

June 15, 2005

Via US Mail and Facsimile

Mr. Edmund Walsh  
Chief Financial Officer  
Clarion Technologies, Inc.  
38 W. Fulton, Suite 300  
Grand Rapids, MI 49503

Re: Clarion Technologies  
Form 10-K for the year ended December 25, 2004  
Form 10-Q for the period ended April 2, 2005  
Commission File Number: 000-24690

Dear Mr. Walsh:

We have reviewed the above referenced filing and have the following comments. We have limited our review to the financial statements and related disclosures included within these documents. Understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filings.

Where expanded or revised disclosure is requested, you may comply with these comments in future filings. If you disagree, we will consider your explanation as to why our comments are inapplicable or a revision is unnecessary. In some of our comments, we may ask you to provide us with supplemental information so we may better understand your disclosure. Please be as detailed as necessary in your explanation.

We look forward to working with you in these respects and welcome any questions you may have about any aspects of our review.

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Item 1. Description of Business

1. Supplementally explain your basis in GAAP for capitalizing deferred and accrued interest.

We may have further comment on your response. Assuming a satisfactory response, the notes to the financial statements should contain the accounting policy describing this treatment, including the amount capitalized in each period.

Mr. Edmund Walsh  
Clarion Technologies, Inc.  
June 15, 2005  
Page 2

Item 7. Management's Discussion and Analysis

Liquidity and Capital Resources, page 15

2. We note from the tabular presentation in Item 6 on page 11 that, for the past five years, you have had negative working capital. We also note that you briefly discuss this fact as an introduction to your Liquidity and Capital Resources section on page 15.

Please expand this

discussion to include how your situation compares to the industry norm. This disclosure

should adhere to the standards set forth for discussions of known trends in section III.B.3 of

the December 2003 Interpretation of Commission Guidance Regarding Management's

Discussion and Analysis of Financial Condition and Results of Operations, which can be

found on [www.sec.gov](http://www.sec.gov).

Table of Contractual Obligations, page 16

3. We note that you have included footnotes to your table of contractual obligations detailing

the specific terms of your credit facilities. Because the table is aimed at increasing

transparency of cash flow, we believe you should include scheduled interest payments in the

table. To the extent interest rates are variable and unknown, you can use judgment in

determining the appropriate methodology and estimated amounts of future interest payments.

For example, you could apply the currently applicable interest rate to determine the value of

future payments. In the alternative, the footnote to the table should provide appropriate

disclosure to clarify the action taken if interest payments are excluded. In addition, the note

should supplement the table by including additional information material to an understanding

of your cash requirements (e.g. the amount of interest to be incurred in each of the next five

years). Your preferred stock presentation should be similarly revised.

Note 1 Goodwill, page 28

4. In view of the significant amount of goodwill relative to total assets and the operating

conditions and liquidity constraints discussed in note 13, your current disclosure is too

general. In this regard, we believe you should expand the accounting policy to describe how

an assessment for impairment is done. Among other items that may require disclosure, your

should address the methodology for determining the fair value of the reporting unit, including

how such amounts are measured and the amount of reporting units used in your impairment.

Refer to the guidance in paragraphs 18, 23 and 30 of SFAS No. 142.

Note 4 Income Taxes, page 36

5. We note from your disclosure on page 18 that you currently have deferred income tax assets

that are fully reserved because their realization is in doubt. We also note that your gross

deferred tax asset is \$23,549,000 and your valuation allowance is \$17,192, leaving a deferred

tax asset of \$6,357 if considered separately from your deferred tax liability of \$6,357.

Mr. Edmund Walsh  
Clarion Technologies, Inc.

June 15, 2005

Page 3

Supplementally explain to us how you have independently considered each source of your deferred tax asset and future taxable income in determining that a full valuation allowance on your gross deferred tax assets or, at a minimum, to the fullest extent of the net operating loss carryforwards at \$20.8 million was unnecessary. As a related matter, please revise your disclosure on page 18 to reflect your actual valuation allowance position.

Schedule II Valuation and Qualifying Accounts, page 45

6. We note from your disclosure within Critical Accounting Policies on page 18 that you have identified your inventory obsolescence policy as a critical accounting policy. Please supplementally provide to us and revise your Schedule II presentation to include a roll forward of your inventory obsolescence reserve, presented in accordance with Rule 12-09 of Regulation S-X, as required under Rule 5-04. In addition, Schedule II should also include the deferred tax valuation allowance, as a valuation and qualifying account.

Other

7. From a description of your products in the Business section, we note that you manufacture only custom parts based on customer-specifications. It is unclear if you provide a product warranty under the contracts with your customers. Please expand the business section to address whether a warranty is provided for your products. In addition, if product warranty is applicable, please provide disclosures required by paragraph 14(a)-(b) of FASB Interpretation No. 45.

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We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filings reviewed by the staff to be certain that they have provided all information investors require. Since the company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

In connection with responding to our comments, please provide, in writing, a statement from the company acknowledging that

the company is responsible for the adequacy and accuracy of the disclosure in the filings;  
staff comments or changes to disclosure in response to staff comments in the filings  
reviewed by the staff do not foreclose the Commission from taking any action with respect to the filing; and  
the company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

Mr. Edmund Walsh  
Clarion Technologies, Inc.  
June 15, 2005  
Page 4

In addition, please be advised that the Division of Enforcement has access to all information you provide to the staff of the Division of Corporation Finance in our review of your filing or in response to our comments on your filing.

Please file your response to our comments via EDGAR within ten business days from the date of this letter. Please understand that we may have additional comments after reviewing your response. You may contact Amy Geddes at 202-551-3304 or me at 202-551-3211 if you have questions or concerns as I supervised the review of your filing.

Sincerely,

David R. Humphrey  
Branch Chief