

COOPER TIRE & RUBBER CO

Form 11-K

June 21, 2006

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D. C. 20549**  
**FORM 11-K**  
**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**  
**For the Fiscal Year Ended December 31, 2005**  
**Commission File No. 1-4329**  
**Cooper Tire & Rubber Company**  
**Spectrum Investment Savings Plan**  
**(formerly the Thrift and Profit Sharing Plan)**  
**COOPER TIRE & RUBBER COMPANY**  
(Exact name of registrant as specified in its charter)

DELAWARE	34-4297750
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)
Lima and Western Avenues, Findlay, Ohio 45840	
(Address of principal executive offices)	
(Zip code)	
(419) 423-1321	
(Registrant's telephone number, including area code)	

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Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan  
(formerly the Thrift and Profit Sharing Plan)

ITEM 1. Not applicable.

ITEM 2. Not applicable.

ITEM 3. Not applicable.

ITEM 4. FINANCIAL STATEMENTS OF THE PLAN

The Financial Statements of the Cooper Tire & Rubber Spectrum Investment Savings Plan (formerly the Thrift and Profit Sharing Plan) for the fiscal year ended December 31, 2005, together with the report of Ernst & Young LLP, independent auditors, are attached to this Annual Report on Form 11-K. The Financial Statements and the notes thereto are presented in lieu of the financial statements required by items 1, 2 and 3 of Form 11-K and were prepared in accordance with the financial reporting requirements of the Employee Retirement Income Security Act of 1974.

EXHIBITS:

(23) Consent of Independent Registered Public Accounting Firm

(99) Certification Pursuant To 18 U.S.C. § 1350

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this Annual Report to be signed by the undersigned, thereunto duly authorized.

COOPER TIRE & RUBBER COMPANY

/s/ Philip G. Weaver

PHILIP G. WEAVER

Vice President and Chief Financial Officer  
Plan Administrator

Date: June 21, 2006

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Report of Independent Registered Public Accounting

The Pre-Tax Savings Plan Committee

Cooper Tire & Rubber Company

Spectrum Investment Savings Plan

We have audited the accompanying statements of net assets available for benefits of the Cooper Tire & Rubber Company Spectrum Investment Savings Plan (the Plan) as of December 31, 2005 and 2004, and the related statement of changes in net assets available for benefits for the year ended December 31, 2005. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2005 and 2004, and the changes in its net assets available for benefits for the year ended December 31, 2005, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2005 is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/ s / Ernst & Young LLP

June 2, 2006

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Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan  
Statements of Net Assets Available for Benefits

	<b>December 31</b>	
	<b>2005</b>	<b>2004</b>
Investments, at market or contract value:		
Interest in investment trust	<b>\$ 138,329,848</b>	\$ 173,222,433
Mutual funds and common stock	<b>66,636,614</b>	68,165,475
Participant loans	<b>4,160,388</b>	7,353,243
	<b>209,126,850</b>	248,741,151
Cash, non-interest-bearing	<b>1,275,944</b>	1,143,918
Receivables:		
Participant contributions	<b>103,012</b>	123,047
Employer contributions		796,061
Interest receivable	<b>6,917</b>	494
Total assets	<b>210,512,723</b>	250,804,671
Loans transfer payable		(3,145,369)
Net assets available for benefits	<b>\$ 210,512,723</b>	\$ 247,659,302

*See accompanying notes.*

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Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan  
Statement of Changes in Net Assets Available for Benefits  
Year Ended December 31, 2005

**Additions**Investment income (*Notes 3 and 4*):

Interest and dividends	\$ 7,199,640
Other	23,383

	7,223,023
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Contributions:

Participant	13,031,236
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Total additions	20,254,259
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**Deductions**

Net depreciation in fair value of investments	25,189,560
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Participant withdrawals	32,169,822
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Allocation to other plan	41,456
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Total deductions	57,400,838
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Net decrease	(37,146,579)
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Net assets available for benefits:	
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Beginning of year	247,659,302
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End of year	\$ 210,512,723
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*See accompanying notes.*

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Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan  
Notes to Financial Statements  
December 31, 2005

**1. Description of the Plan**

The following description of Cooper Tire & Rubber Company Spectrum Investment Savings Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**General**

The Plan, as amended and restated effective January 1, 2002, is a defined contribution plan covering all salaried employees of the Cooper Tire & Rubber Company (the Company and the Plan Administrator). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Company sold its automotive operations, known as Cooper-Standard Automotive (Automotive), in a transaction which closed on December 23, 2004. The balances of all Automotive participants, which amounted to \$116,672,711, were transferred out of the Plan into another qualified plan sponsored by the buyer. Of the total amount transferred out of the Plan, \$3,145,369 related to participant loans, which had not been transferred to the other qualified plan as of December 31, 2004, and is classified as a liability on the statement of net assets available for benefits at December 31, 2004. In January 2005 participant loan balances of \$3,145,369 were transferred to the other qualified plan, along with balances of additional Automotive participants in the amount of \$41,456.

**Contributions**

Each year, participants may contribute up to 50% of their pretax compensation and up to 50% of their post-tax compensation. In no event shall the aggregate of a participant's contributions exceed 50% of their compensation. Participants may direct their contributions to any of the Plan's investment fund options.

The Company contributions are made annually as provided in the Plan document and at the discretion of the Company's Board of Directors. All employer contributions are invested by the Investment Trust (see Note 4) in Cooper Tire & Rubber Company common stock until they become vested, after which they are invested as directed by the participant. There were no Company contributions to the Plan for the year ended December 31, 2005.

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Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan  
Notes to Financial Statements (continued)

**1. Description of the Plan (continued)**

**Participant Accounts**

Individual accounts are maintained for each participant in the Plan. Each participant's account is credited with the participant's contributions, allocation of the Company's contributions and Plan earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

**Forfeitures**

At December 31, 2005 forfeited nonvested accounts totaled \$106,884. These accounts will be used to reduce future employer contributions. The 2004 employer contribution received by the Plan was reduced by \$60,000 from forfeited nonvested accounts.

**Vesting**

The participants are immediately vested in their contributions plus actual earnings thereon. After three years, the participants are 100% vested in the Company's contributions plus actual earnings thereon.

**Participant Loans**

Participants may borrow the lesser of 50% of the vested value of their entire account or \$50,000. The interest rate is established based on the prime rate. Interest rates as of December 31, 2005, range from 4.00% to 9.5%. The loan repayment schedule can be no longer than 60 months. Principal and interest is paid ratably through payroll deductions.

**Participant Withdrawals**

In the event of retirement, death, termination, permanent disability, or other separation from service, participants are entitled to receive an amount equal to the value of the vested interest in their accounts. Payments of benefits are taken in a lump sum distribution. The Plan was amended in 2005 to state that participants who are entitled to a benefit for the reasons outlined above are required to take a distribution if their vested balance is less than \$1,000.

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Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan  
Notes to Financial Statements (continued)

**1. Description of the Plan (continued)**

In the event of hardship, as defined, participants may make a partial or full distribution of their accounts, subject to certain tax withholdings.

**Termination of the Plan**

Although it has not expressed any intent to do so, the Company has the right, under the Plan to discontinue its contributions at any time, and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

The accompanying financial statements are prepared on the accrual basis of accounting. Participant withdrawals are recorded upon distribution.

**Investment Valuation and Income Recognition**

Except for the investment contracts held in the Investment Trust, the Plan's investments are stated at fair value, which equals the quoted market price on the last business day of the plan year. The shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. The participant loans are valued at their outstanding balances, which approximate fair value.

Investment contracts are recorded at their contract values, which represent contributions and reinvested income, less any withdrawals plus accrued interest, because these investments have fully benefit-responsive features. There are no reserves against contract values for credit risk of contract issues or otherwise. The average yield was approximately 4.6% and 4.5% in 2005 and 2004, respectively. The crediting interest rate for these investment contracts is reset monthly by the issuer but cannot be less than zero and ranged from 3.9% to 8.4% at December 31, 2005 and 3.5% to 6.6% at December 31, 2004.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

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Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan  
Notes to Financial Statements (continued)

**2. Summary of Accounting Policies (continued)**

**Administrative Expenses**

The Company pays the administrative expenses of the Plan, unless the expenses relate to certain participant-directed transactions.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**New Accounting Pronouncement**

In December 2005, the Financial Accounting Standards Board issued Staff Position AAG INV-1 and SOP 94-4-1 (FSP), *Reporting of Fully Benefit Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined Contribution Health and Welfare and Pension Plans*. This FSP requires that fully benefit-responsive investment contracts be reported at fair value. The effective date for implementation of this FSP is for fiscal years ending after December 15, 2006. Upon adoption in 2006, the implementation of this FSP is not expected to have a material impact on the Plan's financial statements.

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Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan  
Notes to Financial Statements (continued)

**3. Investments**

During 2005, the Plan's investments (including investments purchased, sold, as well as held during the year) (depreciated) appreciated in fair value as determined by quoted market prices as follows:

	<b>Net Realized and Unrealized (Depreciation) Appreciation in Fair Value of Investments</b>
Interest in investment trust	\$ (25,994,577)
Mutual funds and common stock	805,017
	<b>\$ (25,189,560)</b>

Investments in mutual funds and common stock that represent 5% of the fair value of the Plan net assets available for benefits are as follows:

	<b>December 31</b>	
	<b>2005</b>	<b>2004</b>
American Washington Mutual Investors Fund	<b>\$ 24,769,088</b>	\$ 25,245,556
Investment Company of America Fund	<b>17,637,529</b>	18,335,372

**4. Investment Trust**

Certain investments of the Plan are held in an Investment Trust, which also combines similar investments of the other defined contribution plans sponsored by the Company. Each participating retirement plan has an undivided interest in the Investment Trust. Cooper Tire & Rubber Company common stock held in the Investment Trust includes non-participant-directed and participant-directed investments. The Plan's interest in the Investment Trust was determined by the Plan's relative asset value to the Investment Trust's total asset value at the end of the year. Investment income is allocated to the Plan based on its pro rata share in the net assets of the Investment Trust.

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Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan  
Notes to Financial Statements (continued)

**4. Investment Trust (continued)**

At December 31, 2005 and 2004, the Plan's interest in the net assets of the Investment Trust was approximately 78% and 79%, respectively.

The following presents the fair value of investments in the Investment Trust:

	<b>December 31</b>	
	<b>2005</b>	<b>2004</b>
Investments, at fair value:		
Cooper Tire & Rubber Company common stock*	<b>\$ 85,020,990</b>	\$ 129,838,642
Investment contracts	<b>90,449,621</b>	84,373,742
Money market mutual fund	<b>2,649,180</b>	4,005,526
 Total assets	 <b>\$ 178,119,791</b>	 \$ 218,217,946

\* Includes  
non-participant-directed  
shares

The fair value of the investment contracts was \$91,025,547 and \$88,049,780 at December 31, 2005 and 2004, respectively.

Investment income (loss) for the Investment Trust for the year ended December 31, 2005 is as follows:

Interest and dividends	<b>\$ 6,518,273</b>
Net depreciation of fair value of investments, as determined by quoted prices:	
Common stock	<b>(34,602,678)</b>
	<b>\$ (28,084,405)</b>

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Cooper Tire & Rubber Company  
Spectrum Investment Savings Plan  
Notes to Financial Statements (continued)

**5. Non-Participant-Directed Investment**

Cooper Tire & Rubber Company common stock held in the Investment Trust includes non-participant-directed investments. Information about the significant components of changes in net assets related to the non-participant-directed investments for the year ended December 31, 2005, is as follows:

Contributions	\$ 11,793,230
Dividends	2,444,195
Net depreciation of fair value of investment	(34,602,678)
Participant withdrawals	
Transfers out to other investment options	(24,452,399)

**6. Income Tax Status**

The Plan has received a determination letter from the Internal Revenue Service dated July 13, 2004, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the Internal Revenue Service, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax exempt.

**7. Related-Party Transactions**

Certain plan investments are shares of mutual funds managed by the trustee, National City Bank, and, therefore, these transactions qualify as party-in-interest transactions. There have been no known prohibited transactions with a party in interest.

**8. Risks and Uncertainties**

The plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that the changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

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Supplemental Schedule

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**Table of Contents**Cooper Tire & Rubber Company  
Spectrum Investment Savings PlanEIN # 34-4297750 Plan #005  
Schedule H, Line 4i Schedule of Assets  
(Held at End of Year)  
December 31, 2005

<b>Identity of Issue, Borrower, Lessor, or Identity of Issue</b>	<b>Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value</b>	<b>Current Value</b>
Investments held by National City Bank:		
Mutual Funds:		
American Funds	803,148.11 shares, American Washington Mutual Investors Fund	\$ 24,769,088
	562,421.21 shares, Investment Company of America Fund	17,637,529
*Allegiant	415,426.32 shares, Allegiant Equity Index Fund #42	4,453,370
Aim Funds Group	340,886.85 shares, Balanced Fund Class A Shares	4,175,864
	297,797.01 shares, Dynamics Fund	5,422,884
Janus Funds	127,661.61 shares, Worldwide Fund	5,532,854
MFS Family of Funds	344,931.62 shares, Massachusetts Investors Growth Stock Funds	4,428,922
Money Market Funds:	201,518.28 shares, Government Money Market Fund #509	201,518
* Allegiant		
Common Stock:		
* Cooper Tire & Rubber Company	952.00 shares, Common Stock	14,585
* Participant loans	Interest rates ranging from 4.00% to 9.5%, with the longest maturity date of May 2011	4,160,388
		\$ 70,797,002

\*Party in  
interest.