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ADVANCED PHOTONIX INC  
Form 8-K/A  
November 01, 2002

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report  
(Date of earliest event reported): August 21, 2002  
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Advanced Photonix, Inc.  
-----  
(Exact Name of Registrant as specified in its Charter)

|   |                             |                                      |
|---|-----------------------------|--------------------------------------|
| Delaware  | 1-11056                     | 33-0325836                           |
| -----   | -----                       | -----                                |
| (State or other jurisdiction<br>of incorporation) | (Commission<br>File Number) | (IRS Employer<br>Identification No.) |
| 1240 Avenida Acaso, Camarillo, California         |                             | 93012                                |
| -----   | -----                       | -----                                |
| (Address of Principal Executive Offices)          |                             | (ZIP Code)                           |

Registrant's telephone number,  
including area code: (805) 987-0146  
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This current report on Form 8-K/A amends Item 7 of the current report on Form 8-K filed with the Securities and Exchange Commission on September 5, 2002.

Item 7. Financial Statements and Exhibits

(a) Financial Statements  
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Previously filed with the Securities and Exchange Commission on Form 8-K,  
dated August 21, 2002.

(b) Pro Forma Information  
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- (i) Unaudited pro forma condensed consolidated balance sheet of Advanced Photonix, Inc. and Silicon Sensors, LLC at June 30, 2002.

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- (ii) Unaudited pro forma condensed consolidated statement of operations of Advanced Photonix, Inc. and Silicon Sensors, LLC for the three months ended June 30, 2002.
- (iii) Unaudited pro forma condensed consolidated statement of operations of Advanced Photonix, Inc. and Silicon Sensors, LLC for the twelve months ended March 31, 2002.

### ADVANCED PHOTONIX, INC. AND SILICON SENSORS, LLC

#### PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET JUNE 30, 2002 (UNAUDITED)

|                                  | API                 | SSI                | Adjustments           |
|----------------------------------|---------------------|--------------------|-----------------------|
| <b>ASSETS</b>                    |                     |                    |                       |
| <b>CURRENT ASSETS:</b>           |                     |                    |                       |
| Cash and cash equivalents        | \$ 2,944,000        | \$ 22,000          | \$ (1,799,000) (a)    |
| Short-term investments           | 1,002,000           |                    |                       |
| Accounts receivable              | 1,069,000           | 350,000            |                       |
| Inventory                        | 2,813,000           | 485,000            | 32,000 (f)            |
| Prepaid and other current assets | 133,000             | 96,000             | (120,000) (d)         |
|                                  | -----               | -----              | -----                 |
| Total current assets             | 7,961,000           | 953,000            | (1,887,000)           |
|                                  | -----               | -----              | -----                 |
| <b>PROPERTY AND EQUIPMENT</b>    | 3,692,000           | 1,469,000          | 251,000 (f)           |
| Less accumulated depreciation    | (3,069,000)         | (933,000)          |                       |
|                                  | -----               | -----              | -----                 |
| Property and equipment, net      | 623,000             | 536,000            | 251,000               |
|                                  | -----               | -----              | -----                 |
| <b>GOODWILL</b>                  | 483,000             |                    | 437,000               |
|                                  |                     |                    | (283,000) (f)         |
|                                  |                     |                    | 39,000 (h)            |
|                                  |                     |                    | 120,000 (d)           |
|                                  |                     |                    | 19,000 (i)            |
|                                  | -----               | -----              | -----                 |
|                                  | 483,000             |                    | 332,000               |
|                                  | -----               | -----              | -----                 |
| <b>OTHER ASSETS</b>              | 24,000              | 6,000              | 131,000 (g)           |
|                                  | -----               | -----              | -----                 |
| <b>PATENTS</b>                   | 22,000              |                    |                       |
|                                  | -----               | -----              | -----                 |
| <b>TOTAL ASSETS</b>              | <b>\$ 9,113,000</b> | <b>\$1,495,000</b> | <b>\$ (1,173,000)</b> |
|                                  | =====               | =====              | =====                 |

(Continued)

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ADVANCED PHOTONIX, INC. AND SILICON SENSORS, LLC

PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET - Continued  
 JUNE 30, 2002 (UNAUDITED)

|   | API          | SSI          | Adjustments    |
|---|--------------|--------------|----------------|
| LIABILITIES AND STOCKHOLDERS' EQUITY                  |              |              |                |
| CURRENT LIABILITIES:                                  |              |              |                |
| Accounts payable                                      | \$ 255,000   | \$ 153,000   | \$ (50,000)    |
| Current portion of long-term debt                     |              | 50,000       | (50,000)       |
| Accrued salaries and benefits                         | 228,000      |              |                |
| Accrued expenses                                      | 5,000        | 79,000       | 126,000        |
|   |              |              | 19,000         |
|   | -----        | -----        | -----          |
| Total current liabilities                             | 488,000      | 282,000      | 95,000         |
|   | -----        | -----        | -----          |
| LONG-TERM DEBT, Note payable, less<br>current portion |              | 838,000      | (838,000)      |
|   | -----        | -----        | -----          |
| CLASS A CONVERTIBLE PREFERRED                         | 32,000       |              |                |
|   | -----        | -----        | -----          |
| Members' equity                                       |              | 325,000      | (325,000)      |
| Common stock, class A                                 | 12,000       |              |                |
| APIC  | 26,581,000   |              | 39,000         |
| Retained earnings (deficit)                           | (18,000,000) | 50,000       | (50,000)       |
|   |              |              | (94,000)       |
|   | -----        | -----        | -----          |
| Total stockholders' equity                            | 8,593,000    | 375,000      | (430,000)      |
|   | -----        | -----        | -----          |
| TOTAL LIABILITIES AND<br>STOCKHOLDERS' EQUITY         | \$ 9,113,000 | \$ 1,495,000 | \$ (1,173,000) |
|   | =====        | =====        | =====          |

See notes to pro forma financial statements.

ADVANCED PHOTONIX, INC. AND SILICON SENSORS, LLC

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS  
 FOR THE THREE MONTHS ENDED JUNE 30, 2002 (UNAUDITED)

|                    | API         | SSI        | Adjustments |
|--------------------|-------------|------------|-------------|
| SALES              | \$1,548,000 | \$ 639,000 |             |
| COST OF GOODS SOLD | 916,000     | 615,000    |             |

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|                             |             |              |               |
|-----------------------------|-------------|--------------|---------------|
| GROSS PROFIT                | 632,000     | 24,000       |               |
| OPERATING EXPENSES:         |             |              |               |
| Research and development    | 142,000     |              |               |
| Sales and marketing         | 234,000     | 62,000       |               |
| General and administrative  | 307,000     | 84,000       | \$ 19,000 (g) |
| Total operating expenses    | 683,000     | 146,000      | 19,000        |
| LOSS FROM OPERATIONS        | (51,000)    | (122,000)    | (19,000)      |
| OTHER INCOME (EXPENSE):     |             |              |               |
| Interest Income             | 28,000      |              |               |
| Interest expense            |             | (17,000)     |               |
| Other income                |             | 10,000       |               |
| Other income (expense), net | 28,000      | (7,000)      |               |
| LOSS BEFORE INCOME TAXES    | (23,000)    | (129,000)    | (19,000)      |
| INCOME TAXES                |             |              |               |
| NET LOSS                    | \$ (23,000) | \$ (129,000) | \$ (19,000)   |

WEIGHTED AVERAGE SHARES OUTSTANDING

BASIC AND DILUTED LOSS PER SHARE

See notes to pro forma financial statements.

ADVANCED PHOTONIX, INC. AND SILICON SENSORS, LLC

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 30, 2002 (UNAUDITED)

|                                   | API         | SSI         | Adjustments   |
|-----------------------------------|-------------|-------------|---------------|
| SALES                             | \$6,931,000 | \$3,664,000 |               |
| COST OF GOODS SOLD                | 4,170,000   | 2,726,000   |               |
| GROSS PROFIT                      | 2,761,000   | 938,000     |               |
| OPERATING EXPENSES:               |             |             |               |
| Research and development          | 467,000     |             |               |
| Sales, general and administrative | 2,165,000   | 935,000     | \$ 75,000 (g) |
| Acquisition investigation         | 616,000     |             |               |
| Total operating expenses          | 3,248,000   | 935,000     | 75,000        |

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|                               |              |             |             |
|-------------------------------|--------------|-------------|-------------|
| INCOME (LOSS) FROM OPERATIONS | (487,000)    | 3,000       | (75,000)    |
|                               | -----        | -----       | -----       |
| OTHER INCOME (EXPENSE):       |              |             |             |
| Interest Income               | 203,000      |             |             |
| Interest expense              |              | (65,000)    |             |
| Other income                  | 2,000        |             |             |
|                               | -----        | -----       | -----       |
| Other income (expense), net   | 205,000      | (65,000)    |             |
|                               | -----        | -----       | -----       |
| LOSS BEFORE INCOME TAXES      | (282,000)    | (62,000)    | (75,000)    |
| INCOME TAXES                  | (2,000)      |             |             |
|                               | -----        | -----       | -----       |
| NET LOSS                      | \$ (284,000) | \$ (62,000) | \$ (75,000) |
|                               | =====        | =====       | =====       |

WEIGHTED AVERAGE SHARES OUTSTANDING

BASIC AND DILUTED LOSS PER SHARE

See notes to pro forma financial statements.

ADVANCED PHOTONIX, INC. AND SILICON SENSORS, LLC

NOTES TO THE UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited pro forma condensed consolidated statement of operations for the three months ended June 30, 2002 gives effect to the consolidated results of operations as if the merger occurred at April 1, 2002. The unaudited pro forma condensed consolidated statement of operations for the year ended March 30, 2002 gives effect to the consolidated results of operations as if the merger occurred at April 1, 2001. These results are not necessarily indicative of the consolidated results of operations of Advanced Photonix, Inc. ("API") as they may be in the future, or as they might have been had these events been effective at April 1, 2001. The unaudited pro forma condensed consolidated statements are based on the individual historical results of operations of API and Silicon Sensors, LLC ("SSI"), and have been prepared to reflect the acquisition of SSI by API. The unaudited pro forma condensed consolidated balance sheet gives effect to the financial position at June 30, 2002 as if the merger occurred at April 1, 2001. The unaudited pro forma condensed consolidated financial information should be read in conjunction with the historical financial statements of API and SSI and the related notes thereto.

PRO FORMA ADJUSTMENTS FOR THE UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET AT JUNE 30, 2002 AND CONDENSED CONSOLIDATED INCOME STATEMENTS:

- a. To reflect payment of \$1,700,000 in cash and \$99,000 towards Non-Compete Agreement.
- b. Elimination of historical retained earnings at SSI.
- c. To reflect elimination of Silicon Sensor, LLC Members' interest.
- d. To reflect \$120k in merger expenses incurred by API.

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- e. To reflect liabilities not purchased by API.
- f. To reflect "write-up" of assets and liabilities to estimated fair market value.
- g. To reflect "Non-Compete Agreement" with Jack McCook and related amortization.
- h. To reflect Black-Scholes FMV of options in API common stock granted to Silicon Sensors, LLC Members.
- i. To reflect final adjustment to purchase price, based on net working capital at August 21, 2002.

NOTE: The Company is still in the process of evaluating the fair value of the assets acquired and the liabilities assumed in order to make a final determination of the excess purchase price, including allocation to the intangibles other than goodwill. Accordingly, the purchase accounting information is preliminary and has been made solely for the purpose of developing such pro forma condensed consolidated financial information. Based on current information, the preliminary determination of the cost in excess of the net assets acquired and the allocation to goodwill should not materially differ from the final determination.

SIGNATURES

Pursuant to the requirements 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.

ADVANCED PHOTONIX, INC.

By: /s/ Brock Koren

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Brock Koren, President and Chief  
Executive Officer

Dated: November 1, 2002

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