Lapse of statute of limitations	(41)	(994)
Total	**$ 283**	**$ 491**

Of the total unrecognized tax benefits at November 3, 2019 and October 28, 2018, approximately$0.3 million and $0.5 million, respectively, would affect the Company's effective income tax rate, if and when recognized in future years. The amount accrued for related potential interest and penalties at October 28, 2018 was $0.1 million. The income tax provision for the fiscal years ended November 3, 2019 and October 28, 2018 included a reversal of reserves on uncertain tax provisions of $0.2 million and $1.1 million, respectively.

The Company is subject to taxation at the federal, state and local levels in the U.S. and in various international jurisdictions. With few exceptions, the Company is generally no longer subject to examination by the U.S. federal, state, local or non-U.S. income tax authorities for years before fiscal 2008.

On December 22, 2017, the U.S. President signed the Tax Cuts and Jobs Act ("Tax Act") into law. The Tax Act includes a number of provisions, including the lowering of the U.S. corporate tax rate from 35.0% to 21.0%, and the establishment of a territorial-style system for taxing foreign-source income of domestic multinational corporations.

Other provisions under the Tax Act which are effective for the Company in fiscal 2019, includes limitations on deductibility of executive compensation and interest, as well as a new minimum tax on Global Intangible Low-Taxed Income ("GILTI"), both of which did not have a material impact on the Company's financial statements.

The SEC staff issued Staff Accounting Bulletin ("SAB") 118, which provides guidance on accounting for the tax effects of the Tax Act. SAB 118 provides a measurement period that should not extend beyond one year from the Tax Act enactment date for companies to complete the accounting under ASC 740. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the Tax Act for which the accounting under ASC 740 is complete. To the extent that a company's accounting for certain income tax effects of the Tax Act is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements. If a company cannot determine a provisional estimate to be included in the financial statements, it should continue to apply ASC 740 on the basis of the provisions of the tax laws that were in effect immediately before the enactment of the Tax Act. The measurement period ended on December 22, 2018. There was no significant impact.

NOTE 11: Real Estate Transactions

Orange, CA

In March 2016, Volt Orangeca Real Estate Corp., an indirect wholly-owned subsidiary of the Company, completed the sale of real property comprised of land and buildings with office space of approximately 200,000 square feet in Orange, California for a purchase price of$35.9 million. The Company concurrently entered into a Purchase and Sale Agreement (the "PSA") and a Lease Agreement (the "Lease") with Glassell Grand Avenue Partners, LLC (the "Buyer"), a limited liability company formed by Hines, a real estate investment and management firm, and funds managed by Oaktree Capital Management L.P., an investment management firm. The Buyer assigned the PSA and the Lease to Glassell Acquisitions Partners LLC, an affiliate of the Buyer, prior to the closing.

The transaction was accounted for as a sale-leaseback transaction and as an operating lease. The initial lease term is15 years plus renewal options fortwo terms of five years, each based on the greater of fair market value at the time of the renewal or the base annual rent payable during the last month of the then-current term immediately preceding the extended period. The annual base rent was $2.9 million for the first year of the initial term and subsequently increases on each adjustment date by3.0% of the then-current annual base rent. A security deposit of $2.1 million was required for the first year of the lease term which is secured by a letter of credit under the Company's existing financing program, which was reduced to $1.4 million in the second quarter of fiscal 2017 and further reduced to $0.7 million in the second quarter of fiscal 2018. The security deposit will subsequently be reduced if certain conditions are met. Accordingly, the gain on sale of $29.4 million was deferred and, through the fourth quarter of fiscal 2019, was being recognized over the remaining lease term in proportion to the related gross rental charges. However, in the first quarter of fiscal 2020, the unamortized deferred gain of $22.2 million will be recognized as a cumulative-effect adjustment to equity upon adoption of ASU 2016-02, *Leases (Topic 842)*. For fiscal 2019 and 2018, the amortization was $1.9 million and $1.9 million, respectively.

NOTE 12: Debt

The Company's primary sources of liquidity are cash flows from operations and proceeds from our financing arrangements. Both operating cash flows and borrowing capacity under the Company's financing arrangements are directly related to the levels of accounts receivable generated by its businesses. The Company's operating cash flows consist primarily of collections of customer receivables offset by payments for payroll and related items for the Company's contingent staff and in-house employees; federal, foreign, state and local taxes; and trade payables. The Company's level of borrowing capacity under its financing arrangements increases or decreases in tandem with any change in accounts receivable based on revenue fluctuations.

The Company manages its cash flow and related liquidity on a global basis. The weekly payroll payments inclusive of employment-related taxes and payments to vendors are approximately $20.0 million. The Company generally targets minimum global liquidity to be 1.5 times its average weekly requirements. The Company also maintains minimum effective cash balances in foreign operations and uses a multi-currency netting and overdraft facility for its European entities to further minimize overseas cash requirements.

On July 19, 2019, the Company amended and restated its long-term $115.0 million accounts receivable securitization program ("DZ Financing Program") with DZ Bank AG Deutsche Zentral-Genossenschafsbank ("DZ Bank"), which was originally executed on January 25, 2018. The restated agreement allows for the inclusion of certain accounts receivable from an originator in the United Kingdom, which added an additional $5.0 - $7.0 million in borrowing availability. All other material terms and conditions of the original agreement remained substantially unchanged.

The DZ Financing Program is fully collateralized by certain receivables of the Company that are sold to a wholly-owned, consolidated, bankruptcy-remote subsidiary. To finance the purchase of such receivables, that subsidiary may request that DZ Bank make loans from time-to-time to that subsidiary which are secured by liens on those receivables.

On June 4, 2019, the Company entered into an amendment with DZ Bank to temporarily exclude the receivables due from a specific customer from the securitization pool under its DZ Financing Program for three subsequent reporting periods as of May 2019 through July 2019. This customer experienced internal processing issues related to specific Volt purchase orders resulting in significant payment delays, which negatively impacted the 90-Day Delinquency Rate, as defined in the DZ Financing Program. Although this change improved the delinquency rate, it temporarily decreased the Company's borrowing availability under the DZ Financing Program by approximately $2.0 - $3.0 million. These payment delays were not credit related and the Company collected the past due amounts. The issue was resolved and the receivables from this customer were added back to the securitization pool under the original terms of the agreement, as permitted under a provision in the amendment.

Loan advances may be made under the DZ Financing Program through January 25, 2021 and all loans will mature no later than July 25, 2021. Loans will accrue interest (i) with respect to loans that are funded through the issuance of commercial paper notes, at the commercial paper ("CP") rate, and (ii) otherwise, at a rate per annum equal to adjusted LIBOR. The CP rate will be based on the rates paid by the applicable lender on notes it issues to fund related loans. Adjusted LIBOR is based on LIBOR for the applicable interest period and the rate prescribed by the Board of Governors of the Federal Reserve System for determining the reserve requirements with respect to Eurocurrency funding. If an event of default occurs, all loans shall bear interest at a rate per annum equal to the prime rate (the federal funds rate plus 3%) plus 2.5%.

The DZ Financing Program also includes a letter of credit sub-facility with a sub-limit of $35.0 million. As of November 3, 2019, the letter of credit participation was $24.2 million, inclusive of $22.8 million for the Company's casualty insurance program, $1.2 million for the security deposit required under certain real estate lease agreements, and $0.2 million for the Company's corporate credit card program. The Company used $30.0 million of funds available under the DZ Financing Program to temporarily collateralize the letters of credit, until the letters of credit were established with DZ Bank on January 31, 2018.

The DZ Financing Program contains customary representations and warranties as well as affirmative and negative covenants, with such covenants being less restrictive than those under the PNC Financing Program (as defined below). The agreement also contains customary default, indemnification and termination provisions. The DZ Financing Program is not an off-balance sheet arrangement, as the bankruptcy-remote subsidiary is a 100%-owned consolidated subsidiary of the Company.

The Company is subject to certain financial and portfolio performance covenants under the DZ Financing Program, including (1) a minimum Tangible Net Worth (as defined under the DZ Financing Program) of at least \$30.0 million through fiscal 2019, which will increase to\$40.0 million in fiscal 2020; (2) positive net income in any fiscal year ending after 2019; (3) maximum debt to tangible net worth ratio of 3:1 and (4) a minimum of \$15.0 million in liquid assets (as defined under the DZ Financing Program). At November 3, 2019, there was \$22.3 million of borrowing availability, as defined, under the DZ Financing program and the Company was in compliance with all debt covenants.

The Company uses the availability from the DZ Financing Program from time-to-time for working capital and other general corporate purposes. The Company had entered into the original agreement with DZ Bank when it exited its financing relationship with PNC Bank (“PNC Financing Program”). The Company used funds made available by the DZ Financing Program to repay all amounts outstanding under the PNC Financing Program, which terminated in accordance with its terms.

At November 3, 2019 and October 28, 2018, the Company had outstanding borrowings under the DZ Financing Program of\$55.0 million and \$50.0 million, respectively, with a weighted average annual interest rate of 4.1% and 3.6% during fiscal years 2019 and 2018, respectively.

Long-term debt consists of the following (in thousands):

	November 3, 2019	October 28, 2018
Financing programs	$ 55,000	$ 50,000
Less:		
Deferred financing fees	1,106	932
Total long-term debt, net	**$ 53,894**	**$ 49,068**

On January 14, 2020, the Company executed an amendment to the DZ Financing Program. The modifications to the agreement were to (1) extend the Amortization Date, as defined, from January 25, 2021 to January 25, 2023, and extend the Facility Maturity Date, as defined, from July 25, 2021 to July 25, 2023; and (2) revise an existing covenant to maintain positive net income in any fiscal year ending after 2020. All other terms and conditions remain unchanged.

NOTE 13: Stockholders’ Equity

(a) Common Stock

Each outstanding share of common stock is entitled toone vote per share on all matters submitted to a vote by shareholders. Subject to the rights of any preferred stock which may from time-to-time be outstanding, the holders of outstanding shares of common stock are entitled to receive dividends and, upon liquidation or dissolution, are entitled to receive pro rata all assets legally available for distribution to stockholders. No dividends were declared or paid on the common stock during fiscal 2019 or 2018. The holders of common stock have no preemptive or other subscription rights and there is no redemption or sinking fund provisions with respect to such shares. There is no preferred stock outstanding.

(b) Treasury Stock

The Company issues shares out of treasury stock to satisfy share-based compensation awards. Activity for the fiscal years ended November 3, 2019 and October 28, 2018 is summarized as follows (in thousands):

	November 3, 2019	October 28, 2018
Balance, beginning of the year	**$ (33,600)**	**$ (37,607)**
Shares issued for share-based compensation awards	7,445	4,007
Ending Balance	**$ (26,155)**	**$ (33,600)**

(c) Comprehensive Income (Loss)

The accumulated balances for each classification of other comprehensive income (loss) are as follows (in thousands):

	Foreign currency gains/(losses)
Balance at October 29, 2017	$ (5,261)
Other comprehensive income (loss) before reclassifications	(1,809)
Current period other comprehensive income (loss)	(1,809)
Balance at October 28, 2018	(7,070)
Other comprehensive income (loss) before reclassifications	269
Current period other comprehensive income	269
Balance at November 3, 2019	**$ (6,801)**

There were no reclassifications from accumulated other comprehensive loss in fiscal 2019 and 2018.

NOTE 14: Share-Based Compensation Plans

For the twelve months ended in fiscal year 2019 and 2018, the Company recognized share-based compensation expense of$1.4 million and $1.8 million, respectively. These expenses are included in Selling, administrative and other operating costs in the Company's Consolidated Statements of Operations.

2019 Equity Incentive Plan

On May 1, 2019, the stockholders of the Company approved the Company's 2019 Equity Incentive Plan (the "2019 Plan"). The 2019 Plan permits the granting of (1) stock options, including incentive stock options, (2) stock appreciation rights, (3) restricted stock, (4) restricted stock units, (5) performance awards, and (6) other awards valued in whole or in part by reference to or otherwise based on our common stock (as defined in the 2019 Plan, "other share-based awards"). Subject to adjustment as provided in the 2019 Plan, up to an aggregate of 2,500,000 shares of the Company's common stock will be available for awards under the 2019 Plan, plus any shares granted under the Company's 2015 Equity Incentive Plan that become available for awards under such plan.

Equity Awards

During fiscal 2019, the Company granted long-term incentive awards in the aggregate of297,229 performance stock units ("PSUs") to executive management and430,563 restricted stock units ("RSUs") to certain employees including executive management. Additionally, an annual equity grant totaling 86,405 RSUs was made to the Board of Directors of the Company (“Board of Directors”).

The PSUs are eligible to vest in three equal tranches at the end of each performance period. Vesting of the PSUs is dependent on the achievement of the adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”) margin percentage goals based on adjusted revenues at the end of each fiscal year end of the one-year, two-year and three-year performance periods and provided that the employees remain employed with the Company on each of those vesting dates. The payout percentages can range from 0% to 150%. The RSUs for the employees vest in equal annual tranches over three years, provided the employees remain employed with the Company on each of those vesting dates. The RSUs for the Board of Directors vest in one year from the grant date provided that the director provides continued service through the vesting date. The grant date fair value for the PSUs and RSUs is measured using the closing stock price on the grant date. The total fair value of the PSUs and RSUs granted during fiscal 2019 was approximately $1.2 million and $2.1 million, respectively.

There were no grants of stock options in fiscal 2019. For stock options granted in the prior fiscal years, the fair value of the option grants was estimated using the Black-Scholes option-pricing model, which requires estimates of key assumptions based on both historical information and management judgment regarding market factors and trends. For RSUs granted in the prior fiscal year that are classified as equity awards, the grant date fair value is measured using the closing stock price on the grant date. These awards vest in equal annual tranches over three years, provided the employees remain employed with the Company on each of those vesting dates. The Company granted 133,181 stock options in fiscal 2018 with a total grant date fair value of $0.2 million.

Determining Fair Value - Stock Options

The fair value of the option grants under both plans was estimated using the Black-Scholes option-pricing model, which requires estimates of key assumptions based on both historical information and management judgment regarding market factors and trends.

Expected volatility - We developed the expected volatility by using the historical volatilities of the Company for a period equal to the expected life of the option.

Expected term - We derived our expected term assumption based on the simplified method due to a lack of historical exercise data, which results in an expected term based on the midpoint between the graded vesting dates and contractual term of an option.

Risk-free interest rate - The rates are based on the average yield of a U.S. Treasury bond, with a term that was consistent with the expected life of the stock options.

Expected dividend yield - We have not paid and do not anticipate paying cash dividends on our shares of common stock; therefore, the expected dividend yield was assumed to be zero.

The weighted average assumptions used to estimate the fair value of stock options for fiscal 2018 were as follows:

	Fiscal Year Ended October 28, 2018
Weighted-average fair value of stock option granted	$1.75
Expected volatility	40.0%
Expected term (in years)	6.00
Risk-free interest rate	2.73%
Expected dividend yield	0.0%

The grants vest in equal annual tranches over three years, provided the employees remain employed on each of those vesting dates. Compensation expense for the stock options is recognized over the vesting period. The stock options expire 10 years from the initial grant date and have a weighted average exercise price of $4.10 for fiscal 2018.

Liability Awards

During fiscal 2018, the Company granted 276,396 PSUs and 491,138 RSUs that are classified as a liability at fair value, which is computed using a Monte Carlo simulation and re-measured periodically based on the effect that the market condition has on these awards. The liability and corresponding expense are adjusted accordingly until the awards are settled. As of the fiscal year ended November 3, 2019, the total fair value of the remaining PSUs and RSUs was approximately $0.1 million and $0.5 million, respectively.

Vesting of the PSUs is dependent on the achievement of target stock prices at the end of each of the one-year, two-year and three-year performance periods. The ending stock price is the average price of the last 20 trading days prior to and including the final day of each performance period. The payout percentages can range from 0% to 200%. The RSUs vest in equal annual tranches over three years, provided the employees remain employed with the Company on each of those vesting dates.

Upon vesting, the PSUs and RSUs may be settled in either cash or stock at the Company's election, with any stock settlement being subject to the Company having a sufficient number of shares then available under its equity incentive plan to satisfy such awards. Any awards settled in cash will be capped at two times the Company's closing stock price on the grant date, multiplied by the number of awards vesting. During the third quarter of fiscal 2019, the first tranches of the PSUs and RSUs that vested were settled in stock.

In prior years, the Company granted phantom units in the form of cash-settled RSUs to certain senior management level employees. The total fair value at the grant date was approximately $0.3 million with a weighted average fair value per unit of $4.35. The units vest in equal annual tranches over three years, provided the employees remain employed on each of those vesting dates. These awards are classified as a liability and re-measured at the end of each reporting period based on the change in fair value of one share of the Company's common stock. As of the end of fiscal 2019, the total fair value was less than $0.1 million and 6,012 phantom units were outstanding.

Summary of Equity and Liability Awards

The following tables summarize the activities related to the Company's share-based equity and liability awards for the fiscal year ended November 3, 2019:

Stock Options	Number of shares	Weighted average exercise price	Weighted average contractual life (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at October 29, 2017	2,499,922	$ 6.32	8.20	$ 6,051
Granted	133,181	$ 4.10	—	$ —
Forfeited	(1,033,063)	$ 7.16	—	$ —
Outstanding at October 28, 2018	1,600,040	$ 5.25	7.27	$ —
Exercised	(200,000)	$ 4.35	—	$ —
Forfeited	(335,972)	$ 5.42	—	$ —
Expired	(460,584)	$ 5.36	—	$ —
Outstanding at November 3, 2019	603,484	$ 6.28	6.81	$ —
Unvested at November 3, 2019	108,695	$ —	—	$ —
Exercisable at November 3, 2019	**494,789**	**$ 6.75**	**6.55**	$ —

Performance Share Units	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding at October 29, 2017	—	$ —
Granted	276,396	$ 3.38
Outstanding at October 28, 2018	276,396	$ 3.38
Granted (a) (b)	377,833	$ 4.05
Forfeited	(179,981)	$ 3.61
Vested	(97,262)	$ 3.82
Outstanding at November 3, 2019	**376,986**	**$ 3.90**

(a) Includes the incremental issuance of shares related to the Fiscal 2018 PSU grant.

(b) Includes the incremental shares for the first tranche of the fiscal 2019 PSU grant based on attainment of the fiscal 2019 EBITDA margin percentage goal. These shares will be issued upon vesting.

Restricted Stock Units	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding at October 29, 2017	338,966	$ 5.20
Granted	491,138	$ 3.23
Forfeited	(40,769)	$ 4.62
Vested	(206,504)	$ 5.33
Outstanding at October 28, 2018	582,831	$ 3.53
Granted	516,968	$ 4.11
Forfeited	(236,035)	$ 3.73
Vested	(196,682)	$ 3.75
Outstanding at November 3, 2019	**667,082**	**$ 3.86**

As of November 3, 2019 total unrecognized compensation expense of$2.6 million related to PSUs, stock options, RSUs and phantom units will be recognized over the remaining weighted average vesting period of 2.1 years, of which $1.8 million, $0.6 million, and $0.2 million is expected to be recognized in fiscal 2020, 2021 and 2022, respectively.

NOTE 15: Earnings (Loss) Per Share

Basic and diluted net income (loss) per share is calculated as follows (in thousands, except per share amounts):

	Year Ended	
	November 3, 2019	**October 28, 2018**
Numerator		
Net income (loss)	**$ (15,186)**	**$ (32,685)**
Denominator		
Basic weighted average number of shares	21,119	21,051
Dilutive weighted average number of shares	21,119	21,051
Per Share Data:		
Basic:		
Net income (loss)	**$ (0.72)**	**$ (1.55)**
Diluted:		
Net income (loss)	**$ (0.72)**	**$ (1.55)**

The fiscal 2019 diluted earnings per share did not include the effect of potentially dilutive outstanding shares comprised of667,082 RSUs, 603,484 of stock options and 376,986 PSUs because the effect would have been anti-dilutive. The fiscal 2018 diluted earnings per share did not include the effect of potentially dilutive outstanding shares comprised of 97,719 RSUs, 1,600,040 of stock options and 276,936 PSUs because the effect would have been anti-dilutive.

NOTE 16: Commitments and Contingencies

(a) Leases

The future minimum rental commitments as of November 3, 2019 for all non-cancelable operating leases were as follows (in thousands):

Fiscal year:	**Amount**
2020	$ 11,782
2021	9,287
2022	7,457
2023	6,328
2024	5,486
Thereafter	28,422
Total minimum payments required (a)	**$ 68,762**

(a) - Minimum payments have not been reduced by minimum sublease rentals of $9.6 million, or approximately $1.5 million annually, due in the future under noncancelable subleases.

Many of the leases also require the Company to pay and contribute to property taxes, insurance and ordinary repairs and maintenance. The lease agreements, which expire at various dates through 2031, may be subject in some cases to renewal options, early termination options or escalation clauses.

Rent expense for all operating leases in fiscal 2019 and 2018 were$13.8 million and $16.3 million, respectively.

(b) Legal Proceedings

The Company is involved in various claims and legal actions arising in the ordinary course of business. The Company's loss contingencies not discussed elsewhere consist primarily of claims and legal actions arising in the normal course of business related to contingent worker employment matters in the staffing services business. These matters are at varying stages of investigation, arbitration or adjudication. The Company has accrued for losses on individual matters that are both probable and reasonably estimable.

Estimates are based on currently available information and assumptions. Significant judgment is required in both the determination of probability and the determination of whether a matter is reasonably estimable. The Company's estimates may change and actual expenses could differ in the future as additional information becomes available.

(c) Other Matters

As previously disclosed in the Annual Report on Form 10-K for the year ended October 28, 2018, certain qualification failures related to nondiscrimination testing for the Company's 401(k) plans consisting of the (1) Volt Technical Services Savings Plan and the (2) Volt Information Sciences, Inc. Savings Plan occurred during plan years prior to 2016. The Company has obtained the approval from the Internal Revenue Service regarding the method for curing the failures and made a contribution of $0.8 million in the fourth quarter of fiscal 2019.

NOTE 17: Subsequent Events

On January 14, 2020, the Company executed an amendment to the DZ Financing Program. The modifications to the agreement were to (1) extend the Amortization Date, as defined, from January 25, 2021 to January 25, 2023, and extend the Facility Maturity Date, as defined, from July 25, 2021 to July 25, 2023; and (2) revise an existing covenant to maintain positive net income in any fiscal year ending after 2020. All other terms and conditions remain unchanged.

In the first quarter of fiscal 2020, the Company approved a restructuring plan (the "Plan") as part of its strategic initiative to optimize the Company's cost infrastructure. Included in this initiative is the Company's plan to leverage the global capabilities of our staffing operations based in Bangalore, India and offshore a significant number of strategically identified roles to this location. The plan will affect approximately 125 employees. The Company expects to incur a total estimated pre-tax restructuring charge of approximately $1.2 million of severance and benefit costs in the first half of its fiscal year ending November 1, 2020.

NOTE 18: Segment Disclosures

We report our segment data in accordance with the provisions of ASC 280,*Segment Reporting*, aligning with the way the Company evaluates its business performance and manages its operations. Our current reportable segments are (i) North American Staffing, (ii) International Staffing and (iii) North American MSP. The non-reportable businesses are combined and disclosed with corporate services under the category Corporate and Other.

In June 2019, the Company exited its customer care solutions business, which was currently reported as a part of the Corporate and Other category. This exit allows the Company to further strengthen its focus on its core staffing business and align its resources to streamline operations, improve cost competitiveness and increase profitability. The Company's other non-reportable businesses continued to be combined and disclosed with corporate services under the category Corporate and Other.

Segment operating income (loss) is comprised of segment net revenue less cost of services, selling, administrative and other operating costs, impairment charges and restructuring and severance costs. The Company allocates to the segments all operating costs except for costs not directly related to the operating activities such as corporate-wide general and administrative costs. These costs are not allocated because doing so would not enhance the understanding of segment operating performance and are not used by management to measure segment performance.

Financial data concerning the Company's segment revenue and operating income (loss) as well as results from Corporate and Other are summarized in the following tables (in thousands):

	Year Ended November 3, 2019					
	Total	North American Staffing	International Staffing	North American MSP	Corporate and Other (1)	Eliminations (2)
Net revenue	**$ 997,090**	**$ 830,947**	**$ 114,377**	**$ 39,010**	**$ 15,320**	**$ (2,564)**
Cost of services	844,527	708,824	95,552	28,324	14,391	(2,564)
Gross margin	**152,563**	**122,123**	**18,825**	**10,686**	**929**	**—**
Selling, administrative and other operating costs	157,052	103,437	15,422	5,595	32,598	—
Restructuring and severance costs	4,656	719	510	68	3,359	—
Impairment charges	688	4	—	—	684	—
Operating income (loss)	**(9,833)**	**17,963**	**2,893**	**5,023**	**(35,712)**	**—**
Other income (expense), net	(4,375)					
Income tax provision	978					
Net loss	**$ (15,186)**					

	Year Ended October 28, 2018					
	Total	North American Staffing	International Staffing	North American MSP	Corporate and Other (1)	Eliminations (2)
Net revenue	**$ 1,039,170**	**$ 860,544**	**$ 117,351**	**$ 29,986**	**$ 35,228**	**$ (3,939)**
Cost of services	885,492	735,050	98,640	22,637	33,104	(3,939)
Gross margin	**153,678**	**125,494**	**18,711**	**7,349**	**2,124**	**—**
Selling, administrative and other operating costs	173,337	112,459	15,986	5,571	39,321	—
Restructuring and severance costs	8,242	932	328	145	6,837	—
Impairment charges	506	—	—	—	506	—
Operating income (loss)	**(28,407)**	**12,103**	**2,397**	**1,633**	**(44,540)**	**—**
Other income (expense), net	(3,320)					
Income tax provision	958					
Net loss	**$ (32,685)**					

(1) Revenues are primarily derived from Volt Customer Care Solutions business through June 7, 2019.
(2) The majority of intersegment sales results from North American Staffing providing resources to Volt Customer Care Solutions business.

Assets of the Company by reportable segment are summarized in the following table (in thousands):

	November 3, 2019	October 28, 2018
Assets:		
North American Staffing	$ 109,067	$ 121,510
International Staffing	30,327	27,765
North American MSP	19,196	20,194
Corporate & Other	59,414	67,227
Total Assets	**$ 218,004**	**$ 236,696**

Sales to external customers and long-lived assets of the Company by geographic area are as follows (in thousands):

	Year Ended	
	November 3, 2019	October 28, 2018
Net Revenue:		
Domestic	$ 878,095	$ 916,561
International	118,995	122,609
Total Net Revenue	**$ 997,090**	**$ 1,039,170**

	November 3, 2019	October 28, 2018
Long-Lived Assets:		
Domestic	$ 24,525	$ 23,274
International	1,365	1,118
Total Long-Lived Assets	**$ 25,890**	**$ 24,392**

Capital expenditures and depreciation and amortization by the Company's operating segments are as follows (in thousands):

	Year Ended	
	November 3, 2019	October 28, 2018
Capital Expenditures:		
North American Staffing	$ 415	$ 340
International Staffing	315	207
North American MSP	295	28
Corporate & Other	8,028	2,990
Total Capital Expenditures	**$ 9,053**	**$ 3,565**
Depreciation and Amortization:		
North American Staffing	$ 415	$ 464
International Staffing	281	359
North American MSP	50	9
Corporate & Other	6,209	6,377
Total Depreciation and Amortization	**$ 6,955**	**$ 7,209**

NOTE 19: Quarterly Financial Information (unaudited)

The following tables present certain unaudited consolidated quarterly financial information for each quarter in the fiscal years ended November 3, 2019 and October 28, 2018 (in thousands, except per share amounts):

	Three Months Ended			
	January 27, 2019	**April 28, 2019**	**July 28, 2019**	**November 3, 2019**
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
	13 weeks	*13 weeks*	*13 weeks*	*14 weeks*
NET REVENUE	**$ 253,436**	**$ 252,070**	**$ 233,176**	**$ 258,408**
Cost of services	215,737	215,813	197,528	215,449
GROSS MARGIN	**37,699**	**36,257**	**35,648**	**42,959**
Selling, administrative and other operating costs	39,810	38,939	38,395	39,908
Restructuring and severance costs	59	724	2,017	1,856
Impairment charges	—	347	79	262
OPERATING INCOME (LOSS)	**(2,170)**	**(3,753)**	**(4,843)**	**933**
Interest income	55	66	87	66
Interest expense	(801)	(765)	(801)	(789)
Foreign exchange gain (loss), net	213	(314)	(151)	(360)
Other income (expense), net	(239)	(166)	(184)	(292)
LOSS BEFORE INCOME TAXES	**(2,942)**	**(4,932)**	**(5,892)**	**(442)**
Income tax provision	273	233	165	307
NET LOSS	**$ (3,215)**	**$ (5,165)**	**$ (6,057)**	**$ (749)**
PER SHARE DATA:				
Basic:				
Net Loss	**$ (0.15)**	**$ (0.24)**	**$ (0.29)**	**$ (0.04)**
Weighted average number of shares	21,080	21,082	21,157	21,157
Diluted:				
Net Loss	**$ (0.15)**	**$ (0.24)**	**$ (0.29)**	**$ (0.04)**
Weighted average number of shares	21,080	21,082	21,157	21,157

	Three Months Ended			
	January 28, 2018	April 29, 2018	July 29, 2018	October 28, 2018
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
	13 weeks	*13 weeks*	*13 weeks*	*13 weeks*
NET REVENUE	**$ 253,338**	**$ 263,219**	**$ 257,808**	**$ 264,805**
Cost of services	217,329	225,918	221,448	220,797
GROSS MARGIN	**36,009**	**37,301**	**36,360**	**44,008**
Selling, administrative and other operating costs	46,938	42,916	42,222	41,261
Restructuring and severance costs	518	104	3,108	4,512
Impairment charges	—	155	—	351
OPERATING LOSS	**(11,447)**	**(5,874)**	**(8,970)**	**(2,116)**
Interest income	22	47	50	54
Interest expense	(804)	(678)	(602)	(681)
Foreign exchange gain (loss), net	703	(497)	(294)	491
Other income (expense), net	(528)	(55)	(296)	(252)
LOSS BEFORE INCOME TAXES	**(12,054)**	**(7,057)**	**(10,112)**	**(2,504)**
Income tax provision (benefit)	(1,360)	630	1,306	382
NET LOSS	**$ (10,694)**	**$ (7,687)**	**$ (11,418)**	**$ (2,886)**
PER SHARE DATA:				
Basic:				
Net loss	**$ (0.51)**	**$ (0.37)**	**$ (0.54)**	**$ (0.14)**
Weighted average number of shares	21,029	21,032	21,071	21,072
Diluted:				
Net loss	**$ (0.51)**	**$ (0.37)**	**$ (0.54)**	**$ (0.14)**
Weighted average number of shares	21,029	21,032	21,071	21,072

VOLT

2401 North Glassell
Orange, California 92865
714-921-8800

November 4, 2019

Nancy Avedissian
c/o Volt Information Sciences
2401 North Glassell
Orange, California 92865

Dear Nancy,

In recognition of the additional responsibilities that you have recently accepted, I am pleased to confirm your offer of a promotion with the following details.

Position
You will serve as Senior Vice President, Chief Legal Officer and Corporate Secretary, continuing to report to Linda Perneau, President and Chief Executive Officer.

Base Salary
Your base salary will increase to annual rate of Four Hundred Thousand Dollars ($400,000), effective November 4, 2019.

Annual Incentive Bonus Opportunity
You are eligible to receive an annual incentive award in accordance with, and subject to, the terms and conditions of the Company's Annual Incentive Plan (AIP). Your target bonus opportunity for fiscal year 2020 is 60% of your base salary. The Volt AIP performance criteria will be provided under separate AIP letter for FY 2020.

Equity Based Compensation
You are eligible to receive equity-based compensation in the amount of 80% of base salary, subject to the terms and conditions of the Company's Long-Term Incentive Plan.

Previous Agreements
Please note that, other than the information documented in this letter, all other terms of your employment remain unchanged per your original employment agreement.

Please sign and return one copy of this letter to confirm your receipt, understanding and agreement with the terms.

Thank you for your commitment to Volt, and I look forward to your continued contributions.

Sincerely,

November 4, 2019

Linda Perneau
President & CEO

Date

I confirm my receipt, understanding and agreement with the terms of this Letter.

11-4-19

Nancy Avedissian

Date

AMENDMENT TO EMPLOYMENT AGREEMENT

This AMENDMENT (this "Amendment") to the Employment Agreement (as defined below) is dated as of December 30, 2019 and entered into by and between Volt Information Sciences, Inc., a New York corporation (the "Company"), and Linda Perneau, an individual (the "Executive").

WHEREAS, the Company and the Executive entered into that certain Employment Agreement dated as of December 4, 2018 (the "Employment Agreement");

WHEREAS, the parties desire to enter into this Amendment to amend certain provisions of the Employment Agreement; and

WHEREAS, such amended provisions of the Employment Agreement shall be effective as of November 4, 2019.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Executive hereby agree as follows:

1. The Employment Agreement is hereby amended such that the base salary in Section 4(a) thereof shall be $700,000.

2. The Employment Agreement is hereby amended such that Section 7(b)(ii) is deleted and replaced with the following:

"(ii) An amount equal to two times (2x) the Executive's then-current Base Salary, to be paid in accordance with the Company's normal payroll practice for a period of twenty-four (24) months following the date of the Executive's termination of employment;"

Except as specifically amended by this Amendment, the Employment Agreement shall remain in full force and effect in accordance with its terms.

[*Signature page to follow*]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

VOLT INFORMATION SCIENCES, INC.

By:
Name: Nancy Avedissian
Title: Senior Vice President, Chief Legal Officer & Corporate Secretary

EXECUTIVE:

Linda Perneau

[redacted]

Execution Copy

AMENDMENT NO. 1 TO AMENDED AND RESTATED RECEIVABLES LOAN AND SECURITY AGREEMENT

AMENDMENT NO. 1, dated as of January 14, 2020 (this "Amendment"), to the Amended and Restated Receivables Loan and Security Agreement, dated as of July 19, 2019 (the "Existing RLSA") by and among VOLT FUNDING II, LLC, a Delaware limited liability company (as the "Borrower"), VOLT INFORMATION SCIENCES, INC., a New York corporation, as the servicer (in such capacity, the "Servicer"), AUTOBAHN FUNDING COMPANY LLC, a Delaware limited liability company ("Autobahn"), as the Conduit Lender prior to the Conduit Lender's cessation, if any, in its sole discretion, as a Conduit Lender and a Lender and LC Participant, the other Lenders and LC Participants from time to time party thereto, together with their respective successors and assigns (the "Lenders"), DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK, FRANKFURT AM MAIN, NEW YORK BRANCH ("DZ Bank"), as agent (in such capacity, together with its successors and assigns, the "Agent") and AUTOBAHN and DZ BANK, as Letter of Credit issuers (together with their respective successors and assigns, the "LC Issuers"). Capitalized terms used herein and not otherwise defined herein shall have the meanings attributed thereto in the Existing RLSA.

WHEREAS, Autobahn continues to be the sole Lender under the Existing RLSA;

WHEREAS, the Borrower has advised the Agent that it wishes to extend the term of the Existing RLSA and modify one financial covenant, each in the manner set forth below, and Autobahn in agreeable to such an extension and modification; and

WHEREAS, the parties hereto are entering into this Amendment, in writing as required under Section 16.06 of the Existing RLSA, in order to effect such extension and modification, which is being effected subject to the terms and conditions set forth herein.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the fulfillment of the conditions set forth below, the parties hereto agree as follows:

SECTION 1. AMENDMENT AND TERMS THEREOF

1.1 Current Amendment to Existing Agreement. As of the Effective Date (as defined below), the Existing RLSA shall be amended by:

a. deleting the date "January 25, 2021" in the definition of "Amortization Date" in Section 1.01 of the Existing RLSA and replacing it with "January 25, 2023;"

b. deleting the date "July 25, 2021" in the definition of "Facility Maturity Date" in Section 1.01 of the Existing RLSA and replacing it with "July 25, 2023;"

c. deleting the words "Old Volt" in the definition of "UK Lockbox Transfer Agreement" in Section 1.01 of the Existing RLSA and replacing them with the words "Old Volt Funding;" and

d. deleting Section 5.06(b) of the Existing RLSA and replacing it with the following:

> (b) On a fiscal year basis, the Servicer shall maintain a positive Net Income in any fiscal year ending after the fiscal year ending on or about October 31, 2020, as determined at the time of delivery of the Servicer's audited consolidated financial statements for such respective fiscal year.

SECTION 2. CONDITIONS TO EFFECTIVENESS

This Amendment shall be effective (the "Effective Date") upon the execution and delivery of counterparts hereof by the parties signatory hereto and the fulfillment of the following terms and conditions:

2.1 All representations and warranties contained in the Existing RLSA or made in writing to Autobahn or the Agent in connection herewith shall be true and correct in all material respects.

2.2 No Event of Default or Servicer Event of Default nor any event that but for notice or lapse of time or both would constitute an Event of Default or Servicer Event of Default shall have occurred and be continuing (other than any such event that is explicitly waived by the provisions hereof).

SECTION 3. MISCELLANEOUS

3.1 Each of the parties hereto represents and warrants (which representations and warranties shall survive the execution and delivery hereof) that such Person has the corporate or limited liability company power and authority to execute and deliver this Amendment and has taken or caused to be taken all necessary actions to authorize the execution and delivery of this Amendment.

3.2 The parties hereto hereby acknowledge and agree that, except for the specific waivers and agreements set forth above, nothing herein shall be deemed to be a consent to or waiver or amendment of any covenant or agreement contained in the Existing RLSA or any other document executed in connection therewith, and each such party hereby agrees that all of the covenants and agreements contained in the Existing RLSA or any other document executed in connection therewith, subject to the waivers set forth herein, are hereby ratified and confirmed in all respects.

3.3 This Amendment may be executed by the parties hereto individually or in combination, in one or more counterparts, each of which shall be an original and all of which shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by facsimile shall be effective as delivery of a manually executed counterpart of this Amendment.

3.4 THIS AMENDMENT SHALL, IN ACCORDANCE WITH SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BE

GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLES THEREOF THAT WOULD CALL FOR THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

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IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective officers thereunto duty authorized, as of the date first above written.

THE SERVICER:

VOLT INFORMATION SCIENCES, INC., as Servicer

By: ______________________

Name: Kevin D.Hannon

Title: VP & Treasurer

THE BORROWER:

VOLT FUNDING II, LLC, as the Borrower

By: ______________________

Name: Kevin D.Hannon

Title: Treasurer

THE FINAL LC ISSUER:

DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK, FRANKFURT AM MAIN, NEW YORK BRANCH

By:______________________________
Name: Christian Haesslein
Title: Director

By:______________________________
Name: Eva Geng
Title: Vice President

THE AGENT:

DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK, FRANKFURT AM MAIN, NEW YORK BRANCH

By:______________________________
Name: Christian Haesslein
Title: Director

By:______________________________
Name: Eva Geng
Title: Vice President

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THE CONDUIT LENDER:

AUTOBAHN FUNDING COMPANY LLC,
as a Lender

By:________________________
Name: Christian Haesslein
Title: Director

By:________________________
Name: Eva Geng
Title: Vice President

Commitment: $115,000,000

THE INITIAL LC ISSUER:

AUTOBAHN FUNDING COMPANY LLC,
as the initial LC Issuer

By:________________________
Name: Christian Haesslein
Title: Director

By:________________________
Name: Eva Geng
Title: Vice President

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Exhibit 21

VOLT INFORMATION SCIENCES, INC.
LIST OF SUBSIDIARIES

No.	Name (1)	Jurisdiction of Incorporation
1	Arctern Consulting Private Limited (2)	India
2	Arctern, Inc.	Virginia
3	Nuco I, Ltd.	Nevada
4	Nuco II, Ltd.	Delaware
5	P/S Partner Solutions, Ltd.	Delaware
6	ProcureStaff Technologies, Ltd.	Delaware
7	Volt Consulting MSP Canada Ltd.	Canada
8	VMC Consulting Europe Limited	United Kingdom
9	VMC Consulting Germany Gmbh	Germany
10	VMC Services India Private Limited (3)	India
11	Volt Asia Enterprises (Malaysia) Sdn. Bhd.	Malaysia
12	Volt Asia Enterprises, Ltd.	Delaware
13	Volt Australia, Ltd.	Delaware
14	Volt Consulting Group, Ltd.	Delaware
15	Volt Delta International B.V.	Netherlands
16	Volt Directory Marketing, Ltd. (4)	Delaware
17	Volt Delta Resource Holdings, Inc	Nevada
18	Volt Europe (Belgium) SPRL	Belgium
19	Volt Europe (Deutschland) GmbH	Germany
20	Volt Europe (Espana) S.L.	Spain
21	Volt Europe (France) SARL	France
22	Volt Europe (Germany) GmbH	Germany
23	Volt Europe (Nederland) BV	Netherlands
24	Volt Europe (Switzerland) SA	Switzerland
25	Volt Europe Ceska Republika s.r.o	Czech Republic
26	Volt Europe Holdings Limited	United Kingdom
27	Volt Europe Limited	United Kingdom
28	Volt Europe Slovakia s.r.o.	Slovakia
29	Volt Europe Temporary Services Limited	United Kingdom
30	Volt Funding Corp.	Delaware
31	Volt Gatton Holding, Inc.	Delaware
32	Volt Information Sciences (India) Private Limited (2)	India
33	Volt Management Corp.	Delaware
34	Volt Netherlands Holding BV	Netherlands
35	Volt Reach, Inc.	Delaware
36	Volt Consulting Group Limited	United Kingdom
37	Volt Service Corporation Pte, Ltd.	Singapore
38	Volt Service K.K.	Japan
39	Volt Services Group (Netherlands) B.V.	Netherlands
40	Volt Telecommunications Group, Inc.	Delaware
41	Volt Funding II, LLC	Delaware

Footnotes

(1) Except as noted, each named subsidiary is wholly owned, directly or indirectly by Volt Information Sciences, Inc., except that, in the case of certain foreign subsidiaries, qualifying shares may be registered in the name of directors.
(2) 99.99% owned by Volt Asia Enterprises, Ltd. / 00.01% owned by Nuco I, Ltd.
(3) 99.39% owned by Volt Information Sciences (India) Private Limited /0.61% owned by Volt Asia Enterprises Ltd. /1 fractional share owned by Nuco I, Ltd.
(4) 80% owned by Nuco II, Ltd. / 20% owned by Market Access International.

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement (Form S-8 No. 333-232096),

2. Registration Statement (Form S-8 No. 333-211928),

3. Registration Statement (Form S-8 No. 333-211927), and

4. Registration Statement (Form S-8 No. 333-148355);

of our report dated January 15, 2020, with respect to the consolidated financial statements of Volt Information Sciences, Inc. included in this Annual Report (Form 10-K) for the year ended November 3, 2019.

/s/ Ernst & Young LLP

New York, New York
January 15, 2020

Exhibit 31.1

**CERTIFICATION PURSUANT TO RULE 13a–14(a)/15d–14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES–OXLEY ACT OF 2002**

I, Linda Perneau, certify that:

1. I have reviewed this annual report on Form 10-K of Volt Information Sciences, 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 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 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: January 15, 2020

/s/ Linda Perneau

Linda Perneau
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

**CERTIFICATION PURSUANT TO RULE 13a–14(a)/15d–14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES–OXLEY ACT OF 2002**

I, Herbert M. Mueller, certify that:

1. I have reviewed this annual report on Form 10-K of Volt Information Sciences, 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 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 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: January 15, 2020

/s/ Herbert M. Mueller

Herbert M. Mueller

Senior Vice President and
Chief Financial Officer

(Principal Financial Officer)

Exhibit 32.1

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

In connection with the annual report on Form 10-K of Volt Information Sciences, Inc., a New York corporation (the "Company"), for the year ended November 3, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Linda Perneau, President and Chief Executive Officer of the Company, and Herbert M. Mueller, Chief Financial Officer of the Company, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods indicated.

Date: January 15, 2020

/s/ Linda Perneau
Linda Perneau
President and Chief Executive Officer
(Principal Executive Officer)

/s/ Herbert M. Mueller
Herbert M. Mueller
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)