

Edgar Filing: CERADYNE INC - Form SC 13G

CERADYNE INC
Form SC 13G
February 10, 2011

CUSIP NO. 156710105
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13G

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No.)*

ceradyne, inc.

(Name of Issuer)

Common Stock, par value \$0.01 per share

(Title of Class of Securities)

156710105

(CUSIP Number)

December 31, 2010

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(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d 1(b)

Rule 13d 1(c)

Rule 13d 1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial

filing on this form with respect to the subject class of securities, and for any

subsequent amendment containing information which would alter the disclosures provided in

a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be

"filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or

otherwise subject to the liabilities of that section of the Act but shall be subject to

all other provisions of the Act (however, see the Notes).

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1. NAMES OF REPORTING PERSONS.

Franklin Resources, Inc.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b) X

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER

(See Item 4)

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6. SHARED VOTING POWER

(See Item 4)

7. SOLE DISPOSITIVE POWER

(See Item 4)

8. SHARED DISPOSITIVE POWER

(See Item 4)

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,776,403

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES

CERTAIN SHARES []

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

7.1%

12. TYPE OF REPORTING PERSON

HC, CO (See Item 4)

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1. NAMES OF REPORTING PERSONS.

Charles B. Johnson

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b) X

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER

(See Item 4)

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6. SHARED VOTING POWER

(See Item 4)

7. SOLE DISPOSITIVE POWER

(See Item 4)

8. SHARED DISPOSITIVE POWER

(See Item 4)

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,776,403

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES
CERTAIN SHARES []

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

7.1%

12. TYPE OF REPORTING PERSON

HC, IN (See Item 4)

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1. NAMES OF REPORTING PERSONS.

Rupert H. Johnson, Jr.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b) X

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER

(See Item 4)

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6. SHARED VOTING POWER

(See Item 4)

7. SOLE DISPOSITIVE POWER

(See Item 4)

8. SHARED DISPOSITIVE POWER

(See Item 4)

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,776,403

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES
CERTAIN SHARES []

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

7.1%

12. TYPE OF REPORTING PERSON

HC, IN (See Item 4)

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1. NAMES OF REPORTING PERSONS.

Franklin Advisory Services, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b) X

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER

1,727,303

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6. SHARED VOTING POWER

0

7. SOLE DISPOSITIVE POWER

1,776,403

8. SHARED DISPOSITIVE POWER

0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,776,403

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES
CERTAIN SHARES []

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

7.1%

12. TYPE OF REPORTING PERSON

IA, OO (See Item 4)

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Item 1.

(a) Name of Issuer

ceradyne, inc.

(b) Address of Issuer's Principal Executive Offices

3169 Red Hill Avenue
Costa Mesa, CA 92626

Item 2.

(a) Name of Person Filing

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(i): Franklin Resources, Inc.

(ii): Charles B. Johnson

(iii): Rupert H. Johnson, Jr.

(iv): Franklin Advisory Services, LLC

(b) Address of Principal Business Office or, if none, Residence

(i), (ii), and (iii):

One Franklin Parkway

San Mateo, CA 94403 1906

(iv): One Parker Plaza, Ninth Floor

Fort Lee, NJ 07024 2938

(c) Citizenship

(i): Delaware

(ii) and (iii): USA

(iv): Delaware

(d) Title of Class of Securities

Common Stock, par value \$0.01 per share

(e) CUSIP Number

156710105

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Item 3. If this statement is filed pursuant to §§240.13d 1(b) or 240.13d 2(b) or (c),

check whether the person filing is a:

(a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).

(b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).

(c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C.

78c).

(d) Investment company registered under section 8 of the Investment Company

Act of 1940 (15 U.S.C 80a 8).

(e) An investment adviser in accordance with §240.13d 1(b)(1)(ii)(E);

(f) An employee benefit plan or endowment fund in accordance with

§240.13d 1(b)(1)(ii)(F);

(g) A parent holding company or control person in accordance with

§240.13d 1(b)(1)(ii)(G);

(h) A savings associations as defined in Section 3(b) of the Federal Deposit

Insurance Act (12 U.S.C. 1813);

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(i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15

U.S.C. 80a 3);

(j) A non U.S. institution in accordance with §240.13d 1(b)(ii)(J);

(k) Group, in accordance with §240.13d 1(b)(1)(ii)(K).

If filing as a non U.S. institution in accordance with §240.13d 1(b)(1)(ii)(J). please

specify the type of institution:

Item 4. Ownership

The securities reported herein (the Securities) are beneficially owned by one or

more open or closed end investment companies or other managed accounts that are

investment management clients of investment managers that are direct and indirect

subsidiaries (each, an Investment Management Subsidiary and, collectively, the

Investment Management Subsidiaries) of Franklin Resources, Inc. (FRI), including

the Investment Management Subsidiaries listed in Item 7. Investment management

contracts grant to the Investment Management Subsidiaries all investment and/or

voting power over the securities owned by such investment management clients, unless

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otherwise noted in this Item 4. Therefore, for purposes of Rule 13d 3 under the Act,

the Investment Management Subsidiaries may be deemed to be the beneficial owners of

the Securities.

Beneficial ownership by Investment Management Subsidiaries and other affiliates of

FRI is being reported in conformity with the guidelines articulated by the SEC staff

in Release No. 34 39538 (January 12, 1998) relating to organizations, such as FRI,

where related entities exercise voting and investment powers over the securities

being reported independently from each other. The voting and investment powers held

by Franklin Mutual Advisers, LLC (FMA), an indirect wholly owned Investment Management Subsidiary, are exercised independently from FRI and from all other

Investment Management Subsidiaries (FRI, its affiliates and the Investment Management

Subsidiaries other than FMA are collectively, FRI affiliates). Furthermore,

internal policies and procedures of FMA and FRI establish informational barriers that

prevent the flow between FMA and the FRI affiliates of information that relates to

the voting and investment powers over the securities owned by their respective

investment management clients. Consequently, FMA and the FRI affiliates report the

securities over which they hold investment and voting power separately from each

other for purposes of Section 13 of the Act.

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Charles B. Johnson and Rupert H. Johnson, Jr. (the Principal Shareholders) each own

in excess of 10% of the outstanding common stock of FRI and are the principal

stockholders of FRI. FRI and the Principal Shareholders may be deemed to be, for

purposes of Rule 13d 3 under the Act, the beneficial owners of securities held by

persons and entities for whom or for which FRI subsidiaries provide investment

management services. The number of shares that may be deemed to be beneficially

owned and the percentage of the class of which such shares are a part are reported in

Items 9 and 11 of the cover pages for FRI and each of the Principal Shareholders.

FRI, the Principal Shareholders and each of the Investment Management Subsidiaries

disclaim any pecuniary interest in any of the Securities. In addition, the filing of

this Schedule 13G on behalf of the Principal Shareholders, FRI and FRI affiliates, as

applicable, should not be construed as an admission that any of them is, and each of

them disclaims that it is, the beneficial owner, as defined in Rule 13d 3, of any of

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the Securities.

FRI, the Principal Shareholders, and each of the Investment Management Subsidiaries

believe that they are not a group within the meaning of Rule 13d 5 under the Act

and that they are not otherwise required to attribute to each other the beneficial

ownership of the Securities held by any of them or by any persons or entities for

whom or for which the Investment Management Subsidiaries provide investment management services.

(a) Amount beneficially owned:

1,776,403

(b) Percent of class:

7.1%

(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote

Franklin Resources, Inc.: 0

Charles B. Johnson: 0

Rupert H. Johnson, Jr.: 0

Franklin Advisory Services, LLC: 1,727,303

(ii) Shared power to vote or to direct the vote

0

(iii) Sole power to dispose or to direct the disposition of

Franklin Resources, Inc.: 0

Charles B. Johnson: 0

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Rupert H. Johnson, Jr.: 0

Franklin Advisory Services, 1,776,403
LLC:

(iv) Shared power to dispose or to direct the disposition of 0

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Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date
hereof the reporting person has ceased to be the beneficial owner
of more
than five percent of the class of securities, check the following
[].

Item 6. Ownership of More than Five Percent on Behalf of Another Person

The clients of the Investment Management Subsidiaries, including
investment
companies registered under the Investment Company Act of 1940 and
other
managed accounts, have the right to receive or power to direct the
receipt of
dividends from, and the proceeds from the sale of, the
Securities.

Item 7. Identification and Classification of the Subsidiary Which
Acquired the

Security Being Reported on By the Parent Holding Company

See Attached Exhibit C

Item 8. Identification and Classification of Members of the Group

Not Applicable

Item 9. Notice of Dissolution of Group

Not Applicable

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Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the

securities referred to above were acquired and are held in the ordinary course of

business and were not acquired and are not held for the purpose of or with the effect

of changing or influencing the control of the issuer of the securities and were not

acquired and are not held in connection with or as a participant in any transaction

having that purpose or effect.

This report shall not be construed as an admission by the persons filing the report

that they are the beneficial owner of any securities covered by this report.

Exhibits.

Exhibit A Joint Filing Agreement

Obligations
Exhibit B Limited Powers of Attorney for Section 13 Reporting

Exhibit C Item 7 Identification and Classification of Subsidiaries

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that

the information set forth in this statement is true, complete and correct.

Dated: February 1, 2011

Franklin Resources, Inc.

Charles B. Johnson

Rupert H. Johnson, Jr.

Franklin Advisory Services, LLC

By: /s/MARIA GRAY

Maria Gray

Vice President and Secretary of Franklin Resources, Inc.

Attorney in Fact for Charles B. Johnson pursuant to Power of Attorney
attached to this Schedule 13G

Attorney in Fact for Rupert H. Johnson, Jr. pursuant to Power of
Attorney

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attached to this Schedule 13G

Secretary of Franklin Advisory Services, LLC

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EXHIBIT A

JOINT FILING AGREEMENT

In accordance with Rule 13d 1(k) under the Securities Exchange Act of 1934,
as

amended, the undersigned hereby agree to the joint filing with each other
of the

attached statement on Schedule 13G and to all amendments to such statement
and that

such statement and all amendments to such statement are made on behalf of
each of

them.

IN WITNESS WHEREOF, the undersigned have executed this agreement on
February 1, 2011.

Franklin Resources, Inc.

Charles B. Johnson

Rupert H. Johnson, Jr.

Franklin Advisory Services, LLC

By: /s/MARIA GRAY

Maria Gray

Vice President and Secretary of Franklin Resources, Inc.

Attorney in Fact for Charles B. Johnson pursuant to Power of Attorney
attached to this Schedule 13G

Attorney in Fact for Rupert H. Johnson, Jr. pursuant to Power of
Attorney

attached to this Schedule 13G

Secretary of Franklin Advisory Services, LLC

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EXHIBIT B

LIMITED POWER OF ATTORNEY

FOR

SECTION 13 REPORTING OBLIGATIONS

Know all by these presents, that the undersigned hereby makes, constitutes

and appoints each of Robert Rosselot and Maria Gray, each acting individually, as the

undersigned s true and lawful attorney in fact, with full power and authority as

hereinafter described on behalf of and in the name, place and stead of the undersigned to:

(1) prepare, execute, acknowledge, deliver and file Schedules 13D and 13G

(including any amendments thereto or any related documentation) with the United

States Securities and Exchange Commission, any national securities exchanges and

Franklin Resources, Inc., a Delaware corporation (the Reporting Entity), as

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considered necessary or advisable under Section 13 of the Securities Exchange Act of

1934 and the rules and regulations promulgated thereunder, as amended from time to

time (the Exchange Act); and

(2) perform any and all other acts which in the discretion of such attorney in fact are necessary or desirable for and on behalf of the undersigned in connection with the foregoing.

The undersigned acknowledges that:

(1) this Limited Power of Attorney authorizes, but does not require, each such

attorney in fact to act in their discretion on information provided to such attorney in fact without independent verification of such information;

(2) any documents prepared and/or executed by either such attorney in fact on

behalf of the undersigned pursuant to this Limited Power of Attorney will be in such

form and will contain such information and disclosure as such attorney in fact, in

his or her discretion, deems necessary or desirable;

(3) neither the Reporting Entity nor either of such attorneys in fact assumes (i)

any liability for the undersigned's responsibility to comply with the requirements of

the Exchange Act or (ii) any liability of the undersigned for any failure to comply

with such requirements; and

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(4) this Limited Power of Attorney does not relieve the undersigned from responsibility for compliance with the undersigned's obligations under the Exchange

Act, including without limitation the reporting requirements under Section 13 of the

Exchange Act.

The undersigned hereby gives and grants each of the foregoing attorneys in fact

full power and authority to do and perform all and every act and thing whatsoever

requisite, necessary or appropriate to be done in and about the foregoing matters as

fully to all intents and purposes as the undersigned might or could do if present,

hereby ratifying all that each such attorney in fact of, for and on behalf of the

undersigned, shall lawfully do or cause to be done by virtue of this Limited Power of

Attorney.

This Limited Power of Attorney shall remain in full force and effect until revoked

by the undersigned in a signed writing delivered to each such attorney in fact.

IN WITNESS WHEREOF, the undersigned has caused this Limited Power of Attorney to be

executed as of this 30th day of April, 2007

Johnson

/s/Charles B.

Signature

Charles B. Johnson

Print Name

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LIMITED POWER OF ATTORNEY

FOR

SECTION 13 REPORTING OBLIGATIONS

Know all by these presents, that the undersigned hereby makes, constitutes

and appoints each of Robert Rosselot and Maria Gray, each acting individually, as the

undersigned's true and lawful attorney in fact, with full power and authority as

hereinafter described on behalf of and in the name, place and stead of the undersigned to:

(1) prepare, execute, acknowledge, deliver and file Schedules 13D and 13G

(including any amendments thereto or any related documentation) with the United

States Securities and Exchange Commission, any national securities exchanges and

Franklin Resources, Inc., a Delaware corporation (the Reporting Entity), as

considered necessary or advisable under Section 13 of the Securities Exchange Act of

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1934 and the rules and regulations promulgated thereunder, as amended from time to

time (the Exchange Act); and

(2) perform any and all other acts which in the discretion of such attorney in fact are necessary or desirable for and on behalf of the undersigned in connection with the foregoing.

The undersigned acknowledges that:

- (1) this Limited Power of Attorney authorizes, but does not require, each such attorney in fact to act in their discretion on information provided to such attorney in fact without independent verification of such information;
- (2) any documents prepared and/or executed by either such attorney in fact on behalf of the undersigned pursuant to this Limited Power of Attorney will be in such form and will contain such information and disclosure as such attorney in fact, in his or her discretion, deems necessary or desirable;
- (3) neither the Reporting Entity nor either of such attorneys in fact assumes (i) any liability for the undersigned's responsibility to comply with the requirements of the Exchange Act or (ii) any liability of the undersigned for any failure to comply with such requirements; and
- (4) this Limited Power of Attorney does not relieve the undersigned from

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responsibility for compliance with the undersigned's obligations under the Exchange

Act, including without limitation the reporting requirements under Section 13 of the

Exchange Act.

The undersigned hereby gives and grants each of the foregoing attorneys in fact

full power and authority to do and perform all and every act and thing whatsoever

requisite, necessary or appropriate to be done in and about the foregoing matters as

fully to all intents and purposes as the undersigned might or could do if present,

hereby ratifying all that each such attorney in fact of, for and on behalf of the

undersigned, shall lawfully do or cause to be done by virtue of this Limited Power of

Attorney.

This Limited Power of Attorney shall remain in full force and effect until revoked

by the undersigned in a signed writing delivered to each such attorney in fact.

IN WITNESS WHEREOF, the undersigned has caused this Limited Power of Attorney to be

executed as of this 25th day of April, 2007

Jr.

/s/ Rupert H. Johnson,

Signature

Rupert H. Johnson, Jr.

Print Name

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EXHIBIT C

Franklin Advisory Services, LLC
Classification: 3(e)

Item 3

