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BLONDER TONGUE LABORATORIES INC

Form 8-K

November 08, 2004

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): November 2, 2004

Blonder Tongue Laboratories, Inc.
(Exact Name of registrant as specified in its charter)

| | | |
|---|-------------------------|---|
| Delaware | 1-14120 | 52-1611421 |
| (State or other jurisdiction of incorporation) | Commission File Number) | (I.R.S. Employer Identification No.) |

One Jake Brown Road, Old Bridge, New Jersey 08857
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (732) 679-4000

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 2.02 Results of Operations and Financial Condition.

On November 8, 2004, Blonder Tongue Laboratories, Inc. (the "Company") issued a press release announcing that it intends to file a restatement of certain past financial statements. A copy of the press release is attached to this Report as Exhibit 99.1 and is incorporated herein by reference. The information contained in Item 4.02 hereof is incorporated herein by reference.

Item 4.02 Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.

The Company is in the process of preparing a restatement of certain past financial statements. Due to accounting adjustments in 2001 and 2002 that are described in more detail below, the financial statements of the Company for the following periods should no longer be relied upon:

- o Audited consolidated financial statements as of December 31, 2001, 2002 and 2003 and for each of the years in the three year period ended December 31, 2003, and
- o Unaudited consolidated balance sheets as of March 31, 2004 and June 30, 2004.

The Company intends to file amendments to its Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and the subsequent Quarterly Reports on Form 10-Q for the quarters ended March 31, 2004 and June 30, 2004 to restate the financial statements and related information contained therein. On November 2, 2004, the Company's Audit Committee agreed with management's recommendation to restate the financial statements of the Company for these periods.

The Company's restatement arises from a determination that a vendor's account payable balance was incorrectly recorded in 2001 and 2002. Certain amounts due to this vendor related to inventories received that were not correctly recorded, and resulted in accounts payable being understated. These incorrect amounts also resulted in the understatement of cost of goods sold in 2001 and 2002, the overstatement of net income in 2001 and the understatement of net loss in 2002 and 2003. The effect of these entries, net of taxes, on the financial statements of the Company is summarized below and will be set forth in greater detail in the amended Form 10-K and Forms 10-Q that are expected to be filed in November 2004.

The following table sets forth selected line items from the Company's consolidated statement of operations that are affected by the restatement on a restated basis and as previously reported:

(In thousands, except per-share a

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| | For the Year Ending December 31, 2003 | | For the Year Ending December 31, 2002 | |
|--|--|----------------|--|----------------|
| | As restated | As reported | As restated | As reported |
| Cost of goods sold | \$25,948 | \$25,948 | \$34,718 | \$ 34,195 |
| Provision (benefit) for income taxes | (318) | (691) | 43 | 221 |
| Net (loss) earnings | (3,122) | (2,749) | (6,802) | (6,457) |
| Basic and diluted earnings (loss) per share | (0.41) | (0.36) | (0.89) | (0.84) |

The effect on the 2002 and 2003 quarters will be reflected in the amended Form 10-K for the fiscal year ended December 31, 2003.

The following table sets forth selected line items from the Company's consolidated balance sheet that are affected by the restatement on a restated basis and as previously reported:

(In thousands)

| | At December 31, 2003 | | At December 31, 2002 | |
|------------------------------------|----------------------|----------------|----------------------|----------------|
| | As restated | As reported | As restated | As reported |
| Deferred income taxes (current) | \$ 2,279 | \$ 2,279 | \$ 2,231 | \$ 1,858 |
| Accounts payable | 2,731 | 1,676 | 1,943 | 888 |
| Retained earnings | 12,187 | 13,242 | 15,309 | 15,991 |

As previously reported in the Company's Form 10-Q for the quarter ended June 30, 2004, the Company reclassified certain inventory not anticipated to be sold in the next twelve months, as non-current. This procedure was applied to the December 31, 2003 balance sheet during the second quarter of 2004. The amended Form 10-K for the fiscal year ended December 31, 2003 and the amended Form 10-Q for the quarter ended March 31, 2004, will also reflect this change to the December 31, 2003 and March 31, 2004 balance sheets.

The Audit Committee has discussed with BDO Seidman, LLP, the Company's independent registered public accounting firm, the matters disclosed in this filing. The Company is working expeditiously to prepare its amended filings. The Company's restated annual financial statements will be subject to an audit by BDO Seidman, LLP and the Company's restated quarterly financial statements will be subject to a review by BDO Seidman, LLP. The Company expects to file the Form 10-K/A and the Forms 10-Q/A amended filings, reflecting all necessary adjustments, prior to filing its third quarter 2004 Form 10-Q in November 2004.

Forward Looking Statements

This report contains forward-looking statements (statements that are not historical facts) within the meaning of The Private Securities Litigation Reform Act of 1995. These statements, such as the expected date of filing the amended Form 10-K and Forms 10-Q, are neither promises nor guarantees, are based upon

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assumptions and estimates that might not be realized and are subject to risks and uncertainties that could cause actual results to differ materially from those in the forward looking statements. Such risks and uncertainties include the time required to fully analyze the effect of the change in accounting entries, the results of such analysis, and the time required for the Company's independent auditors to audit and review the Company's restated financial statements.

Item 9.01 Financial Statements and Exhibits.

(c) The following exhibits are filed herewith:

Exhibit 99.1 Press Release dated November 8, 2004.

SIGNATURE

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 hereunto duly authorized.

BLONDER TONGUE LABORATORIES, INC.

By: /s/ Eric Skolnik
Senior Vice President and Chief Financial Officer

Date: November 8, 2004

EXHIBIT INDEX

| Exhibit No. | Description |
|--------------|--|
| Exhibit 99.1 | Press Release of the Company dated November 8, 2004. |