

LOGIC DEVICES INC
Form 10-Q
August 08, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended

June 30, 2008

Commission File Number

0-17187

LOGIC Devices Incorporated

(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of
incorporation or organization)

94-2893789
(I.R.S. Employer
Identification Number)

1375 Geneva Drive, Sunnyvale, California 94089

(Address of principal executive offices)

(Zip Code)

(408) 542-5400

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(Registrant's telephone number, including area code)

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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a Smaller Reporting Company)

Indicate by check whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of the issuer's classes of common stock, as of the latest practicable date. On August 7, 2008, 6,814,438 shares of Common Stock, without par value, were issued and outstanding.

LOGIC Devices Incorporated

INDEX

| | Page Number |
|--|----------------|
| Part I. Financial Information | |
| Item 1. Financial Statements | |
| <u>Condensed Balance Sheets as of June 30, 2008 and September 30, 2007</u> | 3 |
| <u>Condensed Statements of Operations for the quarters ended June 30, 2008 and 2007</u> | 4 |
| <u>Condensed Statements of Operations for the nine months ended June 30, 2008 and 2007</u> | 5 |
| <u>Condensed Statements of Cash Flows for the nine months ended June 30, 2008 and 2007</u> | 6 |
| <u>Notes to Condensed Financial Statements</u> | 7 |
| <u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u> | 9 |
| <u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u> | 11 |
| <u>Item 4. Controls and Procedures</u> | 11 |
| Part II. Other Information | |
| <u>Item 1. Legal Proceedings</u> | 11 |
| <u>Item 1A. Risk Factors</u> | 12 |
| <u>Item 6. Exhibits</u> | 12 |
| <u>Signatures</u> | 13 |

Part I - Financial Information

Item 1. Financial Statements

Condensed Balance Sheets

| | <i>June 30,</i> <i>2008</i> <i>(unaudited)</i> | <i>September 30,</i> <i>2007</i> |
|--|--|-------------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 703,100 | \$ 884,000 |
| Investment in available-for-sale securities | - | 1,061,900 |
| Accounts receivable | 424,400 | 681,300 |
| Inventories | 2,311,400 | 4,388,700 |
| Prepaid expenses and other current assets | 238,500 | 186,500 |
| Total current assets | 3,677,400 | 7,202,400 |
| Property and equipment, net | 912,700 | 1,038,800 |
| Investment in available-for-sale securities | 955,100 | - |
| Other assets, net | 22,100 | 22,100 |
| | \$ 5,567,300 | \$ 8,263,300 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 32,100 | \$ 30,100 |
| Accrued payroll and vacation | 148,900 | 119,900 |
| Accrued commissions | 8,100 | 25,000 |
| Other accrued expenses | 22,300 | 70,500 |
| Total current liabilities | 211,400 | 245,500 |
| Deferred rent | 20,900 | 2,100 |
| Total liabilities | 232,300 | 247,600 |
| Commitments and contingencies | | |
| Shareholders' equity: | | |
| Preferred stock, no par value; 1,000,000 shares authorized; | | |
| 5,000 designated as Series A, 0 shares issued and outstanding | - | - |
| 70,000 designated as Series B, 0 shares issued and outstanding | - | - |
| Common stock, no par value; 10,000,000 shares authorized; | | |
| 6,814,438 and 6,812,938 shares issued and outstanding | 18,543,200 | 18,541,300 |
| Additional paid-in capital | 150,800 | 142,200 |
| Comprehensive loss | (19,900) | - |
| Accumulated deficit | (13,339,100) | (10,667,800) |
| Total shareholders' equity | 5,335,000 | 8,015,700 |
| | \$ 5,567,300 | \$ 8,263,300 |

See accompanying Notes to Condensed Financial Statements.

Condensed Statements of Operations

(unaudited)

| | | <i>For the quarter ended June 30,</i> | |
|--|--|---------------------------------------|----------------|
| | | <i>2008</i> | <i>2007</i> |
| Net revenues | | \$ 728,700 | \$ 1,106,800 |
| Cost of revenues | | 1,151,900 | 1,409,800 |
| | Gross margin | (423,200) | (303,000) |
| Operating expenses: | | | |
| Research and development | | 390,200 | 706,200 |
| Selling, general and administrative | | 314,700 | 437,600 |
| Total operating expenses | | 704,900 | 1,143,800 |
| | Operating loss | (1,128,100) | (1,446,800) |
| Interest income | | 12,100 | 19,200 |
| | Loss before provision for income taxes | (1,116,000) | (1,427,600) |
| Provision for income taxes | | 800 | - |
| | Net loss | \$ (1,116,800) | \$ (1,427,600) |
| Basic and diluted loss per common share | | \$ (0.16) | \$ (0.21) |
| Basic and diluted weighted average common shares outstanding | | 6,814,438 | 6,797,938 |

See accompanying Notes to Condensed Financial Statements.

Condensed Statements of Operations

(unaudited)

| | <i>For the nine months ended June 30,</i> | |
|--|---|----------------|
| | 2008 | 2007 |
| Net revenues | \$ 2,562,600 | \$ 3,727,700 |
| Cost of revenues | 2,908,100 | 2,547,500 |
| | Gross margin | 1,180,200 |
| Operating expenses: | | |
| Research and development | 1,113,000 | 1,387,900 |
| Selling, general and administrative | 1,128,000 | 1,179,800 |
| Total operating expenses | 2,241,000 | 2,567,700 |
| | Operating loss | (1,387,500) |
| Interest and other income, net | | |
| Interest income | 45,900 | 55,000 |
| Other (expense) income | (129,900) | 1,000 |
| | Interest and other income, net | 56,000 |
| | Loss before provision for income taxes | (1,331,500) |
| Provision for income taxes | 800 | 800 |
| | Net loss | \$ (1,332,300) |
| Basic and diluted loss per common share | \$ (0.39) | \$ (0.19) |
| Basic and diluted weighted average common shares outstanding | 6,814,271 | 6,793,855 |

See accompanying Notes to Condensed Financial Statements.

Condensed Statements of Cash Flows

(unaudited)

| | <i>For the nine months ended June 30,</i> | |
|---|---|----------------|
| | <i>2008</i> | <i>2007</i> |
| Cash flows from operating activities: | | |
| Net loss | \$ (2,671,300) | \$ (1,332,300) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation | 225,500 | 240,700 |
| Write-down of inventory | 1,911,000 | 1,085,800 |
| Deferred rent | 18,800 | (14,800) |
| Write-off of capitalized software development costs | - | 400,200 |
| Loss on disposal of capital equipment | 129,900 | - |
| Stock-based compensation | 8,600 | |