

GOLDFIELD CORP
Form 10-K/A
April 28, 2003

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

Form 10-K/A

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES AND
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES AND
EXCHANGE ACT OF 1934

For the transition period ___ to ___

Commission File Number: 1-7525

The Goldfield Corporation
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

88-0031580
(IRS Employer
Identification Number)

100 Rialto Place, Suite 500, Melbourne, Florida
(Address of principal executive offices)

32901
(Zip Code)

(321) 724-1700
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12 (b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on</u>
Common Stock	<u>which registered</u>
Par Value \$.10 per share	The American Stock Exchange

Securities registered pursuant to Section 12 (g) of the Act:
None

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 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. [X]

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Indicate by check mark whether the registrant is an accelerated filer.

Yes ☐ No ☒

On June 30, 2002, the aggregate market value (based upon the closing price on The American Stock Exchange) of the common stock held by nonaffiliates was approximately \$10.8 million.

As of April 21, 2003, 26,817,559 shares of the Registrant's common stock were outstanding.

Documents Incorporated by Reference

None

Reason for Amendment

This amendment is being filed to set forth the information required pursuant to Part III of the Form 10-K. Part III of the Form 10-K will not be incorporated by reference from the Company's Proxy Statement for its 2003 annual meeting as disclosed in the Form 10-K filed on March 25, 2003.

This amendment is also being filed to correct a calculation error in the reported cost of the Common Stock repurchased in accordance with the Company's Common Stock Repurchase Plan. The reported cost was included in the ninth paragraph in the Liquidity and Capital Resources section of Company's Form 10-K filed on March 25, 2003 and is restated to read as follows: As of February 1, 2003, pursuant to the Repurchase Plan, the Company has repurchased 603,938 shares of its Common Stock at a cost of \$267,051.

PART III**Item 10. Directors and Executive Officers of the Registrant.**

The directors and executive officers of the Company are as follows:

<u>Name</u>	<u>Principal Occupation For the Last Five Years</u>	<u>Director Since</u>	<u>Officer Since</u>	<u>Age (1)</u>
Thomas E. Dewey, Jr.	Member of McFarland Dewey & Co., LLC, New York, NY (investment banking firm) since 1989.(2)	2002		70
Harvey C. Eads, Jr.	Chief Operating Officer of Alpha-1 Foundation (non-profit organization) since February 2003; Retired between November 2001 and February 2003; City Manager of Coral Gables, Florida between May 1988 and November 2001.	1999		57
John P. Fazzini	Real Estate Developer; President of Bountiful Lands, Inc. (real estate development corporation) since 1980.	1984		58
Robert L. Jones	President of the Company's electrical construction subsidiary since 1995.		1995	55
Danforth E. Leitner	Retired as of May 2002; Real Estate Broker; Real Estate Appraiser; President of The Leitner Company (real estate brokerage and appraisal corporation) between 1984 and May 2002.	1985		62
Al Marino	Architectural Designer; President of A.M. Marino Design, Inc. (architectural design firm) since 1986 (Mr. Marino is the son of Melba Ford who, along with the estate of Anthony J. Ford, owns 2,065,300 shares of the Company's Common Stock).	2001		45
Dwight W. Severs	Secretary of the Company since 1999; City Attorney for City of Titusville, Florida since January 1999; Principal for the firm of Dwight W. Severs & Associates, P.A. since March 1998.	1998	1999	59

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<u>Name</u>	<u>Principal Occupation For the Last Five Years</u>	<u>Director Since</u>	<u>Officer Since</u>	<u>Age (1)</u>
John H. Sottile	Chairman of the Board of Directors of the Company since May 1998; President of the Company since 1983 and Chief Executive Officer of the Company since 1985.	1983	1983	55
Stephen R. Wherry	Vice President of the Company since 1992; Treasurer and Chief Financial Officer since 1988.		1988	44
William M. Braselton	Vice President of the Company's real estate subsidiaries since May 2000 (joined the Company February 2000); Director of Acquisitions of Kessel Real Estate Group (real estate investment and brokerage firm) between July 1999 and February 2000; Director of Acquisitions of The Wentwood Companies (real estate investment, management and financing firm) between January 1997 and July 1999.		2000	29

(1) As of December 31, 2002

(2) Mr. Dewey also serves as a director of Northwest Natural Gas Company and Genelabs Technologies, Inc. as well as a trustee of The Scripps Research Institute and chairman emeritus of the board of trustees of Lenox Hill Hospital in New York.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors and executive officers, and persons who beneficially own more than ten percent of a registered class of the Company's equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of Common Stock of the Company. Copies of all such reports filed with the SEC are required to be furnished to the Company. Based solely on the Company's review of the copies of such reports it has received, the Company believes that all of its executive officers, directors and greater than ten percent beneficial owners complied with all filing requirements applicable to them with respect to transactions during the year ended December 31, 2002.

Item 11. Executive Compensation.

The following Summary Compensation Table sets forth the cash compensation for the Company's Chief Executive Officer and other executive officers, including three executive officers of subsidiaries, whose compensation exceeded \$100,000 during the years ended December 31, 2002, 2001 and 2000. The information provided under the heading "Executive Compensation" is that required by "small business issuers" as defined by the rules of the SEC.

Summary Compensation Table

<u>Name and Principal Position</u>	<u>Year</u>	<u>Annual Compensation</u>			<u>Long-term Compensation Awards</u>
		<u>Salary (\$)⁽¹⁾</u>	<u>Bonus (\$)⁽¹⁾</u>	<u>All Other Compensation (\$)⁽²⁾</u>	<u>Stock Options (in shares)</u>
John H. Sottile Chairman, President and Chief Executive Officer	2002	388,510	97,127	11,636	--
	2001	388,510	125,000	10,328	--
	2000	380,333	--	250,158	--
William M. Braselton Vice President of real estate subsidiaries	2002	58,708	113,532	--	--
	2001	52,000	--	--	--
	2000	43,933	--	--	--
Patrick S. Freeman Former President of mining subsidiaries	2002 ⁽³⁾	112,904	21,328	207,796	--
	2001	112,500	18,336	5,375	--
	2000	112,500	8,758	96,773	--
Robert L. Jones President of electrical construction subsidiary	2002 ⁽⁴⁾	107,018	138,278	8,516	--
	2001	105,000	332,239	7,497	--
	2000	105,000	189,089	97,379	--
Stephen R. Wherry Vice President, Treasurer and Chief Financial Officer	2002	139,792	37,500	6,593	--
	2001	125,000	40,000	6,132	--
	2000	118,229	65,000	96,070	--

(1) Amounts reported represent compensation earned for the year, some of which may have been paid in a subsequent year.

(2) Amounts for 2002 included (a) the economic benefit related to the insurance policies under the terminated Employee Benefit Agreements (\$5,636 for Mr. Sottile; \$1,796 for Mr. Freeman; \$2,516 for Mr. Jones; and \$1,093 for Mr. Wherry), (b) Company contributions to the Company's Cash Deferred Profit Sharing Plan (\$6,000 for Mr. Sottile; \$6,000 for Mr. Freeman; \$6,000 for Mr. Jones; and \$5,500 for Mr. Wherry), (c) severance compensation of \$100,000 for Mr. Freeman paid in December 2002 and (d) completion fee of \$100,000 for Mr. Freeman, payment of which is contingent upon the Company's full release from its third party financial assurance obligations which are related to the Company's formerly owned mining subsidiaries. Amounts for 2001 included (a) the economic benefit related to the insurance policies under the terminated Employee Benefit Agreements (\$5,228 for Mr. Sottile; \$1,737 for Mr. Freeman; \$2,397 for Mr. Jones; and \$1,032 for Mr. Wherry) and (b) Company contributions to the Company's Cash Deferred Profit Sharing Plan (\$5,100 for Mr. Sottile; \$3,638 for Mr. Freeman; \$5,100 for Mr. Jones; and \$5,100 for Mr. Wherry). Amounts for 2000 included (a) payments related to the termination of the Company's Employee Benefit Agreements (\$240,000 for Mr. Sottile; \$90,000 for Mr. Freeman; \$90,000 for Mr. Jones; and \$90,000 for Mr. Wherry), (b) the economic benefit related to the life insurance policies under the terminated Employee Benefit Agreements (\$5,058 for Mr. Sottile; \$1,673 for Mr. Freeman; \$2,279 for Mr. Jones; and \$970 for Mr. Wherry) and (c) Company contributions to the Company's Cash Deferred Profit Sharing Plan (\$5,100 each for Messrs. Sottile, Freeman, Jones and Wherry).

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- (3) Mr. Freeman's employment terminated effective November 30, 2002 as a result of the sale of the mining subsidiaries.
- (4) Mr. Jones's salary for 2002 included 53 weekly pay periods, while 2001 and 2000 included 52 pay periods.

OPTION EXERCISES IN 2002 AND YEAR-END OPTION VALUE

The following table provides information about the stock options exercised by the named executive officers during the year ended December 31, 2002 and held by them as of that date.

<u>Name</u>	<u>Shares</u>	<u>Dollar</u>	<u>Number of Securities</u>		<u>Value of Unexercised</u>	
	<u>Acquired</u>	<u>Value</u>	<u>Underlying Unexercised</u>		<u>In-the-Money-Options</u>	
	<u>on</u>	<u>Realized</u>	<u>Options at End of</u>		<u>at End of 2002⁽¹⁾</u>	
	<u>Exercise</u>	<u>Exercise</u>	<u>Exercisable</u>	<u>Unexercisable</u>	<u>Exercisable</u>	<u>Unexercisable</u>
	<u>(#)</u>	<u>(\$)</u>	<u>(#)</u>	<u>(#)</u>	<u>(\$)</u>	<u>(\$)</u>
John H. Sottile	--	--	125,000	--	28,906	--
William M. Braselton	--	--	--	--	--	--
Patrick S. Freeman	41,667	9,219	--	--	--	--
Robert L. Jones	--	--	41,667	--	9,635	--
Stephen R. Wherry	--	--	41,667	--	9,635	--

⁽¹⁾ The value of the options is based upon the difference between the exercise price and the closing price per share on December 31, 2002, \$0.45.

On November 1, 2001, the Company entered into an amended and restated employment agreement with John H. Sottile. This agreement superseded the prior employment agreement dated January 15, 1985 and the employment agreement made by a subsidiary of the Company as of January 1, 1986, both as subsequently amended. This amended and restated employment agreement provides for continuous employment until January 31, 2005 and shall be extended automatically for three months on the last day of each three-month period following the effective date, November 1, 2001. This contract currently entitles Mr. Sottile to a salary of \$397,757, which salary may be increased; provided, however, that as a minimum, it shall be increased effective January 1 of each year by an amount equal to the percentage increase, if any, over the preceding twelve months in the Consumer Price Index for all urban consumers. If Mr. Sottile's employment is terminated by the Company without cause, or if Mr. Sottile terminates his employment for good reason (as defined by the contract), Mr. Sottile is entitled to receive, in addition to other benefits, an amount equal to lump sum cash amount equal to 2.999 times his average W-2 compensation for the preceding five full calendar years. In the event of his permanent disability, the Company may terminate Mr. Sottile's employment upon at least thirty days advance written notice. He or his estate will then be entitled to receive, in addition to other benefits, an amount equal to lump sum cash amount equal to his average W-2 compensation for the preceding five full calendar years.

Employee Benefit Agreements

Beginning in 1989, the Company entered into Employee Benefit Agreements (each, a "Benefit Agreement") with Messrs. Sottile, Jones, Freeman and Wherry and certain employees of the Company. Under the terms of each Benefit Agreement, the Company owned life insurance policies that accumulated cash surrender value for the retirement of the employee, at age sixty-five, while also providing a life insurance benefit for the employee. Under the terms of each Benefit Agreement, the Company was entitled to a refund of the lesser of the previously paid premiums or the cash surrender value of the insurance policy, either upon retirement of the employee, the death of the employee or upon the termination of the Benefit Agreement. The Company had the right to terminate the Benefit Agreement without any future obligation by giving written notice to the employee. If the Benefit Agreement was terminated, the Company was entitled to receive the lesser of the cash surrender value of the insurance policy or the total of previously paid premiums. In 2000, the Board of Directors reviewed the Benefit Agreements and related insurance policies and decided it was in the best interest of the Company to terminate the Benefit Agreements to eliminate the annual insurance premium obligations. During the second quarter of 2000, the Company entered into Cancellation and Release Agreements pursuant to which the Benefit Agreements were terminated. In consideration of terminating the

future retirement benefit associated with the Benefit Agreements, the Company decided to compensate the affected employees. The net expense to the Company was \$425,311. Although the Company does not anticipate making any further cash premium payments, the Company will continue to own the policies and has granted each employee the right to name the beneficiary for the death benefits in excess of premiums previously paid by the Company, less any outstanding loans.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

The following table sets forth, as of April 21, 2003, certain stock ownership information regarding all stockholders known by the Company to be the beneficial owners of 5% or more of the outstanding shares of Common Stock of the Company and directors and executive officers of the Company.

<u>Beneficial Owners</u>	<u>Amount Beneficially Owned (1)</u>	<u>Percent of Class (2)</u>
(a) Holders of more than 5% :		
Melba Ford and the estate of Anthony J. Ford (3)	2,065,300	7.70%
(b) Directors and Executive Officers:		
Thomas E. Dewey, Jr.	100	*
Harvey C. Eads, Jr.	1,000	*
John P. Fazzini	20,100	*
Robert L. Jones	270,000	1.01%
Danforth E. Leitner	20,600	*
Al Marino (4)	1,000	*
Dwight W. Severs	42,000	*
John H. Sottile (5)	1,038,288	3.85%
Stephen R. Wherry	135,000	*
(c) All Directors and Executive Officers as a group (10 in number):	1,528,088	5.68%

* Less than 1%

- (1) All amounts have been determined as of April 21, 2003 in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended and include holdings of spouses, minor children, relatives and spouses of relatives living in the same household, even if beneficial ownership is disclaimed. For purposes of this table, a person or group of persons is deemed to have "beneficial ownership" of any shares of Common Stock which such person has the right to acquire within 60 days after April 21, 2003.
- (2) In accordance with the rules of the SEC, the percentage shown in this column opposite the name of each person has been computed assuming the exercise of any options held by such person or group and that no exercises by others have occurred.
- (3) Address of Mrs. Melba Ford: 33 Van Ripper Street, Staten Island, NY 10302. Information as to shares beneficially owned by Mrs. Melba Ford and the estate of Anthony J. Ford based on information provided to the Company by Al Marino, son of Mrs. Ford.
- (4) Does not include 2,065,300 shares of the Company's Common Stock owned by Mr. Marino's mother, Melba Ford, and the estate of Anthony J. Ford, as to which Mr. Marino disclaims beneficial ownership.
- (5) Includes 140,400 shares of Common Stock owned by Mr. Sottile's wife, Ann Sottile, and 27,451 shares of Common Stock owned by Mr. Sottile's son, John Nicholas Sottile.

Item 13. Certain Relationships and Related Transactions.

In December, 2001, the Company retained McFarland Dewey & Co., LLC to assist the Company in its evaluation of strategic alternatives, which included divestiture of the Company's mining operations. During 2002, McFarland Dewey was paid \$383,934 (\$300,000 for commission on the sale of the Company's mining subsidiaries, \$50,000 for financial advisory services in connection with the Shareholders' Rights Plan and Common Stock Repurchase Plan and \$33,934 for reimbursement of out-of-pocket expenses). Mr. Dewey is a member of McFarland Dewey.

Item 15. Exhibits, Financial Statements Schedules, and Reports on Form 8-K.

(c) Exhibits

- | | |
|------|---|
| 99-1 | Certification pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002. |
| 99-2 | Certification pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002. |

SIGNATURES

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

THE GOLDFIELD CORPORATION

By /s/ John H. Sottile
(John H. Sottile)

Chairman of the Board of Directors, President,
Chief Executive Officer and Director

Dated: April 28, 2003

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on April 28, 2003.

Signature

Title

/s/ John H. Sottile
(John H. Sottile)

Chairman of the Board of Directors,
President, Chief Executive Officer
and Director.

/s/ Stephen R. Wherry
(Stephen R. Wherry)

Vice President, Finance and Chief
Financial Officer (Principal
Financial Officer), Treasurer and
Principal Accounting Officer.

/s/ Dwight W. Severs
(Dwight W. Severs)

Director and Secretary

*
(Thomas E. Dewey, Jr.)

Director

*
(Harvey C. Eads, Jr.)

Director

*
(John P. Fazzini)

Director

*
(Danforth E. Leitner)

Director

*
(Al Marino)

Director

*By: /s/ John H. Sottile
John H. Sottile
Attorney-in-Fact

Pursuant to Powers of Attorney filed as Exhibit 24
to original Report on Form 10-K filed March 25, 2003.

CERTIFICATION

I, John H. Sottile, certify that:

1. I have reviewed this annual report on Form 10-K/A of The Goldfield Corporation;
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures 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 annual report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
 - c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated April 28, 2003

/s/John H. Sottile

(John H. Sottile)

Chairman of the Board of Directors,
President, Chief Executive Officer and
Director.

CERTIFICATION

I, Stephen R. Wherry, certify that:

1. I have reviewed this annual report on Form 10-K/A of The Goldfield Corporation;
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures 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 annual report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
 - c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated April 28, 2003

/s/Stephen R. Wherry

(Stephen R. Wherry)

Vice President, Treasurer and Chief
Financial Officer.

