

MECHANICAL TECHNOLOGY INC
Form 10-K/A
March 22, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K/A
AMENDMENT NO. 1

/X/ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2004

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 0-6890

MECHANICAL TECHNOLOGY INCORPORATED

(Exact name of registrant as specified in its charter)

New York

14-1462255

(State or other jurisdiction of

(I.R.S. Employer

incorporation or organization)

Identification No.)

431 New Karner Road, Albany, New York

12205

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (518) 533-2200

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

Securities registered pursuant to Section 12 (g) of the Act:

\$1.00 Par Value Common Stock

(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 (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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. "

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

The aggregate market value of the voting and non-voting Registrant's common stock held by non-affiliates of the Registrant on June 30, 2004 (based on the last sale price of \$5.98 per share for such stock reported by NASDAQ for that date) was approximately \$141,233,398.

As of March 9, 2005, the Registrant had 30,610,213 shares of common stock outstanding.

Documents incorporated by reference: NONE

EXPLANATORY NOTE

This Annual Report on Form 10-K/A ("Form 10-K/A") is being filed as Amendment No. 1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2004. This Form 10-K/A is filed with the Securities and Exchange Commission (the "Commission") solely for the purpose of filing financial statements of SatCon Technology Corporation in accordance with the requirements of Rule 3-09 of Regulation S-X and filing the Consent from their auditors.

PART IV

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ITEM 15: EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) (1) The financial statements filed herewith are set forth on the Index to Consolidated Financial Statements on page F-1 of the separate financial section which accompanies this Report, which is incorporated herein by reference.

(a) (2) Schedule. The following consolidated financial statement schedule for the years ended December 31, 2004, 2003 and 2002 is included pursuant to Item 15(d):

Report of Independent Registered Public Accounting Firm on Financial Statements Schedule;

Schedule II- Valuation and Qualifying Accounts.

All other financial statement schedules not listed have been omitted because they are either not required, not applicable, or the information has been included elsewhere in the consolidated financial statements or notes thereto.

(a) (3) Exhibits. The exhibits listed in the Exhibit Index immediately preceding the exhibits are filed as part of this Annual Report on Form 10-K.

The following exhibits are filed as part of this Report:

Exhibit

Number

Description

- 3.1 Certificate of Incorporation of the registrant, as amended and restated and amended. (3)(8)(9)
- 3.2 By-Laws of the registrant, as restated. (3)
- 4.1 Certificate of Additional Investment Rights issued to Fletcher International, Ltd. (19)
- 10.1 Mechanical Technology Incorporated Restricted Stock Incentive Plan. (1)
- 10.14 Mechanical Technology Incorporated Stock Incentive Plan for its December 20, 1996 Special Meeting of Shareholders. (2)
- 10.21 Asset Purchase Agreement between Mechanical Technology and NYFM, Incorporated, dated as of March 31, 1998. (4)
- 10.30 Mechanical Technology Incorporated 1999 Employee Stock Incentive Plan. (5)
- 10.32 Stock Purchase Agreement, dated October 1, 1999, between the registrant, Ling Electronics, Inc., Ling Electronics, Ltd. and SatCon Technology Corporation. (6)
- 10.33 Securities Purchase Agreement, dated October 21, 1999, between the registrant and SatCon Technology Corporation. (6)
- 10.34 Mechanical Technology Incorporated Registration Rights Agreement, dated October 21, 1999, between the registrant and SatCon Technology Corporation. (6)
- 10.36 Mechanical Technology Incorporated Stock Purchase Warrant dated October 21, 1999. (6)
- 10.37 SatCon Technology Corporation Stock Purchase Warrant dated October 21, 1999. (6)

Exhibit

Number

Description

| | |
|--------|---|
| 10.38 | Lease dated August 10, 1999 between Carl E. Touhey and Mechanical Technology, Inc. (6) |
| 10.39 | Registration Rights Agreement, dated November 1, 1999 by and among Plug Power Inc. and the registrant. (6) |
| 10.41 | Mechanical Technology Incorporated Stock Purchase Warrant dated January 31, 2000. (7) |
| 10.42 | SatCon Technology Corporation Stock Purchase Warrant dated January 31, 2000. (7) |
| 10.43 | Lease dated April 2, 2001 between Kingfisher L.L.C. and Mechanical Technology Inc. (10) |
| 10.44 | First Amendment to lease dated March 13, 2003 between Kingfisher L.L.C. and Mechanical Technology Inc. (12) |
| 10.118 | Exchange Agreement dated December 20, 2002 by and between First Albany Companies Inc. and Mechanical Technology Incorporated. (11) |
| 10.119 | Strategic Alliance Agreement, dated as of September 19, 2003, between The Gillette Company and MTI MicroFuel Cells Inc. (portions omitted pursuant to pending confidential treatment request). (13) |
| 10.120 | Funding Agreement, dated as of September 19, 2003, between the registrant and The Gillette Company (portions omitted pursuant to pending confidential treatment request). (13) |
| 10.121 | Agreement, dated January 26, 2004, between Mechanical Technology Inc. and Fletcher International, Ltd. (15) |

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- 10.122 Amendment No. 1 to the Main Agreement dated as of May 4, 2004 entered into by and between the registrant and Fletcher International, Ltd. (16)
- 10.123 Amendment to the Strategic Alliance Agreement between The Gillette Company and MTI MicroFuel Cells Inc. dated August 18, 2004. (17)
- 10.124 MTI MicroFuel Cells Inc. 2001 Employee, Director and Consultant Stock Option Plan (Amended and Restated as of September 23, 2004). (18)
- 10.125 MTI MicroFuel Cells Inc. 2001 Employee, Director and Consultant Stock Option Plan Stock Option Agreement (Updated September 23, 2004). (18)
- 10.126 MTI MicroFuel Cells Inc. 2001 Stock Option Agreement for Employees, Consultants and Directors. (18)
- 10.127 MTI MicroFuel Cells Inc. Notice of Exercise of Option (Updated September 23, 2004). (18)
- 10.128 Lease dated January 26, 2005 between 750 University LLC and MTI MicroFuel Cells Inc.
- 10.129 Base Salaries of Named Executive Officers of the Registrant.
- 10.130 Cash Compensation for Non-Management Directors of the Registrant.

Exhibit

Number

Description

| | |
|---------|--|
| 14.1 | Code of Ethics. (14) |
| 21 | Subsidiaries of the Registrant. (14) |
| 23 | Consent of PricewaterhouseCoopers LLP.(20) |
| 23.1 | Consent of KPMG LLP. |
| 23.2 | Consent of Grant Thornton LLP. |
| 31.1 | Rule 13a-14(a)/15d-14(a) Certification of Steven N. Fischer. |
| 31.2 | Rule 13a-14(a)/15d-14(a) Certification of Cynthia A. Scheuer. |
| 32.1 | Section 1350 Certification of Steven N. Fischer. |
| 32.2 | Section 1350 Certification of Cynthia A. Scheuer. |
| 99.15.1 | Other Consolidated Financial Statements and Supplementary Data (Plug Power Inc. for the Years Ended December 31, 2002, 2001 and 2000) (20) |
| 99.15.2 | Other Consolidated Financial Statements and Supplementary Data (SatCon Technology Corporation for the Nine Months Ended June 29, 2002 (unaudited) (20) |
| 99.15.3 | Other Consolidated Financial Statements and Supplementary Data (SatCon Technology |

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Corporation for the Years Ended September 30, 2002, 2001 and 2000)

Certain exhibits were previously filed (as indicated below) and are incorporated herein by reference. All other exhibits for which no other filing information is given are filed herewith:

- Filed as Exhibit 28.1 to the registrant's Form S-8 Registration Statement No. 33-26326, filed December 29, 1988.
- Filed as Appendix A to the registrant's Definitive Proxy Statement Schedule 14A filed November 19, 1996.
- Filed as an Exhibit to the Proxy Statement, Schedule 14A, dated March 9, 1998.
- Filed as an Exhibit (bearing the same exhibit number) to the registrant's Form S-2 dated August 18, 1998.

- Filed as an Exhibit to the registrant's Proxy Statement, Schedule 14A, dated February 13, 1999.

- Filed as an Exhibit (bearing the same exhibit number) to the registrant's Form 10-K Report for the fiscal year ended September 30, 1999.
- Filed as an Exhibit (bearing the same exhibit number) to the registrant's Form 10-Q Report for its fiscal quarter ended December 31, 1999.
- Filed as an Exhibit to the Proxy Statement, Schedule 14A, dated February 22, 2000.
- Filed as an Exhibit to the Proxy Statement, Schedule 14A, dated March 19, 2001.

10. Filed as an Exhibit (bearing the same exhibit number) to the registrant's Form 10-K Report for the fiscal year ended September 30, 2001.

- 11. Filed as an Exhibit to the registrant's Form 13-D/A Report dated January 3, 2003.
- 12. Filed as an Exhibit to the registrant's Form 10-K Report for the year ended December 31, 2002.
- 13. Filed as an Exhibit to the registrant's Form 10-Q Report for its fiscal quarter ended September 30, 2003.
- 14. Filed as an Exhibit to the registrant's Form 10-K Report for the year ended December 31, 2003.
- 15. Filed as an Exhibit to the registrant's Form 8-K Report dated January 27, 2004.
- 16. Filed as an Exhibit to the registrant's Form 8-K Report dated May 4, 2004.
- 18. Filed as an Exhibit to the registrant's Form 10-Q Report for its quarter ended September 30, 2004.
- 19. Filed as an Exhibit to the registrant's Form 8-K Report dated December 10, 2004.
- 20. Filed as an Exhibit to the registrant's Form 8-K Report dated December 22, 2004.
- 21. Filed as an Exhibit to the registrant's Form 10-K Report for the Year ended December 31, 2004.

- In accordance with the requirements of Rule 3-09 of Regulation S-X and as a result of comments received from the Securities and Exchange Commission in connection with a review of our previous filings, separate financial statements for Plug Power Inc. and SatCon Technology Corporation, less than fifty percent owned entities, filed herewith are set forth on their respective Indexes to Financial Statements of their separate financial sections. Such financial sections are filed as Exhibits 99.15.1 and 99.15.2 for Plug Power and SatCon, respectively. Plug Power's fiscal year ended December 31, 2002 and SatCon's unaudited nine months ended June 29, 2002.

Further, in accordance with the requirements of Rule 3-09 of Regulation S-X and as a result of comments received from the Securities and Exchange Commission in connection with a review of our previous filings, separate financial statements for SatCon Technology Corporation, less than fifty percent owned entity, filed herewith are set forth on the Index to Financial Statements of the separate financial section. Such financial section is filed as Exhibit 99.15.3 for SatCon to this Form 10-K/A Amendment No.1. SatCon's fiscal year ended September 30, 2002.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Amendment No 1 to Form 10-K on Form 10-K/A to be signed on its behalf by the undersigned, thereunto duly authorized on this 21 st day of March, 2005.

MECHANICAL TECHNOLOGY INCORPORATED

Date: March 22, 2005

By: /s/ Steven N. Fischer

Steven N. Fischer

Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| <u>SIGNATURE</u> | <u>TITLE</u> | <u>DATE</u> |
|---|---|----------------|
| <u>/s/ Steven N. Fischer</u> Steven N. Fischer | Chief Executive Officer and Chairman of the Board of Directors | March 22, 2005 |
| <u>/s/ Cynthia A. Scheuer</u> Cynthia A. Scheuer | Chief Financial Officer (Principal Financial and Accounting Officer) | March 22, 2005 |
| <u>/s/ Dale W. Church</u> Dale W. Church | President of MTI Government Systems and Director | March 22, 2005 |
| <u>/s/ Edward A. Dohring</u> Edward A. Dohring | Director | March 22, 2005 |
| <u>/s/</u> <u>Thomas J. Marusak</u> Thomas J. Marusak | Director | March 22, 2005 |
| <u>/s/ William P. Phelan</u> William P. Phelan | Director | March 22, 2005 |
| <u>/s/ E. Dennis O'Connor</u> E. Dennis O'Connor | Director | March 22, 2005 |

/s/ Walter L. Robb

Director

March 22, 2005

Dr. Walter L. Robb

/s/ Beno Sternlicht

Director

March 22, 2005

Dr. Beno Sternlicht