CABLE DESIGN TECHNOLOGIES CORP
Form 10-Q/A
April 27, 2004
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A

(Amendment No. 1)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 31, 2004

Commission File No. 0-22724

CABLE DESIGN TECHNOLOGIES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**36-3601505**
(State or other jurisdiction of	**(I.R.S. Employer Identification No.)**

incorporation or organization)

1901 North Roselle Road

Schaumburg, IL 60195

(Address of principal executive offices)

(847) 230-1900

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 x No ¨

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

Indicate the number of shares outstanding of each of the issuer s classes of common stock, as of the latest practicable date.

Class	Outstanding at March 12, 2004
Common Stock, $.01 Par Value	42,048,945

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EXPLANATORY NOTE

This Amendment No. 1 to the Quarterly Report on Form 10-Q/A (Amendment No. 1) for Cable Design Technologies Corporation (the Company) for the quarterly period ended January 31, 2004, is being filed to amend the items described below contained in the Company s Quarterly Report on Form 10-Q (the Form 10-Q) originally filed with the Securities and Exchange Commission (SEC) on March 16, 2004, in response to comments provided by the SEC in connection with the Company s filing of Amendment No. 1 to Registration Statement on Form S-3, File No. 333-110944, filed on March 15, 2004.

This Amendment No. 1 makes changes to amend Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations to make minor corrections and to more fully describe: (1) an overview of the Company s business and its position in and the trends in the Network Communication and Specialty Electronics marketplaces and their effect on the Company; (2) the factors impacting the change in minority interest for the three and six months ended January 31, 2004; (3) a more detailed description of the impairment charge of $35.7 million recorded for the six months ended January 31, 2003; and (4) the adequacy of the Company s cash balances as of January 31, 2004.

In order to preserve the nature and character of the disclosures set forth in such Items as originally filed, no attempt has been made in this Form 10-Q/A (Amendment No. 1) to modify or update other disclosures as presented in the Form 10-Q except to conform to the comments of the SEC staff as set forth in their letter to the Company dated March 25, 2004, and such other changes as required by applicable law. All information contained in this Amendment No. 1 is subject to updating and supplementing as provided in the Company s reports filed with the SEC, as amended, for periods subsequent to the date of the original filing of the Form 10-Q.

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CABLE DESIGN TECHNOLOGIES CORPORATION AND SUBSIDIARIES

SECOND QUARTER 2004 FORM 10-Q/A

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Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations

This discussion and analysis of the Company s financial condition and results of operations should be read in conjunction with the Company s unaudited condensed consolidated financial statements and the notes thereto. The Company s unaudited condensed financial statements as of January 31, 2004, for the three and six months ended January 31, 2004 and 2003, have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial statements and the rules and regulations of the Securities and Exchanges Commission for interim financial statements, and should be read in conjunction with the Company s Annual Report on Form 10-K for the fiscal year ended July 31, 2003. In our opinion, the unaudited condensed consolidated financial statements reflect all adjustments, consisting of normal and recurring adjustments, necessary for a fair presentation of the financial condition, results of operations, and cash flows for the periods indicated. Certain prior year amounts have been reclassified to conform to the current interim period presentation. The consolidated results of operations for the interim periods reported are not necessarily indicative of the results to be experienced for the entire fiscal year. The discussions that follow do not take into account the potential impact of the Company s proposed merger with Belden Inc. announced February 5, 2004, except for costs associated with the planned merger, which are reflected in the Company s results for the three months ended January 31, 2004 (See Note 12 Subsequent Event and Part II, Item 5. Other Information).

Results of Operations

The following table sets forth certain line items from the Consolidated Income Statement as a percent of revenue for the periods presented:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2004	**2003**	**2004**	**2003**
Net sales	**100.0%**	100.0%	**100.0%**	100.0%
Cost of sales	**79.3**	76.9	**77.8**	77.0
Gross profit	**20.7**	23.1	**22.2**	23.0
Selling, general and administrative expenses	**21.7**	19.4	**19.9**	19.4
Research and development expenses	**0.9**	0.7	**0.9**	0.8
(Loss) income from operations	**(1.8)**	1.7	**1.5**	(0.9)
Net (loss) income from continuing operations before cumulative effect of accounting change	**(2.8)%**	0.1%	**(0.3)%**	1.5%

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Overview

Cable Design Technologies Corporation (the Company) designs, manufactures, and distributes technologically advanced connectivity products for the global Network Communication and Specialty Electronic marketplaces. Network Communication encompasses connectivity products used within computer networks and communication infrastructures for the electronic and optical transmission of data, voice and multimedia. Products included in this segment are high bandwidth network and interconnect cables, fiber optic cable and passive components, including connectors, wiring racks and panels, and interconnecting hardware for end-to-end network structured wiring systems, and communication cable products for local loop, central office, wireless and other applications. The Specialty Electronic segment encompasses electronic cable products for automation and process control applications as well as specialized wire and cable products for niche markets, including commercial aviation and automotive electronics.

The Company had been heavily dependent on capital spending trends in the networking sector and demand from original equipment manufacturers (OEMs), including those in the telecommunications and electronic sectors. The overall economic decline in fiscal years 2002, 2003, and the first half of fiscal year 2004, has, we believe, negatively impacted: (1) new office construction and expansion; (2) commercial, academic and governmental budgets for network infrastructure; and (3) OEM sales of telecommunication and other related products. In addition, the Company has faced increased competition from companies attempting to utilize excess capacity as well as lower-cost manufactured imports in many of its markets. The network sector continues to be negatively impacted by lower levels of infrastructure capital spending and weak demand for new or refurbished commercial office space. In the specialty electronic sector, sluggish demand for telecommunication products is offset by favorable demand conditions in the automotive and aviation markets, as well as markets for video, sound, security and other similar applications.

The Company s current strategy is to maintain an extensive product portfolio, continue to develop new products, utilize manufacturing expertise to create efficiencies, develop and market recognized brand names, and capitalize on a large customer base. Currently, through its nineteen consolidated subsidiaries and divisions, the Company designs, manufactures, and distributes a diverse portfolio of different products, grouped into 26 product categories, to over 10,000 customers across a broad variety of end markets in 80 countries. While overall sales trends in the telecommunications and networking sectors can still have an effect on sales volume, the Company s diverse product mix and customer base have resulted in sales growth with reduced volatility and dependency on any one industry sector. For the six months ended January 31, 2004, total net sales in the Network Communication and Specialty Electronic business segments have continued to become more balanced and represent 58% and 42% of total net sales compared to 62% and 38%, respectively, in fiscal year 2001. The Company believes that this diversity will result in overall sales growth commensurate with North American and European economic growth rates.

The Company s profitability is primarily impacted by fluctuations in its gross margin, which is mainly determined by product pricing and raw material costs. Product pricing across most product categories and industry sectors continues to be negatively effected by lower cost imports and excess industry capacity for certain products. Copper and insulating compounds are the major raw materials for many of the Company s products. Copper prices have recently increased substantially due to higher worldwide demand, temporary supply restrictions, and the effect of the weaker U.S. dollar. While the Company has recently announced price increases in many of its product lines, it is too soon to know whether such increases will be accepted or whether they will negatively effect demand. If copper prices remain high and the Company is unable to recoup these raw material cost increases through product price increases or product price increases negatively effect demand, the Company s operating performance will be impacted negatively in the third and fourth quarters of 2004. However, the Company believes that the implementation of its current strategies should enable it to be well positioned to respond to current market trends without any material negative impact on its financial condition or liquidity.

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Three Months Ended January 31, 2004 Compared to Three Months Ended January 31, 2003

(in millions)	Three Months Ended January 31, 2004	Three Months Ended January 31, 2003	Total Sales Incr./(Decr.)	Incr./(Decr.) Due to the Effect of Currency Translation
Net sales:				
Network Communication	**$ 69.7**	$ 66.0	$ 3.7	$ 4.2
Specialty Electronic	**51.5**	46.0	5.5	3.2
Total net sales	**$ 121.2**	$ 112.0	$ 9.2	$ 7.4

Total net sales for the three months ended January 31, 2004 (second quarter 2004), increased 8.2% to $121.2 million compared to $112.0 million for the three months ended January 31, 2003 (second quarter 2003). The increase in total net sales, excluding the $7.4 million favorable effect of foreign currency translation was $1.8 million, or 1.6%. Excluding foreign currency translation, Network Communication segment sales decreased $0.5 million, or 0.8%. This decrease was primarily due to lower sales of network products from the Company s Canadian operations resulting from the aforementioned weak demand for commercial office space. Excluding foreign currency translation, Specialty Electronic segment sales for the second quarter increased $2.3 million, or 5.0%. Increases in sales of specialty cable for home video and security video applications and sales of products for the commercial aviation marketplace contributed to the quarter over quarter increase. The sales increase in Specialty Electronic products occurred primarily in the Company s domestic operations.

Gross profit for the second quarter 2004 was $25.1 million compared to $25.9 million for the second quarter 2003, and the gross margin was 20.7% compared to 23.1% last year. The decrease in the gross profit was primarily a result of increased worker s compensation expense and a post retirement employee benefit provision at the Company s Canadian operations.

Selling, general and administrative expenses (SG&A) for the second quarter 2004 increased $4.5 million, to $26.3 million compared to $21.8 million for the same period last year. The increase in SG&A was primarily due to $2.5 million of merger-related expenses, including due diligence expenses, legal and investment banking fees. The remaining increase was primarily due to the $1.2 million effect of foreign currency translation. SG&A as a percentage of sales increased to 21.7% for the second quarter 2004 compared to 19.4% for the second quarter 2003. The increase in SG&A as a percentage of sales on a quarter over quarter basis was primarily due to the aforementioned expenses. Research and development expenses were $1.2 million in the current year period, compared to $0.8 million for second quarter 2003. Restructuring expenses reflected in the second quarter 2003 related to severance cost for 67 individuals.

Interest expense was $1.2 million for the second quarter 2004, a decrease of $0.2 million compared to interest expense of $1.4 million for the same period last year. The decrease in interest expense was due to a lower average interest rate on outstanding borrowings during the second quarter 2004.

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The Company continually evaluates its annual effective tax rate based on actual and projected results of operations and adjusts the current period tax provision or benefit accordingly. During the second quarter 2004, the Company incurred specific merger costs associated with its planned merger with Belden Inc. These merger costs are not deductible for tax purposes. The full tax impact of these expenses was recognized in the second quarter 2004. The tax benefit rate for the second quarter 2004 was 6.9%, compared to an effective tax rate of 27.8% for the second quarter 2003. This change was primarily due to the aforementioned non-deductible merger-related expenses. The Company currently projects its annual effective tax rate for fiscal 2004 at 51%.

At January 31, 2004, the Company had nineteen consolidated subsidiaries and divisions, three subsidiaries of which had minority interest expense. These three subsidiaries represented 18.7% of total net sales and $0.6 million of operating income (loss) from operations and operate primarily in the European marketplace in both the Network Communication and Specialty Electronic business segments. The Company s ownership position in these subsidiaries ranged from 76% to 95%. In the second quarter 2004, minority interest expense increased 55.7% to $0.2 million compared to $0.1 million for the second quarter 2003.

Net (loss) income from continuing operations before cumulative effect of accounting change for the second quarter 2004 was $(3.4) million, or $(0.08) per diluted common share, compared to net income (loss) from continuing operations before cumulative effect of accounting change of $0.2 million, or $0.00 per diluted share, for the second quarter 2003. The decrease in net income from continuing operations compared to the prior year period was primarily due to merger-related expenses and a decrease in gross margin from the prior year.

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Six Months Ended January 31, 2004 Compared to Six Months Ended January 31, 2003

(in millions)	Six Months Ended January 31, 2004	Six Months Ended January 31, 2003	Total Sales Incr./(Decr.)	Incr./(Decr.) Due to the Effect of Currency Translation
Net sales:				
Network Communication	**$ 145.8**	$ 137.5	$ 8.3	$ 8.2
Specialty Electronic	**106.0**	95.6	10.4	5.9
Total net sales	**$ 251.8**	$ 233.1	$ 18.7	$ 14.1

Total net sales for the six months ended January 31, 2004 (first half 2004), increased 8.1% to $251.8 million compared to $233.1 million for the six months ended January 31, 2003 (first half 2003). The increase in total net sales, excluding the $14.1 million favorable effect of foreign currency translation was $4.6 million, or 2.0%. Excluding foreign currency translation, Network Communication segment sales increased $0.1 million. Excluding foreign currency translation, Specialty Electronic segment sales for the first half 2004 increased $4.5 million, or 4.7%. Increases in sales of specialty cable for home video and security video applications and sales of products for the commercial aviation marketplace contributed to the first half increase.

Gross profit for the first half 2004 was $56.0 million compared to $53.6 million for the first half 2003, and the gross margin was 22.2% compared to 23.0% last year. The decrease in the gross margin was primarily a result of higher worker s compensation expense and a post retirement employee benefit provision at the Company s Canadian operations, offset in part by the absence in the current year of certain costs that were associated with the NORCOM operations which were sold in the first half 2003.

Selling, general and administrative expenses (SG&A) for the first half 2004 increased $4.8 million, to $50.0 million compared to $45.2 million for the same period last year. The increase in SG&A was primarily due to $2.5 million of merger-related expenses, including due diligence expenses, legal and investment banking fees, as well as the effect of foreign currency translation. SG&A as a percentage of net sales increased to 19.9% for the first half 2004 compared to 19.4% for the first half 2003. Research and development expenses were $2.3 million in the current year period compared to $1.9 million for first half 2003.

Restructuring expenses incurred in the first half 2003 were $8.5 million. These prior year business restructuring expenses represented costs to consolidate four facilities into other Company operations and consisted primarily of severance and other employee-related costs and asset impairment charges.

Interest expense was $2.5 million for the first half 2004, a decrease of $0.6 million compared to interest expense of $3.1 million for the same period last year. The decrease in interest expense was due to a lower average interest rate on outstanding borrowings during the first half 2004.

The Company continually evaluates its annual effective tax rate based on actual and projected results of operations and adjusts the current period tax provision or benefit accordingly. During the first half 2004, the Company incurred specific merger costs associated with its planned merger with Belden Inc. These merger costs are not deductible for tax purposes. The full tax impact of these expenses was recognized in the second quarter 2004. The effective tax rate for the first half 2004 was 114.1%, compared to a tax benefit rate of 40.7% for the first half 2003. This change was primarily due to the aforementioned non-deductible merger-related expenses. The Company currently projects its annual effective tax rate for fiscal 2004 at 51%.

At January 31, 2004, the Company had nineteen consolidated subsidiaries and divisions, three subsidiaries of which had minority interest expense. These three subsidiaries represented 18.4% of total net sales and $1.7 million of operating income (loss) from operations and operate primarily in the European marketplace in both the Network Communication and Specialty Electronic business segments. The Company s ownership position in these subsidiaries ranged from 76% to 95%. In the first half 2004, minority interest expense increased 107.0% to $0.5 million compared to $0.2 million for the first half 2003.

Net loss from continuing operations before cumulative effect of accounting change for the first half 2004 was $0.7 million, or $0.02 per diluted common share, compared to a net loss from continuing operations before cumulative effect of accounting change of $3.4 million, or $0.08 per diluted share, for the first half 2003. The decrease in net loss from continuing operations compared to the prior year period was primarily due to the absence of restructuring expenses in the current period, partially offset by merger-related expenses and a lower gross margin compared to the prior year.

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The Company adopted SFAS 142, *Goodwill and Other Intangible Assets*, effective August 1, 2002. SFAS 142 required that amortization of goodwill and intangible assets with indefinite lives cease as of August 1, 2002, and that the recorded value of goodwill and other indefinite lived intangible assets be reviewed annually, or more frequently if impairment indicators arise, for impairment. The Company performed the initial impairment test for goodwill attributable to each of its reporting units by comparing the fair value (determined on a discounted cash flow basis) of each reporting unit to its carrying value. In this test, due to the effect of recent global economic and industry specific conditions, the Company reduced the cash flow projections of certain reporting units compared to previous projections. The implementation of SFAS 142 resulted in a non-cash goodwill impairment charge of $35.7 million, net of tax, which was recorded retroactively in fiscal year 2003 to August 1, 2002, as a cumulative effect of accounting change. The Company s historical recorded value of goodwill is related primarily to the Specialty Electronic business segment and $30.5 million, net of tax, of the goodwill impairment charge was related to four subsidiaries and divisions in this segment, which represented 20% of total sales as of January 31, 2004.

Financial Condition

Liquidity and Capital Resources

The Company generated $8.5 million of cash from operating activities during the first six months of 2004, net of a $2.3 million increase in operating working capital. The increase in operating working capital for the period includes an increase in inventory of $2.9 million. The change in operating working capital excludes changes in cash and cash equivalents and current maturities of long-term debt.

Net cash used by investing activities of $1.7 million primarily represented amounts expended for capital additions of $3.1 million, offset in part by proceeds of $1.5 million from the sale of assets. Net cash provided by financing activities of $0.1 million includes $1.4 million of proceeds received from the exercise of stock options and issuance of common stock pursuant to the Company s employee stock purchase plan, which were largely offset by a net reduction of outstanding debt of $1.3 million.

The Company s primary sources of cash liquidity include cash and cash equivalents and cash from operations. Cash and cash equivalents increased $8.8 million for the six months ended January 31, 2004, to $41.5 million, of which $24.2 million is held by domestic subsidiaries or divisions. For the remainder of the fiscal year ended July 31, 2004 (fiscal year 2004), the Company expects to continue to generate positive net cash flows from operations due to revenue growth and continued management of working capital and SG&A. Additionally, the Company expects to receive approximately $2.0 million in proceeds from the sale of assets. See Note 3 Divestitures and Discontinued Operations. The Company s investing and financing requirements for the remainder of fiscal year 2004 include cash to support capital expenditures, debt service requirements, and employee benefit obligations. These requirements are expected to range from $8.0 to $9.0 million over the period. As discussed in Note 12 Subsequent Event, the Company and Belden Inc. announced that they had entered into a definitive Agreement and Plan of Merger. In the event that the merger is not consummated, the Company would evaluate a number of potential options, which would include restructurings of its businesses or other strategic alternatives. Certain restructuring options could require significant cash costs.

We believe that our existing cash and cash equivalents and our net cash provided by operating activities during fiscal 2004 will be sufficient to meet our current and forecasted cash requirements. Based on this forecast and the pending merger with Belden Inc., the Company has no plans to obtain a revolving credit facility at this time. The Company has deferred implementing letter of credit arrangements for ordinary course commercial transactions due to the pending merger with Belden Inc. However, if the merger were not consummated, the Company would plan to reestablish a letter of credit facility and a revolving credit facility, depending on costs and cash balance forecasts.

On July 8, 2003, the Company issued $110.0 million aggregate principal amount of unsecured subordinated debentures. The debentures are convertible into shares of common stock, at an initial conversion price of $9.0345 per share, upon the occurrence of certain events, and the conversion price is subject to adjustment under certain circumstances. Interest of 4.00% is payable semi-annually in arrears, commencing January 15, 2004. The debentures mature July 15, 2023, if not previously redeemed. The Company may redeem some or all of the debentures on or after July 21, 2008, at a price equal to 100% of the principal amount of the debentures plus accrued and unpaid interest up to the redemption date. Holders may require us to purchase all or part of their debentures on July 15, 2008, July 15, 2013, or July 15, 2018, at a price equal to 100% of the principal amount of the debentures plus accrued and unpaid interest up to the redemption date, in which case the purchase price may be paid in cash, shares of our common stock or a combination of cash and our common stock, at our option. The proceeds from the issuance of the debentures were used to reduce all borrowings under the Company s $150.0 million U.S. credit facility, including amounts outstanding under its $65.0 million revolving Canadian facility that was supported by a letter of credit under the U.S. facility. The U.S. facility was terminated on August 11, 2003, except with respect to $2.4 million of letters of credit that remain outstanding. The bank issuing the letters of credit remains the sole lender under such facility.

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On December 5, 2003, the Company filed a registration statement on Form S-3 in connection with its 4.00% convertible subordinated debentures due July 15, 2023. It is expected that the effectiveness of such registration statement will be delayed due to the filing of the registration statement on Form S-4 that the Company intends to file with the Securities and Exchange Commission (SEC) pursuant to the merger agreement and the joint proxy statement that the Company and Belden will file with the SEC pursuant to the merger agreement. As a result, under the Registration Rights Agreement entered into upon the issuance of the debentures, an additional 0.50% of interest will accrue on the debentures beginning on March 4, 2004, and continuing until the effectiveness of the registration statement on Form S-3.

The Company s ability to obtain external financing and the related cost of borrowing is affected by the Company s debt ratings, which are periodically reviewed by the major credit rating agencies. The debt ratings and outlook assigned to the 4.00% convertible subordinated debentures as of January 31, 2004, were Ba3/Stable by Moody s Investor Service, Inc. and B+/Stable by Standard & Poor s. On February 5, 2004, Standard & Poor s announced that it had placed its rating on CreditWatch with negative implications. On February 9, 2004, Moody s Investor Service, Inc. announced that it had placed its rating under review for possible downgrade. As reasons for their review, both credit rating agencies cited the Company s recent announcement that it and Belden Inc. had entered into a definitive agreement and plan of merger. See Note 7 Long-term Debt and Financing Arrangements for further discussion of the convertible notes.

An increase in the Company s level of indebtedness or deterioration in operating results could cause credit rating reductions. Further reductions in our current long-term debt rating by Moody s or Standard & Poor s could affect our ability to access the long-term debt markets, increase our cost of external financing, and result in additional restrictions on the way the we operate and finance our business.

A security rating by the major credit rating agencies is not a recommendation to buy, sell, or hold securities and may be subject to revision or withdrawal at any time by the rating agencies.

Critical Accounting Policies and Estimates

The condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America which require the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and revenues and expenses during the periods reported. Actual results could differ from those estimates. Information with respect to the Company s critical accounting policies which the Company believes could have the most significant effect on the Company s reported results and require subjective or complex judgments by management is contained in Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operations, of the Company s Annual Report on Form 10-K for the fiscal year ended July 31, 2003. Management believes that as of January 31, 2004, there has been no material change to this information.

Fluctuation in Copper Price

The cost of copper in inventories, including finished goods, reflects purchases over various periods of time ranging from one to several months for each of the Company s operations. For certain communication cable products, profitability is generally not significantly affected by volatility of copper prices as selling prices are generally adjusted for changes in the market price of copper. However, differences in the timing of selling price adjustments do occur and may impact near term results. For other products, selling prices are not generally adjusted to directly reflect changes in copper prices.

The Company currently values its inventory using the lower of market or first-in, first-out (FIFO) cost. Following periods of significant movement in the price of copper and for those operations having longer inventory cycles, utilizing FIFO may affect profitability from one period to the next. The Company does not generally engage in activities to hedge the underlying value of its copper inventory.

Business Seasonality

The Company s results for the second quarter ending in January are typically the weakest in our fiscal year. This is due to a combination of factors including: (1) the holiday season and fewer working days; (2) winter weather conditions; (3) increased customer utilization of calendar year-based rebate programs; (4) year-end inventory alignment by customers; and, in the past several years; (5) lower demand due to sluggish industry trends.

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Forward-Looking Statements *Under the Private Securities Litigation Act of 1995*

Certain statements in this quarterly report are forward-looking statements, including, without limitation, statements regarding future financial results and performance and available liquidity, future debt reduction or incurrence, amount, or date of recognition of, future pension obligations, and the Company s or management s beliefs, expectations or opinions. These statements are subject to various risks and uncertainties, many of which are outside the control of the Company, including the level of market demand for the Company s products, competitive pressures, the ability to achieve reductions in operating costs and to continue to integrate acquisitions, litigation exposure, price fluctuations of raw materials and the potential unavailability thereof, foreign currency fluctuations, technological obsolescence, environmental matters and other specific factors discussed in the Company s Annual Report on Form 10-K for the year ended July 31, 2003, and other SEC filings. In addition, see Note 12 Subsequent Events and Part II, Item 5. Other Information for a brief synopsis of the planned merger of the Company with Belden Inc. There can be no assurance as to the timing of the closing of the merger, or whether the merger will close at all. Obtaining required regulatory approvals may delay consummation of the merger. The consideration to be received by the Company s stockholders, as set forth in the Agreement and Plan of Merger, is fixed despite potential changes in stock prices. The officers and directors of the Company and Belden may have interests in the merger that are different from the interests of stockholders because of employment agreements, severance agreements and stock-based compensation arrangements. The combined company will rely heavily on key personnel, and there can be no assurance that such key personnel will be retained by the combined company. Integration of the Company and Belden operations may be difficult, and the expected synergies and cost savings might not be realized. If the merger is not completed, the Company s business and stock price might be negatively affected if customers, investors and others were to doubt the Company s ability to compete effectively on its own. The information contained herein represents management s best judgment as of the date hereof based on information currently available; however, the Company does not intend to update this information to reflect developments or information obtained after the date hereof and disclaims any legal obligation to the contrary.

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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.

	CABLE DESIGN TECHNOLOGIES CORPORATION
	/s/ Ferdinand C. Kuznik
April 27, 2004	Ferdinand C. Kuznik
	Chief Executive Officer
	/s/ William E. Cann
April 27, 2004	William E. Cann
	Vice President and Chief Financial Officer

10

,000 *

* Less than 1%

(1) Received pursuant to a Restricted Stock Compensation Agreement dated as of July 25, 2003 in consideration of services rendered as an independent communications consultant to the Company.

(2) Received pursuant to a Restricted Stock Compensation Agreement dated as of July 25, 2003 in consideration of services rendered as an independent design consultant to the Company (pursuant to an agreement with Cosaro & Associates, Ltd.).

(3) Received pursuant to a Restricted Stock Compensation Agreement dated as of July 25, 2003 in consideration of services rendered as an independent software/product development consultant to the Company.

PLAN OF DISTRIBUTION

We are registering the shares of common stock covered by this prospectus for the Selling Shareholders or their pledgees, donees, transferees or other successors-in-interest as a gift, partnership distribution or other non-sale-related-transfer after the date of this prospectus, who may sell the shares from time to time. The Selling Shareholders will act independently of us in making decisions with respect to the timing, manner and size of each sale. The sales may be made on the OTC Bulletin Board (owned and operated by Nasdaq Stock Market, Inc.), or otherwise, at prices and at terms then prevailing or at prices related to the then current market price, or in negotiated transactions. The Selling Shareholders may effect such transactions by selling the shares to or through broker-dealers or directly to purchasers (in the event of a private sale). The shares may be sold by one or more of, or a combination of, the following:

a block trade in which the broker-dealer so engaged will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;

purchases by a broker-dealer as principal and resale by such broker-dealer for its account pursuant to this prospectus;

ordinary brokerage transactions and transactions in which the broker solicits purchasers; and

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in privately negotiated transactions.

Certain Selling Shareholders may enter into hedging transactions with broker-dealers in connection with distributions of the shares or otherwise. In such transactions, broker-dealers may engage in short sales of the shares in the course of hedging the positions they assume with certain Selling Shareholders. Certain Selling Shareholders may also sell the shares short and redeliver the shares to close out such short positions. Such Selling Shareholders may enter into option or other transactions with broker-dealers which require the delivery to the broker-dealer of the shares. The broker-dealer may then resell or otherwise transfer such shares pursuant to this prospectus.

Certain Selling Shareholders also may loan or pledge the shares to a broker-dealer. The broker-dealer may sell the shares so loaned, or upon a default the broker-dealer may sell the pledged shares, pursuant to this prospectus.

Broker-dealers or agents may receive compensation in the form of commissions, discounts or concessions from Selling Shareholders. Broker-dealers or agents may also receive compensation from the purchasers of the shares for whom they act as agents or to whom they sell as principals, or both. In such cases, usual and customary brokerage fees will be paid by the Selling Shareholders. Broker-dealers or agents and any other participating broker-dealers or the Selling Shareholders may be deemed to be underwriters within the meaning of Section 2(11) of the Securities Act in connection with sales of the shares. Accordingly, any such commission, discount or concession received by them and any profit on the resale of the shares purchased by them may be deemed to be underwriting discounts or commissions under the Securities Act. Because Selling Shareholders may be deemed to be underwriters within the meaning of Section 2(11) of the Securities Act, the Selling Shareholders will be subject to the prospectus delivery requirements of the Securities Act. In addition, any securities covered by this prospectus which qualify for sale pursuant to Rule 144 promulgated under the Securities Act may be sold under Rule 144 rather than pursuant to this prospectus. There is no underwriter or coordinating broker acting in connection with the proposed sale of the shares by the Selling Shareholders.

We will bear all costs, expenses and fees in connection with the registration of the shares covered hereunder. The Selling Shareholders will bear all commissions and discounts, if any, attributable to the sales of the shares. The Selling Shareholders may agree to indemnify any broker-dealer or agent that participates in transactions involving sales of the shares against certain liabilities, including liabilities arising under the Securities Act.

Because the Company did not satisfy the requirements for use of Form S-3 in connection with secondary distributions as of the filing date of this prospectus, the amount of our common stock to be reoffered or resold by means of this reoffer prospectus, by each Selling Shareholder, whether holding control securities or restricted securities, and any other person with whom he or she is acting in concert for the purpose of selling shares of our common stock, may not exceed, during any three month period, the amount specified in Rule 144(e).

EXPERTS

Our financial statements as of December 31, 2003 and for each of the fiscal years in the two year period ended December 31, 2003 are incorporated herein by reference from our annual report on Form 10-KSB/A for the year ended December 31, 2003, in reliance upon the report of Chisholm, Bierwolf, & Nilson, LLC, independent auditors, also incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current event reports, proxy statements and other information with the U.S. Securities and Exchange Commission. You may read and copy any of the information on file with the Commission at the Commission s Public Reference Room at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549. Please call the Commission at 1-800-SEC-0330 for further information on the Public Reference Room. In addition, the Commission maintains an Internet site at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the Commission. We began filing documents with the Commission electronically on March 15, 2000, and became a successor issuer to Reagan Holdings, Inc. as of April 19, 2000 pursuant to Exchange Act Rule 12g-3, for which filings are also available dating back to November 16, 1999. Our filings with the Commission are also available to the public from commercial document retrieval services.

Our common stock is quoted on the OTC Bulletin Board, a service provided by the Nasdaq Stock Market, Inc.

We filed a registration statement on Form S-8 to register with the Commission the 300,000 shares of common stock offered by this prospectus. This document is part of that registration statement and constitutes a prospectus of Findex.com, Inc.

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As permitted by Commission rules, this document does not contain all the information you can find in the registration statement or exhibits to the registration statement.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Commission allows us to incorporate by reference information into this document, which means that we can disclose important information to you by referring you to another document filed separately with the Commission. The information incorporated by reference is deemed to be part of this document, except for any information superseded by information in this document or a document subsequently filed by us. This document incorporates by reference the documents set forth below that we have previously filed with the Commission. These documents contain important information about us and our financial performance.

(a) Annual Report on Form 10-KSB/A Year ended December 31, 2003.

(b) All other reports filed by us pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the Annual Report referred to in (a) above.

(c) The description of our common stock contained in our registration statement on Form SB-2 filed November 22, 2004 pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the Exchange Act), including any amendment or report filed for the purpose of updating such description.

(d) All documents filed by us pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, after the date hereof and prior to the filing of a post-effective amendment which indicates that all securities covered hereby have been sold or which deregisters all securities covered hereby then remaining unsold, such documents to form a part hereof, commencing on the respective dates on which the documents are filed.

Copies of these filings, excluding all exhibits unless an exhibit has been specifically incorporated by reference in this document, are available from us, at no cost, by writing or telephoning us at:

Findex.com, Inc.
11204 Davenport Street
Suite 100
Omaha, NE 68154
Attn: Corporate Secretary

(402) 333-1900

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement. We have authorized no one to provide you with different information. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of that document, regardless of the time of delivery of this prospectus or of any sale of shares of common stock.

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PART II
INFORMATION REQUIRED IN THE
REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The following documents or extracts of documents, which previously have been filed by the Company with the Commission, are incorporated herein by reference and made a part hereof:

(a) Annual Report on Form 10-KSB/A Year ended December 31, 2003.

(b) All other reports filed by us pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the Annual Report referred to in (a) above.

(c) The description of our common stock contained in our registration statement on Form SB-2 filed November 22, 2004 pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the Exchange Act), including any amendment or report filed for the purpose of updating such description.

(d) All documents filed by us pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, after the date hereof and prior to the filing of a post-effective amendment which indicates that all securities covered hereby have been sold or which deregisters all securities covered hereby then remaining unsold, such documents to form a part hereof, commencing on the respective dates on which the documents are filed.

For purposes of this registration statement, any document or any statement deemed to be incorporated by reference herein or contained in an incorporated document shall be deemed to be modified or superseded for purposes hereof to the extent that a statement contained herein or in any other subsequently filed incorporated document modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this registration statement.

ITEM 4. DESCRIPTION OF SECURITIES.

Not Applicable.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

Certain legal matters with respect to the validity of the securities registered hereby have been passed upon for the Registrant by the law firm of M.M. Membrado & Associates, PLLC, corporate counsel to the Registrant (Membrado). Michael M. Membrado, the sole principal of Membrado, has, either directly or through affiliates, received warrants to purchase an aggregate of 225,000 shares of our Common Stock at an exercise price of $0.01 per share. These warrants expire between March 7, 2006 and May 11, 2006.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Our Articles of Incorporation provide for indemnification of our directors. In addition, our Bylaws provide for indemnification of our directors, officers, employees or agents. In general, these provisions provide for indemnification in instances when such persons acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the Registrant.

In addition, Nevada law authorizes a Nevada corporation to indemnify its officers and directors against claims or liabilities arising out of such person s conduct as officers or directors if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the company for which they serve. Specifically, Section 78.7502 of the Nevada Revised Statutes (discretionary and mandatory indemnification of officers, directors, employees and agents: general provisions) provides as follows:

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1. A corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and that, with respect to any criminal action or proceeding, he had reasonable cause to believe that his conduct was unlawful.

2. A corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including amounts paid in settlement and attorneys fees actually and reasonably incurred by him in connection with the defense or settlement of the action or suit if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation. Indemnification may not be made for any claim, issue or matter as to which such a person has been adjudged by a court of competent jurisdiction, after of all appeals there from, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

3. To the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections 1 and 2, or in defense of any claim, issue or matter therein, the corporation shall indemnify him against expenses, including attorneys fees, actually and reasonably incurred by him in connection with the defense.

Nevada Revised Statutes 78.751 (Authorization required for discretionary indemnification; advancement of expenses; limitation on indemnification and advancement of expenses) provides as follows:

1. Any discretionary indemnification under NRS 78.7502 unless ordered by a court or advanced pursuant to subsection 2, may be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances. The determination must be made:

   (a) by the stockholders;

   (b) by the board of directors by majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding;

   (c)

if a majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding so orders, by independent legal counsel in a written opinion; or

(d) if a quorum consisting of directors who were not parties to the action, suit or proceeding cannot be obtained, by independent legal counsel in a written opinion.

2. The articles of incorporation or bylaws of the corporation, or an agreement made by the corporation, may provide that the expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding must be paid by the corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by the corporation. The provisions of this subsection do not affect any rights to advancement of expenses to which corporate personnel other than directors or officers may be entitled under any contract or otherwise by law.

3. The indemnification and advancement of expenses authorized in or ordered by a court pursuant to this section:

(a) Does not exclude any other rights to which a person seeking indemnification or advancement of expenses may be entitled under the articles of incorporation or any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, for either an action in his official capacity or an action in another capacity while holding his office, except that indemnification, unless ordered by a court pursuant to NRS 78.7502 or for the advancement of expenses made pursuant to subsection 2, may not be made to or on behalf of any director or officer if a final adjudication establishes that his acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action.

(b) Continues for a person who has ceased to be a director, officer, employee or agent and inures to the benefit of the heirs, executors and administrators of such a person.

Commission Policy

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

ITEM 7. EXEMPTIONS FROM REGISTRATION CLAIMED.

Exemption for the original issuance of the shares of common stock which may be offered or sold from time to time by the Selling Shareholders pursuant to the reoffer prospectus contained in this registration statement is claimed under Section 4(2) of the Securities Act and/or Rule 506 of Regulation D promulgated thereunder.

ITEM 8. EXHIBITS.

The Exhibits to this registration statement are listed in the Index To Exhibits contained on page 19.

ITEM 9. UNDERTAKINGS.

a) The undersigned Registrant hereby undertakes:

1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

i) to include any prospectus required by section 10(a)(3) of the Securities Act of 1933, as amended;

ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and

iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or 15(d) of the Exchange Act that are incorporated by reference in the registration statement.

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2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of Registrant s annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act, (and, where applicable, each filing of an employee benefit plan s annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

c) Insofar as indemnification for liabilities arising under the Securities Act, may be permitted to directors, officers and controlling persons of Registrant pursuant to the foregoing provisions, or otherwise, Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by Registrant of expenses incurred or paid by a director, officer or controlling person of Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act, and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Omaha, State of Nebraska, on March 7, 2005.

FINDEX.COM, INC.

By: /s/ Steven Malone
Steven Malone, President
and Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below hereby severally constitutes and appoints Steven Malone and Kirk Rowland, and each of them acting singly, as his or her true and lawful attorney-in-fact and agent, with full and several power of substitution and resubstitution, to sign for him or her and in his or her name, place and stead in any and all capacities indicated below, the registration statement on Form S-8 filed herewith and any and all pre-effective and post-effective amendments and supplements to the said registration statement, and to file the same, with exhibits thereto and other documents in connection therewith, with the U.S. Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary fully to all intents and purposes as he or she might or could do in person hereby ratifying and confirming all that said attorney-in-fact and agent, or his or her substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Steven Malone Steven P. Malone	Director, Chairman of the Board, President	March 7, 2005
/s/ John Kuehne John A. Kuehne	Director	March 7, 2005
/s/ Henry Washington Henry M. Washington	Director	March 7, 2005
/s/ Kirk Rowland Kirk R. Rowland	Director and Chief Financial Officer	March 7, 2005

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INDEX TO EXHIBITS

The following exhibits are filed with or incorporated by reference into this registration statement (numbering corresponds to exhibit table in Item 601 of Regulation S-B):

Exhibit Number	Description
4.1	Restricted Stock Compensation Agreement dated as of July 25, 2003 by and between the Registrant and Frank Quinby. FILED HEREWITH.
4.2	Restricted Stock Compensation Agreement dated as of July 25, 2003 by and between the Registrant and Richard Cosaro. FILED HEREWITH.
4.3	Restricted Stock Compensation Agreement dated as of July 25, 2003 by and between the Registrant and Edward Gerskovich. FILED HEREWITH.

23.1 Consent of Chisholm, Bierwolf & Nilson, LLC, Independent Certified Public Accountants. FILED HEREWITH.

24.1 Powers of Attorney (included on the signature page to this registration statement).