

Edgar Filing: COMPETITIVE TECHNOLOGIES INC - Form 10-Q/A

COMPETITIVE TECHNOLOGIES INC
Form 10-Q/A
March 04, 2011

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

FORM 10-Q
AMENDMENT NO. 1

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 for the quarterly period ended October 31, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 for the transition period from _____ to _____

Commission file number 1-8696

*

**----- COMPETITIVE
***----- TECHNOLOGIES
**===== Unlocking the Potential of Innovation (R)
=====

* (R) Technology Transfer and Licensing Services

COMPETITIVE TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)
www.competitivetech.net

Delaware 36-2664428

(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

1375 Kings Highway East, Fairfield, Connecticut 06824

(Address of principal executive offices) (Zip Code)

(203) 368-6044

(Registrant's telephone number, including area code)
N/A

(Former name, former address and former fiscal year, if changed since last
report)

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 has submitted electronically and

Edgar Filing: COMPETITIVE TECHNOLOGIES INC - Form 10-Q/A

posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months. 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 definition of "accelerated filer, large accelerated filer and smaller reporting company" as defined in Rule 12b-2 of the Exchange Act.

Large accelerated filer [] Accelerated filer []
Non-accelerated filer [] Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in rule 12b-2 of the Exchange Act). Yes [] No [X]

The number of shares of the registrant's common stock outstanding as of December 15, 2010 was 13,824,944 shares.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-Q revises the Quarterly Report on Form 10-Q for the period ended October 31, 2010 of Competitive Technologies, Inc., initially filed on December 15, 2010 (the "Form 10-Q"). The revisions are in response to comments received from the SEC.

Edgar Filing: COMPETITIVE TECHNOLOGIES INC - Form 10-Q/A

COMPETITIVE TECHNOLOGIES, INC.

INDEX TO QUARTERLY REPORT ON FORM 10-Q

PART I.	FINANCIAL INFORMATION	PAGE NO.
-----	-----	-----
Item 1.	Condensed Consolidated Interim Financial Statements (Unaudited)	
	Condensed Consolidated Balance Sheets at October 31, 2010 (unaudited) and July 31, 2010	4
	Condensed Consolidated Statements of Operations for the three months ended October 31, 2010 and 2009 (unaudited)	5
	Condensed Consolidated Statement of Changes in Shareholders' Interest for the three months ended October 31, 2010 (unaudited)	6
	Condensed Consolidated Statements of Cash Flows for the three months ended October 31, 2010 and 2009 (unaudited)	7
	Notes to Condensed Consolidated Interim Financial Statements (unaudited)	8 - 13
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	14 - 18
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	18
Item 4.	Controls and Procedures	18
PART II.	OTHER INFORMATION	
-----	-----	
Item 1.	Legal Proceedings	19
Item 1A.	Risk factors	19
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	19
Item 3.	Defaults Upon Senior Securities	19
Item 5.	Other Information	19
Item 6.	Exhibits	19
	Signatures	20
	Exhibit Index	21

Page 3

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Edgar Filing: COMPETITIVE TECHNOLOGIES INC - Form 10-Q/A

COMPETITIVE TECHNOLOGIES, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

	OCTOBER 31, 2010	July 31, 2010
	-----	-----
	(UNAUDITED)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 872,764	\$ 907,484
Receivables, net of allowance of \$101,154 at October 31, 2010 and July 31, 2009	1,788,678	3,536,572
Inventory	245,582	272,869
Prepaid expenses and other current assets	77,026	69,080
	-----	-----
Total current assets	2,984,050	4,786,005
Property and equipment, net	162,540	163,918
	-----	-----
TOTAL ASSETS	\$ 3,146,590	\$ 4,949,923
	=====	=====
LIABILITIES AND SHAREHOLDERS' INTEREST		
Current Liabilities:		
Accounts payable	\$ 836,033	\$ 1,046,174
Accrued expenses and other liabilities	727,034	1,228,878
	-----	-----
Total current liabilities	1,563,067	2,275,052
Deferred Rent	60,462	66,369
	-----	-----
Total Liabilities	1,623,529	2,341,421
	-----	-----
Commitments and Contingencies		
Shareholders' interest:		
5% preferred stock, \$25 par value, 35,920 shares authorized, 2,427 shares issued and outstanding	60,675	60,675
Common stock, \$.01 par value, 20,000,000 shares authorized, 13,824,944 shares issued and outstanding	138,249	138,249
Capital in excess of par value	43,453,126	43,444,154
Receivable from Crisnic	(564,420)	(564,420)
Accumulated deficit	(41,564,569)	(40,470,156)
	-----	-----
Total shareholders' interest	1,523,061	2,608,502
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' INTEREST	\$ 3,146,590	\$ 4,949,923
	=====	=====

See accompanying notes

Page 4

PART I. FINANCIAL INFORMATION (CONTINUED)

COMPETITIVE TECHNOLOGIES, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

Edgar Filing: COMPETITIVE TECHNOLOGIES INC - Form 10-Q/A

(Unaudited)

	Three months ended October 31,	
	2010	2009
REVENUE		
Product sales	\$ 107,996	\$ 135,096
Retained royalties	7,464	9,001
Investment income	10	30
Other income	4,000	-
	-----	-----
TOTAL REVENUE	119,470	144,127
	-----	-----
EXPENSES		
Cost of product sales	18,191	-
Personnel and other direct expenses relating to revenue	476,403	442,393
General and administrative expenses	717,594	456,291
Interest expense	1,695	1,169
	-----	-----
TOTAL EXPENSES	1,213,883	899,853
	-----	-----
(Loss) before income taxes	(1,094,413)	(755,726)
Provision (benefit) for income taxes	-	-
	-----	-----
NET (LOSS)	\$ (1,094,413)	\$ (755,726)
	=====	=====
Basic and diluted (loss) per share	\$ (0.08)	\$ (0.08)
	=====	=====
Basic and diluted weighted average number of common shares outstanding:	13,824,944	9,885,432

See accompanying notes

Page 5

PART I. FINANCIAL INFORMATION (CONTINUED)

COMPETITIVE TECHNOLOGIES, INC. AND SUBSIDIARIES
Condensed Consolidated Statement of Changes in Shareholders' Interest
For the Three Months Ended October 31, 2010
(Unaudited)

	PREFERRED STOCK		COMMON STOCK			RECEIVABLE
	SHARES	AMOUNT	SHARES	AMOUNT	IN EXCESS	FROM
	OUTSTANDING	AMOUNT	OUTSTANDING	AMOUNT	OF PAR VALUE	CRISNIC
	-----	-----	-----	-----	-----	FUND
	-----	-----	-----	-----	-----	-----
Balance - July 31, 2010	2,427	\$60,675	13,824,944	\$138,249	\$ 43,444,154	\$ (564,4
NET (LOSS)						

Edgar Filing: COMPETITIVE TECHNOLOGIES INC - Form 10-Q/A

COMPENSATION EXPENSE FROM STOCK OPTION GRANTS	-	-	-	-	8,972	
BALANCE - OCTOBER 31, 2010	2,427	\$60,675	13,824,944	\$138,249	\$ 43,453,126	\$ (564,4