

PERFORMANCE TECHNOLOGIES INC \DE\
Form 10-K/A
March 17, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K/A
Amendment No. 1

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 (No Fee Required)
For the Fiscal Year Ended December 31, 2004
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 (No Fee Required)
For the transition period from to
Commission File Number 0-27460

PERFORMANCE TECHNOLOGIES, INCORPORATED
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

16-1158413
(I.R.S. Employer
Identification No.)

205 Indigo Creek Drive, Rochester, New York
(Address of principal executive offices)

14626
(Zip Code)

Registrant's telephone number, including area code: (585) 256-0200

Securities registered pursuant to section 12(b) of the Act:
NONE

Securities registered pursuant to section 12(g) of the Act:
COMMON STOCK, par value \$.01 per share
(Title of Class)

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting stock held by non-affiliates of the registrant as of the close of business on June 30, 2004 was approximately

Edgar Filing: PERFORMANCE TECHNOLOGIES INC \DE\ - Form 10-K/A

\$106,889,000.

The number of shares outstanding of the registrant's Common Stock, \$.01 par value, was approximately 12,851,777 as of March 2, 2005.

Documents Incorporated by Reference

The information called for by Items 10-14 of Part III is incorporated by reference to the definitive Proxy Statement for the Annual Meeting of Stockholders of the Company to be held June 2, 2005, which will be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2004.

Explanatory Note

The registrant is filing this Amendment No.1 on Form 10-K/A to its Annual Report on Form 10-K for the fiscal year ended December 31, 2004, which was originally filed on March 16, 2005, to re-file the Financial Statement Schedule required under Part IV, Item 15, as the original filing inadvertently presented the 2004 activity of the valuation allowance for note receivable incorrectly. Part IV, Item 15, is amended as follows:

PART IV

ITEM 15 - Exhibits and Financial Statement Schedule

(2) Financial Statement Schedule

Schedule II - Valuation and Qualifying Accounts

Allowance for Doubtful Accounts

	Balance at beginning of period	Additions charged to earnings	Deductions amounts written off	Balance at end of period
	-----	-----	-----	-----
Year Ended December 31, 2004 Deducted in the Consolidated Balance Sheet from Accounts Receivable				
Allowance for doubtful accounts	\$379,000	\$ 52,000	\$ 5,000	\$426,000
	=====	=====	=====	=====
Year Ended December 31, 2003 Deducted in the Consolidated Balance Sheet from Accounts Receivable				
Allowance for doubtful accounts	\$301,000	\$ 87,000	\$ 9,000	\$379,000
	=====	=====	=====	=====

Year Ended December 31, 2002

Edgar Filing: PERFORMANCE TECHNOLOGIES INC \DE\ - Form 10-K/A

Deducted in the Consolidated
Balance Sheet from Accounts
Receivable

Allowance for doubtful accounts	\$284,000	\$200,000	\$183,000	\$301,000
	=====	=====	=====	=====

Valuation Allowance for Note Receivable

	Balance at beginning of period	Additions charged to earnings	Deductions amounts written off	Balance at end of period
	-----	-----	-----	-----
Year Ended December 31, 2004 Deducted in the Consolidated Balance Sheet from Note Receivable				

Valuation Allowance for Note Receivable		\$3,000,000		\$3,000,000
	=====	=====	=====	=====

Reserve for Inventory Obsolescence

	Balance at Beginning of period	Additions charged to earnings	other (1)	Deductions amounts written off	Balance at end of period
	-----	-----	-----	-----	-----
Year ended December 31, 2004 Deducted in the Consolidated Balance Sheet from Inventories					

Reserve for inventory obsolescence	\$3,796,000	\$ 921,000	\$	\$1,218,000	\$3,499,000
	=====	=====	=====	=====	=====

Year ended
December 31, 2003
Deducted in the
Consolidated Balance
Sheet from Inventories

Reserve for inventory obsolescence	\$3,551,000	\$1,275,000	\$	\$1,030,000	\$3,796,000
	=====	=====	=====	=====	=====

Year ended
December 31, 2002
Deducted in the
Consolidated Balance
Sheet from Inventories

Edgar Filing: PERFORMANCE TECHNOLOGIES INC \DE\ - Form 10-K/A

Reserve for inventory obsolescence	\$ 819,000	\$ 980,000	\$2,916,000	\$1,164,000	\$3,551,000
	=====	=====	=====	=====	=====

(1) The value assigned to the reserve for inventory obsolescence at October 2, 2002 for the inventory associated with the Ziotech acquisition.

There were no other financial statement schedules required to be filed.

(3) Exhibits

Exhibit Number	Ref. Number	Description
2.1	(8)	Stock Purchase Agreement between Intel Corporation and the Registrant, dated as of September 12, 2002.
2.2	(10)	Asset Purchase Agreement by and among Mapletree Networks, Inc., Performance Technologies, Incorporated and PTI Massachusetts Corporation, dated as of January 12, 2004
3.1	(1)	Restated Certificate of Incorporation
3.2	(3)	Certificate of Amendment
3.3	(1)	Amended By-laws
4.1	(1)	Form of Common Stock Certificate
4.2	(1)	Amended and Restated 1986 Incentive Stock Option Plan
4.4	(4)	February 2000 Amendment to Amended and Restated 1986 Incentive Stock Option Plan
4.5	(5)	Rights Agreement
4.6	(6)	2001 Incentive Stock Option Plan
4.7	(9)	2003 Omnibus Incentive Plan
10	(1)	Material Contracts
10.16	(1)	License Agreement between the Registrant and Spider Systems Limited dated March 18, 1992
10.28	(1)	Adoption Agreement between the Registrant and Principal Mutual Life Insurance Company dated September 20, 1993
10.29	(1)	The Principal Financial Group Prototype Basic Savings Plan dated May 7, 1990
10.30	(1)	Form of Stock Option Agreement
10.32	(2)	Share Acquisition Agreement between Registrant and MicroLegend Telecom Systems, Inc. as of December 2, 1999
10.33	(2)	Amendment to Share Acquisition Agreement between Registrant and MicroLegend Telecom Systems, Inc. as of December 10, 1999
10.33a	(7)	Lease Agreement dated as of May 19, 2001 between the Registrant and Christa PT, LLC
10.33b	(7)	First Amendment to Lease dated as of July 19, 2001 between the Registrant and Christa PT, LLC
10.33c	(7)	Second Amendment to Lease dated as of July 31, 2001 between the Registrant and Christa PT, LLC
21	(11)	Subsidiaries
23.1	(11)	Consent of PricewaterhouseCoopers LLP
31.1	(*)	Certification of Chief Executive Officer
31.2	(*)	Certification of Chief Financial Officer
32.1	(*)	Section 1350 Certification
(1)		Incorporated by reference to the Registrant's Registration Statement on Form S-1 filed November 22, 1995 (Registration No. 33-99684).
(2)		Incorporated by reference to the Registrant's Registration Statement on Form S-3 filed January 28, 2000 (Registration No. 333-94371).
(3)		Incorporated by reference to the Annual Report on Form 10-K filed on March 30, 2000.
(4)		Incorporated by reference to the Registrant's Registration Statement on

Edgar Filing: PERFORMANCE TECHNOLOGIES INC \DE\ - Form 10-K/A

- Form S-8 filed June 21, 2000 (Registration No. 333-39834).
- (5) Incorporated by reference to the Registrant's Registration Statement on Form 8-A filed November 8, 2000 (Registration No. 000-27460).
 - (6) Incorporated by reference to the Registrant's Registration Statement on Form S-8 filed June 3, 2002 (Registration No. 333-89636).
 - (7) Incorporated by reference to the Quarterly Report on Form 10-Q filed on August 14, 2001.
 - (8) Incorporated by reference to the Current Report on Form 8-K filed October 17, 2002.
 - (9) Incorporated by reference to the Registrant's Registration Statement on Form S-8 filed March 5, 2004 (Registration No. 333-113330).
 - (10) Incorporated by reference to the Current Report on Form 8-K/A filed February 3, 2004.
 - (11) Filed with Form 10-K on March 16, 2005.
 - (*) Filed with this Form 10-K/A.

SIGNATURES

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

PERFORMANCE TECHNOLOGIES, INCORPORATED

Date: March 17, 2005

By: /s/ DONALD L. TURRELL

Donald L. Turrell
President and
Chief Executive Officer

By: /s/ DORRANCE W. LAMB

Dorrance W. Lamb
Chief Financial Officer and
Vice President of Finance

Exhibit 31.1

Certification of Chief Executive Officer

I, Donald L. Turrell certify that:

1. I have reviewed this report on Form 10-K/A of Performance Technologies, Incorporated;
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

Edgar Filing: PERFORMANCE TECHNOLOGIES INC \DE\ - Form 10-K/A

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: March 17, 2005

By: /s/ Donald L. Turrell

Donald L. Turrell
Chief Executive Officer

Certification of Chief Financial Officer

I, Dorrance W. Lamb, certify that:

1. I have reviewed this report on Form 10-K/A of Performance Technologies, Incorporated;
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

Edgar Filing: PERFORMANCE TECHNOLOGIES INC \DE\ - Form 10-K/A

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: March 17, 2005

By:/s/ Dorrance W. Lamb

Dorrance W. Lamb
Chief Financial Officer

Exhibit 32.1

Section 1350 Certification

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ("Section 906"), Donald L. Turrell and Dorrance W. Lamb, the Chief Executive Officer and Chief Financial Officer, respectively, of Performance Technologies, Incorporated, certify that (i) this Form 10-K/A, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Performance Technologies, Incorporated.

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

Date: March 17, 2005

By:/s/ Donald L. Turrell

Donald L. Turrell
President and Chief
Executive Officer

Date: March 17, 2005

By:/s/ Dorrance W. Lamb

Dorrance W. Lamb
Chief Financial Officer and
Vice President of Finance