

Edgar Filing: FIRETECTOR INC - Form 10KSB/A

FIRETECTOR INC
Form 10KSB/A
February 11, 2003

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20459

FORM 10-KSB/A-2 Annual or Transitional Report

AMENDMENT NO. 2

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended September 30, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

Commission File Number 0-17580

SYNERGX SYSTEMS INC.

(Exact name of Small Business Issuer in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

11-2941299
(I.R.S. Employer
Identification No.)

209 Lafayette Drive, Syosset, New York 11791
(Address of principal executive offices) (zip code)

Issuer's telephone number, including area code: (516) 433-4700

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

Common Stock, \$.001 par value 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 and (2) has been subject to such filing requirements for the past 90 days. YES X 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 the Registrant's knowledge, in definitive proxy or information statements be reference in Part III of this Form 10-KSB ()

State issuer's revenues for its most recent fiscal year: \$16,943,000

The aggregate market value of the voting stock held by non-affiliates of the Registrant, based upon the average bid and ask prices for the Registrant's Common Stock, \$.001 par value per share, as of December 16, 2002 was \$1,079,784.

As of December 14, 2002, the Registrant had 1,874,425 shares of Common Stock outstanding.

Edgar Filing: FIRETECTOR INC - Form 10KSB/A

Documents Incorporated by Reference: None

ITEM 10. EXECUTIVE COMPENSATION

The following table sets forth certain information with respect to compensation paid or accrued by the Company for services rendered to it for each of the three fiscal years ended September 30, 2002, as to Daniel S. Tamkin, the Company's present Chief Executive Officer, Joseph Vitale, the Company's President and Chief Operating Officer, and John A. Poserina, the Company's Chief Financial Officer and Secretary; none of the Company's other Executive Officers had aggregate remuneration in excess of \$100,000.

SUMMARY COMPENSATION TABLE

Year	ANNUAL COMPENSATION			LONG TERM COMPENSATION	
	Salary (\$)	Bonus (\$)	Other (\$)	Option/SAR	All Other Compensation

Daniel S. Tamkin					
2002	\$97,000		\$5,600		--
2001	87,000	\$20,000	5,600	(1)	--
2000	74,000	20,000	5,600		--
Joseph Vitale					
2002	\$140,000		\$6,000		--
2001	130,000	\$30,000	6,000	(2)	--
2000	113,000	30,000	6,000		--
John A. Poserina					
2002	\$151,000		\$5,600		--
2001	141,000	\$30,000	5,600		--
2000	124,000	30,000	5,600		--

(1) Options to purchase 4,167 shares of Common Stock, at a price of \$1.03 per share were issued to Mr. Tamkin in December, 2000.

(2) Options to purchase 7,959 shares of Common Stock, at a price of \$1.03 per share were issued to Mr. Vitale in December, 2000.

The following table details, as of September 30, 2002, the value of unexercised in-the-money options held by Daniel S. Tamkin, Joseph Vitale and John A. Poserina:

	Number of Securities		Value of Unexercised	
	Underlying Exercisable	Unexercisable	In-The-Money Options (1) Exercisable	Unexercisable
Daniels S. Tamkin	8,833	2,000	\$ 792	\$ 250
Joseph Vitale	14,367	2,758	3,001	417
John A. Poserina	7,667	2,000	1,542	250

Edgar Filing: FIRETECTOR INC - Form 10KSB/A

-- -- -----

(1) Net value, calculated as the difference between the exercise price and the market price reported for September 30, 2002.

In December 1995, the Board of Directors voted to institute a 401(k) plan for nonunion employees to be effective January 1, 1996. The plan includes a profit sharing provision at the discretion of the Board of Directors. No profit sharing contributions were authorized in 2002. In 2001 the Board of Directors approved a payment totaling \$44,000 for participants of the non-union and union 401(k) plans.

Directors do not receive any compensation for their service. Out-of-pocket expenses for travel, meals and miscellaneous expenses incurred in the course of the Director's activities on behalf of the Company are reimbursed at cost.

On April 30, 1997, the Company and its shareholders adopted a nonqualified stock option plan ("1997 Plan"), which expires September 30, 2002, except as to options then outstanding under the 1997 Plan. Under the 1997 Plan, the Board of Directors may grant options to eligible employees at exercise prices not less than 100% of the fair market value of the common shares at the time the option is granted. The number of shares of Common Stock that may be issued shall not exceed an aggregate of up to 10% of its issued and outstanding shares from time to time. Options vest at a rate of 20% per year commencing one year after date of grant. Issuances under the 1997 Plan are to be reduced by options outstanding under a 1990 nonqualified stock option plan (replaced by the 1997 Plan). Effective September 30, 1998, all outstanding employee stock options were reset to an exercise price of \$1.00 per share.

On September 30, 2002, options on 24,083 of Common Stock were extended to December 31, 2005 and the option exercise price remained \$1.00 per share.

On December 29, 2000, options on 43,375 shares of Common Stock were extended for five more years and the option price was reset from \$1.00 to \$1.03 per share.

The Company currently has issued and outstanding options to purchase 101,791 shares of its Common Stock, at various exercise prices ranging between \$1.00 and \$1.125 per share, to certain of its officers, Directors and employees. See "SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT."

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information known to the Company regarding beneficial ownership of the Company's outstanding Common Stock at December 10, 2002 of (i) each beneficial owner of more than five percent of the Common Stock, (ii) each of the Company's Directors, and (iii) all Officers and Directors of the Company as a group.

Common Stock Beneficially Owned At January 7, 2002

	Number of Shares	Percent of Shares
	-----	-----
Mirtronics Inc. (1)	896,311	41.0%
Investors Money Management (10)	340,000	16.6%
Genterra Capital Corporation	152,167	6.8%
Daniel S. Tamkin (2)	127,733	6.0%
Joseph Vitale (3, 4)	17,125	nil
Henry Schnurbach (4)	5,167	nil
John A. Poserina (3, 5)	17,167	nil
Dennis P. McConnell (4, 6)	4,167	nil
Mark Litwin (8)	1,048,478	48.0%

Edgar Filing: FIRETECTOR INC - Form 10KSB/A

J. Ian Dalrymple (9)	0	nil
All Executive Officers and Directors as a Group (5 Persons)	1,219,837	54.7%

(1) Includes 310,000 shares of Common Stock issuable upon conversion of debt owed to Mirtronics and convertible into shares of Common Stock. See "CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS". Address is 106 Avenue Road, Toronto, Ontario.

(2) Includes 10,833 shares of Common Stock issuable upon exercise of options granted by the Company. Address is 96 Spring Street, New York, NY.

(3) Address is 209 Lafayette Drive, Syosset, NY 11791.

(4) Issuable upon exercise of options granted by the Company.

(5) Includes 9,667 shares of Common Stock issuable upon exercise of options granted by the Company.

(6) Address is 96 Spring Street, New York, NY.

(7) Address is 106 Avenue Road, Toronto, Ontario.

(8) By virtue of his position as an officer and/or director of such entities, Mr. Litwin may be considered the beneficial owner of shares owned by Mirtronics Inc. and Genterra Capital Corporation. Mr. Litwin expressly disclaims such beneficial ownership. Address is 106 Avenue Road, Toronto, Ontario.

(9) Address is 1200 Sheppard Avenue East, Willowdale, Ontario.

(10) Includes 170,000 shares of Common Stock issuable upon exercise of warrants.

SIGNATURES

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

SYNERGX SYSTEMS INC.
(Registrant)

By: /s/ JOHN A. POSERINA

John A. Poserina,
Chief Financial Officer, Secretary
And Director (Principal Accounting and
Financial Officer)

Dated: February 11, 2003

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

Edgar Filing: FIRETECTOR INC - Form 10KSB/A

I, Daniel S. Tamkin, Chief Executive Officer, and John A. Poserina, Chief Financial Officer of Synergx Systems certify that:

1. We have reviewed this amended annual report on Form 10-KSB/A of Synergx Systems Inc.;

2. Based on our 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 our 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 registrant as of, and for, the periods presented in this annual report;

4. The registrants 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 have:

a) Designated 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 registrants disclosure controls and procedures as of a dated 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 registrants other certifying officers and I have disclosed, based on our most recent evaluation, to the registrants auditors and the audit committee of registrants board of directors (or persons performing the equivalent functions);

a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrants ability to record, process, summarize and report financial data and have identified for the registrants 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 registrants internal controls; and

6. The registrants other certifying officers and I have indicated in this annual report whether 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.

Date: February 11, 2003

/s/ Daniel S. Tamkin

Daniel S. Tamkin
Chief Executive Officer

/s/ John A. Poserina

John A. Poserina
Chief Financial Officer
(Principal Financial and Accounting
Officer), Secretary and Director

Edgar Filing: FIRETECTOR INC - Form 10KSB/A

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the amended annual report of Synergx Systems Inc. (the "Company") on Form 10-KSB/A for the period ending September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Amended Report"), I, Daniel S. Tamkin, Chief Executive Officer of the Company, and I, John A. Poserina, Chief Financial Officer of the Company certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1) The Amended Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Amended Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Daniel S. Tamkin

Daniel S. Tamkin
Chief Executive Officer
Synergx Systems Inc.

February 11, 2003

/s/ John A. Poserina

John A. Poserina
Chief Financial Officer
Synergx Systems Inc.

February 11, 2003