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SSP SOLUTIONS INC
Form 10KSB/A
April 02, 2004

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1 TO
FORM 10-KSB

(MARK ONE)

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003.

OR

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO
_____.

COMMISSION FILE NUMBER 000-26227

SSP SOLUTIONS, INC.

(exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)

33-0757190

(I.R.S. Employer
Identification No.)

17861 CARTWRIGHT ROAD, IRVINE, CALIFORNIA

(Address Of Principal Executive Offices)

92614

(Zip Code)

(949) 851-1085

(Issuer's telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act: NONE

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

COMMON STOCK

(Title Of Class)

Check whether the issuer: (1) filed all reports required to be filed by Section
13 or 15(d) of the Exchange Act during the past 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

Check if there is no disclosure of delinquent filers in response to Item 405 of
Regulation S-B is not contained in this form, and no disclosure will 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-KSB
or any amendment to this Form 10-KSB.

The registrant's total revenues for the year ended December 31, 2003 were
\$13,345,000.

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The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price of the common equity, as of the close of business on March 29, 2004, was \$23,620,859. The registrant has no non-voting common equity.

As of March 29, 2004 the number of outstanding shares of the registrant's common stock was 38,816,398.

DOCUMENTS INCORPORATED BY REFERENCE: NONE.

PURPOSE OF AMENDMENT: The registrant hereby amends and restates Item 11 - Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters, and Item 13 - Exhibits, List and Reports on Form 8-K.

PART III

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

BENEFICIAL OWNERSHIP TABLE

As of the close of business on March 29, 2004, a total of 38,816,398 shares of our common stock were outstanding. The following table sets forth information as of that date regarding the beneficial ownership of our common stock by:

- o each of our directors;
- o each of our current executive officers who is named in the summary compensation table;
- o all of our directors and executive officers as a group; and
- o each person known by us to beneficially own 5% or more of the outstanding shares of our common stock as of the date of the table.

Except as indicated below, the address for each named beneficial owner is the same as ours. The inclusion of shares in this table as beneficially owned is not an admission of beneficial ownership. Percentages shown as an asterisk represent less than 1.00%.

Except as described in the footnotes to the table, beneficial ownership is determined in accordance with Rule 13d-3 promulgated by the Commission, and generally includes voting or investment power with respect to securities. Except as indicated below, we believe each holder possesses sole voting and investment power with respect to all of the shares of common stock owned by that holder, subject to community property laws where applicable. In computing the number of shares beneficially owned by a holder and the percentage ownership of that holder, shares of common stock subject to options or warrants or underlying notes or preferred stock held by that holder that are currently exercisable or convertible or are exercisable or convertible within 60 days after the date of the table are deemed outstanding. Those shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other person or group.

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| NAME OF BENEFICIAL OWNER | BENEFICIAL OWNERSHIP OF COMMON STOCK | |
|--|--------------------------------------|----------------------------|
| | NUMBER OF SHARES | PERCENTAGE OF COMMON STOCK |
| SAFLINK Corporation..... | 15,341,671 | (1) 39.52% |
| Kris Shah..... | 5,863,776 | (2) 15.07% |
| Marvin J. Winkler..... | 5,796,888 | (3) 14.90% |
| Thomas E. Schiff..... | 453,959 | (4) 1.16% |
| Gregg Amber..... | 95,545 | (5) * |
| Ron R. Goldie..... | 37,500 | (6) * |
| David A. Janes..... | 31,250 | (7) * |
| Richard P. Kiphart..... | 13,883,054 | (8) 28.17% |
| Wave Systems Corp..... | 3,522,783 | (9) 9.08% |
| All directors and executive officers as a group (6 persons)..... | 12,247,668 | (10) 31.03% |

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- (1) This number of outstanding shares of common stock is subject to voting agreements dated March 22, 2004 by and among SAFLINK Corporation, Spartan Acquisition Corporation and the following stockholders of SSP Solutions, Inc. ("Named Holders"): Richard P. Kiphart, JAW Financial, L.P., The Winkler Childrens Trust 1998, The Schiff Family 1998 Living Trust, Leena Shah Trust, Kris & Geraldine Shah Family Trust, and Chandra L. Shah Trust. The voting agreements provide that SAFLINK Corporation shall have the power to vote or direct the vote of the shares covered by the voting agreements with respect to matters specified in the voting agreements. Pursuant to the voting agreements, SAFLINK Corporation's board of directors holds irrevocable proxies as to these shares and any other shares of common stock that may be acquired by the Named Holders prior to the termination of the voting agreements. As of the date of the table, the Named Holders beneficially owned 10,997,436 shares of common stock underlying derivative securities. If those 10,997,436 shares of common stock were added to the outstanding shares of common stock shown in the table, SAFLINK Corporation would be deemed to have beneficially owned an aggregate of 25,997,677 shares of common stock as of the date of the table, which represented 52.19% of the outstanding shares of our common stock when calculated in accordance with Rule 13d-3. SAFLINK Corporation expressly disclaims beneficial ownership of any of the shares of our common stock subject to the voting agreements.
- (2) Includes 435,301 shares held by the Chandra L. Shah Trust, of which Mr. Shah is the trustee; 435,301 shares held by the Leena Shah Trust, of which Mr. Shah is the trustee; 4,898,940 shares held by the Kris and Geraldine Shah Family Trust, of which Mr. Shah and his wife are the trustees and beneficiaries; and; 94,234 shares underlying common stock purchase options. Voting and dispositive power is held by Kris and Geraldine Shah as trustees. Mr. Shah is our co-chairman, president, chief operating officer and secretary.
- (3) Includes 94,234 shares underlying common stock purchase options. JAW Financial, L.P. shares voting and dispositive power over these shares with JAW Lending, Inc., the general partner of JAW Financial, L.P., and Marvin J. Winkler, an executive officer and 50% shareholder of JAW

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Lending, Inc. Mr. Winkler is our co-chairman and chief executive officer.

- (4) Includes 339,046 shares underlying common stock purchase options.
- (5) Includes 90,250 shares underlying common stock purchase options.
- (6) Includes 37,500 shares underlying common stock purchase options.
- (7) Includes 31,250 shares underlying common stock purchase options.
- (8) Includes 3,413,132 outstanding shares of common stock, 1,289,704 shares of common stock underlying the principal balance of, and estimated interest on, a retained note, 4,461,653 shares of common stock underlying an warrants, and 4,718,565 shares of common stock underlying Series A Preferred face amount and dividends. Mr. Kiphart's mailing address is c/o William Blair & Company, L.L.C., 222 West Adams Street, Chicago, IL 60606.
- (9) Power to vote or dispose of the shares is held by Gerard T. Feeney as chief financial officer and Steven Sprague as chief executive officer. The address for Wave Systems Corp. is 480 Pleasant Street, Lee, MA 01238.
- (10) Includes 11,592,404 outstanding shares of common stock and 655,264 shares of common stock underlying options.

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EQUITY COMPENSATION PLAN INFORMATION

The following table gives information about our common stock that may be issued upon the exercise of options, warrants and rights under all of our existing equity compensation plans as of December 31, 2003.

| PLAN CATEGORY ----- | NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS ----- (a) | WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS ----- (b) |
|---|---|---|
| Equity compensation plans approved by security holders | 4,248,567 (1) | \$1.29 |
| Equity compensation plans not approved by security holders | -- | -- |
| Total | 4,248,567 | \$1.29 |

- (1) Represents shares of common stock underlying options that are

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outstanding under our 1998 Stock Option Plan, our Second Amended and Restated 1999 Stock Option Plan, and the BIZ Interactive Zone, Inc. 2000 Stock Option Plan.

- (2) Represents shares of common stock available for issuance under options that may be issued under our Second Amended and Restated 1999 Stock Option Plan.

CHANGES IN CONTROL

In March 2004, we entered into an Agreement and Plan of Merger and Reorganization with SAFLINK. The merger agreement with SAFLINK contemplates that we will merge with a newly-formed wholly-owned subsidiary of SAFLINK and become a wholly-owned subsidiary of SAFLINK, with each share of our common stock being exchanged for 0.6 shares of SAFLINK common stock. The consummation of the merger is subject to the adoption by the our stockholders of the merger agreement, the approval by SAFLINK stockholders of the issuance of shares of SAFLINK common stock in the merger, and other customary closing conditions.

A substantial number of shares of our common stock will potentially be issued upon conversion of derivative securities issued to investors and the placement agent and exchange agent in the Series A Preferred Stock financing and other bridge financing transactions. If beneficial ownership limitations are waived or otherwise become inoperative, the holders of those derivative securities may collectively be in a position to effectuate a change of control by converting their notes and preferred stock into, and exercising their warrants for, a number of shares of our common stock that represents in excess of 50% of our voting power.

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ITEM 13. EXHIBITS, LIST AND REPORTS ON FORM 8-K

- (a) Exhibits

Reference is made to the exhibits listed on the Index to Exhibits contained in this amendment.

- (b) Reports on Form 8-K

On December 11, 2003, we filed a Form 8-K for December 10, 2003 that contained information under Item 5 regarding our annual stockholders' meeting date.

On November 21, 2003, we filed a Form 8-K for November 17, 2003 that contained information and exhibits under Items 5 and 7 regarding the closing of a private placement.

On November 5, 2003, we filed a Form 8-K for November 5, 2003 that contained information under Item 5 regarding our annual stockholders' meeting date.

On November 3, 2003, we filed a Form 8-K for October 31, 2003 that contained Items 5 and 7 and included a press release related to a transfer of shares by our co-chairman.

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INDEX TO EXHIBITS

| EXHIBIT NUMBER ----- | DESCRIPTION ----- |
|----------------------------|--|
| 2.1 | Reorganization Agreement dated February 9, 1999, by and among Litronic Inc. and Kris Shah and Geraldine M. Shah, as Trustees Ramesh R. Shah and Patricia L. Shah, as Trustees, Dilip R. Shah and Shila D. Shah, as Trustees, Kris Shah, as the Trustee of the Leena Shah, Kris Shah, as the Trustee of the Chandra L. Shah (1) |
| 2.2 | Stock Acquisition Agreement dated February 9, 1999, by and among Litronic Inc., Litronic Industries, Inc., Pulsar Data Systems, Inc., William W. Davis, Sr. and Lillian A. Davis, and Kris Shah and Geraldine M. Shah, as Trustees Ramesh R. Shah and Patricia L. Shah, as Trustees, Dilip R. Shah and Shila D. Shah, as Trustees, Kris Shah, as the Trustee of the Leena Shah, Kris Shah, as the Trustee of the Chandra L. Shah (1) |
| 2.3 | Agreement and Plan of Reorganization entered into as of July 3, 2001, by and among Litronic Inc., Litronic Merger Corp., and BIZ Interactive Zone, Inc. (15) |
| 2.4 | Agreement and Plan of Reorganization dated March 22, 2004, by and among SAFLINK Corporation, Spartan Acquisition Corporation and SSP Solutions, Inc. (schedules and exhibits listed in the agreement will be provided to the Commission upon request) (26) |
| 3.1 | Amended and Restated Certificate of Incorporation filed with the Secretary of State of Delaware on June 8, 1999 (1) |
| 3.2 | Certificate of Amendment of the Amended and Restated Certificate of Incorporation of Litronic Inc. filed with the Secretary of State of Delaware on August 24, 2001 (4) |
| 3.3 | Certificate of Amendment of the Amended and Restated Certificate of Incorporation of SSP Solutions, Inc. filed with the Secretary of State of Delaware on July 12, 2002 (14) |
| 3.4 | Bylaws of Litronic Inc. (1) |
| 3.5 | Certificate of Correction of Certificate of Amendment of Amended and Restated Certificate of Incorporation of SSP Solutions, Inc. filed November 12, 2003 (17) |
| 3.6 | Certificate of Designation, Preferences and Rights of Series A Convertible Preferred Stock of SSP Solutions, Inc. filed November 18, 2003 (17) |
| 3.7 | Action With Respect to Bylaws of SSP Solutions, Inc. as of September 24, 2003 (28) |
| 4.1 | Form of Common Stock Certificate (2) |
| 10.1 | Employment Agreement dated June 9, 1999 between Litronic Inc. and Kris Shah (1) (#) |

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- 10.2 Litronic Industries, Inc. 1998 Stock Option Plan (1) (#)
- 10.3 Form of Litronic Industries, Inc. 1998 Stock Option Plan Incentive Stock Option Agreement (1) (#)
- 10.4 SSP Solutions, Inc. Second Amended and Restated 1999 Stock Option Plan (27) (#)
- 10.5 BIZ Interactive Zone, Inc. 2000 Stock Option Plan (9) (#)
- 10.6 SSP Solutions, Inc. 2001 Employee Stock Purchase Plan (9) (#)

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- 10.7 Lease dated January 2, 2000 between KRDS, Inc. and Litronic Inc. (10)
- 10.8 Amendment Right to Cancel dated April 11, 2002 relating to Lease dated January 2, 2000 between KRDS, Inc. and Litronic Inc. (4)
- 10.9 Purchase, Development and Deployment Agreement dated October 2, 2000 between BIZ Interactive Zone, Inc. and Wave Systems Corp. (2)
- 10.10 Amendment No. 1, dated May 10, 2001, to Purchase, Development, and Deployment Agreement dated October 2, 2000 between BIZ Interactive Zone, Inc. and Wave Systems Corp. (2)
- 10.11 Lease dated October 10, 2001 between Litronic Inc. and Research Venture, LLC, related to real property located at 9012 Research Drive, Irvine, California 92618 (2)
- 10.12 Lease dated October 10, 2001 between Litronic Inc. and Research Venture, LLC, related to real property located at 11 Cushing, Irvine, California 92618 (2)
- 10.13 Master Services Agreement dated December 1, 2001 between SSP Solutions, Inc., Electronic Data Systems Corp. and EDS Information Services LLC (2)
- 10.14 Task Order Number 2001-001 dated December 1, 2001 between SSP Solutions, Inc., Electronic Data Systems Corp. and EDS Information Services LLC (2)
- 10.15 Reseller Agreement dated November 21, 2001 between Control Break International Corp. and SSP Solutions, Inc. (2)
- 10.16 Securities Purchase, Registration Rights and Security Agreement dated as of April 16, 2002 by and among SSP Solutions, Inc., Crestview Capital Fund, L.P., Crestview Capital Fund II, L.P., Crestview Offshore Fund, Inc., Robert Geras, Richard P. Kiphart and Nefilim Associates, LLC (5)
- 10.17 Amendment Number 1 to OEM Agreement dated April 18, 2002 between Control Break International Corp. and SSP Solutions, Inc. (12)
- 10.18 Waiver and Acknowledgment dated January 28, 2003 among Crestview Capital Fund, L.P., Crestview Capital Fund II, L.P., Crestview Offshore Fund, Inc., Robert Geras, Richard P. Kiphart and Nefilim Associates, LLC, LLC Wave Systems Corp. (4)

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- 10.19 Second Amended and Restated Operating Agreement of SSP Gaming, LLC dated April 7, 2003 by SSP Solutions, Inc., the sole member of SSP Gaming, LLC (4)
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- 10.20 Employment Agreement dated August 16, 2001 between Litronic, Inc. and Richard M. Depew (4) (#)
- 10.21 Termination Agreement and Mutual Release dated September 30, 2002 effective as of August 31, 2002 by and among SSP Solutions, Inc., BIZ Interactive Zone, Inc. and Wave Systems Corp. (7)
- 10.22 Factoring Agreement dated as of October 18, 2002 by and between SSP Solutions, Inc. and Bay View Funding for the sale and assignment of accounts receivable (13)
- 10.23 Validity Indemnification dated as of October 18, 2002 by Kris Shah for the benefit of Bay View Funding relative to SSP Solutions, Inc. Factoring Agreement dated October 18, 2002 (13)
- 10.24 Validity Indemnification dated as of October 18, 2002 by Marvin Winkler for the benefit of Bay View Funding relative to SSP Solutions, Inc. Factoring Agreement dated October 18, 2002 (13)
- 10.25 First Amendment to Standard Industrial/Commercial Single-Tenant Lease--Net dated October 23, 2002 between SSP Solutions, Inc. and Research Venture, LLC relating to real property located at 9012 Research Drive, Irvine, California (8)
- 10.26 Stipulation for Entry of Judgment dated October 23, 2002 between SSP Solutions, Inc. and Research Venture, LLC (8)
- 10.27 Mutual Settlement and Release dated October 31, 2002 by and among Game Base of Nevada, Inc., Robert V. Brazell, SSP Gaming, LLC, Marvin Winkler and SSP Solutions, Inc. (4)
- 10.28 Memorandum of Understanding and Agreement dated November 26, 2002 between SSP Solutions, Inc., Pulsar Data Systems, Inc. and Electronic Data Systems Corporation (4)
- 10.29 Venetian Interactive Operating Agreement dated June 7, 2002 between SSP Gaming, LLC and Venetian Casino Resort, LLC (4)
- 10.30 Forbearance Agreement dated March 12, 2003 between SSP Solutions, Inc. and Integral Systems, Inc., effective September 1, 2002 (4)
- 10.31 Employment Agreement dated March 6, 2003 between SSP Solutions, Inc. and Kris Shah (4) (#)
- 10.32 Employment Agreement dated March 6, 2003 between SSP Solutions, Inc. and Marvin J. Winkler (4) (#)
- 10.33 Employment Agreement dated April 14, 2003, between SSP Solutions, Inc. and Thomas E. Schiff (4) (#)
- 10.34 SSP Solutions, Inc. Purchase Agreement, 8.0% Subordinated Convertible Notes, dated December 17, 2001 (without schedules) among SSP Solutions, Inc., Richard P. Kiphart, Sandy Tennant, Marvin J. Winkler and Kris Shah (2)

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- 10.35 Subordinated Convertible Note, dated December 17, 2001, between SSP Solutions, Inc. and Richard P. Kiphart (2)
- 10.36 Subordinated Convertible Note, dated December 17, 2001, between SSP Solutions, Inc. and Sandy Tennant (2)
- 10.37 Amended and Restated Subordinated Convertible Note dated December 18, 2001 made by SSP Solutions, Inc. in favor of Marvin J. Winkler (2)
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- 10.38 Amended and Restated Subordinated Convertible Note dated December 18, 2001 made by SSP Solutions, Inc. in favor of Kris Shah (2)
- 10.39 Form of Subordination Agreement dated as of October 18, 2002 by Crestview Capital Fund, L.P., Crestview Offshore Fund, Inc., Crestview Capital Fund II L.P., Richard P. Kiphart, Robert Geras and Nefilim Associates, LLC for the benefit of Bay View Funding relative to SSP Solutions, Inc. Factoring Agreement dated October 18, 2002 (4)
- 10.40 Promissory Note and Pledge Agreement dated July 24, 2000 between Kris Shah and BIZ Interactive Zone, Inc. (2)
- 10.41 Form of Secured Convertible Promissory Notes dated April 16, 2002 issued by SSP Solutions, Inc. in favor of Crestview Capital Fund, L.P., Crestview Capital Fund II, L.P., Crestview Offshore Fund, Inc., Robert Geras, Richard P. Kiphart and Nefilim Associates, LLC in the principal amounts of \$1,075,000, \$400,000, \$25,000, \$250,000, \$3,789,667, and \$256,444, respectively (5)
- 10.42 Form of Warrants to Purchase Common Stock dated April 16, 2002 issued by SSP Solutions, Inc. in favor of Crestview Capital Fund, L.P., Crestview Capital Fund II, L.P., Crestview Offshore Fund, Inc., Robert Geras, Richard P. Kiphart and Nefilim Associates, LLC in the amounts of 645,000, 240,000, 15,000, 150,000, 2,273,800 and 153,866, respectively (5)
- 10.43 Promissory Note dated April 16, 2002 in the principal amount of \$152,776 made by SSP Solutions, Inc. in favor of Kris Shah (5)
- 10.44 Promissory Note dated April 16, 2002 in the principal amount of \$500,000 made by SSP Solutions, Inc. in favor of Marvin Winkler (5)
- 10.45 Promissory Note dated April 18, 2002 in the principal amount of \$679,193 made by SSP Solutions, Inc. in favor of Control Break International Corp. (4)
- 10.46 Promissory Note dated April 18, 2002 in the principal amount of \$26,594.74 made by SSP Solutions, Inc. in favor of Control Break International Corp. (4)
- 10.47 Subordinated Convertible Promissory Note dated as of September 30, 2002 in the principal amount of \$270,000 made by SSP Solutions, Inc. in favor of Wave Systems Corp. (7)
- 10.48 Subordinated Convertible Promissory Note dated October 23, 2002 in the principal amount of \$360,000 made by SSP Solutions, Inc. in favor of Research Venture, LLC (8)

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- 10.49 Form of Promissory Notes dated November 14, 2002 made by SSP Solutions, Inc. and SSP Gaming, LLC in favor of Crestview Capital Fund II, L.P., Crestview Capital Fund, L.P. and Richard P. Kiphart, in the principal amounts of \$100,000, \$100,000, and \$300,000, respectively (4)
- 10.50 Form of Warrants to Purchase Common Stock dated November 14, 2002 issued by SSP Solutions, Inc. to Crestview Capital Fund II L.P., Crestview Capital Fund L.P., Richard P. Kiphart in the amounts of 20,000, 20,000, and 60,000 shares, respectively (4)
- 10.51 Promissory Note dated January 22, 2003 in the principal amount of \$500,000 made by SSP Solutions, Inc. in favor of Richard P. Kiphart (4)
- 10.52 Form of Promissory Notes dated March 18, 2003 and March 19, 2003, respectively, made by SSP Solutions, Inc. in favor of Crestview Capital Fund, L.P. and Richard P. Kiphart, respectively, each in the principal amount of \$100,000 (4)
- 10.53 Form of Warrants to Purchase Common Stock dated March 18, 2003 and March 19, 2003, respectively, issued by SSP Solutions, Inc. in favor of Crestview Capital Fund L.P. and Richard P. Kiphart, respectively, each in the amount of 100,000 shares (4)

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- 10.54 Form of Promissory Notes dated March 28, 2003 made by SSP Solutions, Inc. in favor of Richard P. Kiphart, Crestview Capital Fund II, L.P., Marvin J. Winkler and the Kris and Geraldine Shah Family Trust, respectively, in the principal amounts of \$240,000, \$160,000, \$10,000 and \$30,000, respectively (4)
- 10.55 Form of Warrants to Purchase Common Stock dated March 28, 2003 issued by SSP Solutions, Inc. in favor of Crestview Capital Fund L.P., Richard P. Kiphart, Marvin J. Winkler and the Kris and Geraldine Shah Family Trust, respectively, in the amounts of 120,000, 80,000, 5,000 and 15,000 shares, respectively (4)
- 10.56 Warrant to Purchase Common Stock dated March 12, 2003 by SSP Solutions, Inc. to Integral Systems, Inc. (4)
- 10.57 Securities Purchase Agreement dated as of November 19, 2003 among SSP Solutions, Inc. and the investors named in Exhibit A thereto (17)
- 10.58 Form of Series A-1 Warrant dated as of November 19, 2003 issued by SSP Solutions, Inc. in favor of each investor named in Exhibit A to the Securities Purchase Agreement of even date therewith (17)
- 10.59 Form of Series A-2 Warrant dated as of November 19, 2003 issued by SSP Solutions, Inc. in favor of each investor named in Exhibit A to the Securities Purchase Agreement of even date therewith (17)
- 10.60 Registration Rights Agreement dated as of November 19, 2003 among SSP Solutions, Inc. and each investor named in Exhibit A thereto (17)
- 10.61 Form of Secured Convertible Promissory Note dated November 19, 2003 made by SSP Solutions, Inc. in favor of Richard P. Kiphart, Crestview Capital Fund, L.P. and Crestview Capital Fund II, L.P. in the principal amounts of \$1,250,000, \$350,000 and \$130,000, respectively (issued as retained note that replaces note dated April 16, 2002) (17)

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- 10.62 Form of Secured Convertible Promissory Note dated November 19, 2003 made by SSP Solutions, Inc. in favor of Richard P. Kiphart, Crestview Capital Fund, L.P., Crestview Capital Fund II, L.P. and Crestview Offshore Fund, Inc. in the principal amounts of \$1,000,000, \$325,000, \$150,000 and \$25,000, respectively (issued as additional retained note that has automatic conversion feature triggered by stockholder approval and that replaces note dated April 16, 2002) (17)
- 10.63 Form of Warrant to Purchase Common Stock dated November 19, 2003 issued by SSP Solutions, Inc. in favor of Richard P. Kiphart, Crestview Capital Fund, L.P., Crestview Capital Fund II, L.P. and Crestview Offshore Fund, Inc. as to 714,286 shares, 232,143 shares, 107,143 shares and 17,857 shares, respectively (issued in accompaniment with additional retained note that has automatic conversion feature triggered by stockholder approval and that replaces note dated April 16, 2002) (17)
- 10.64 Warrant dated July 31, 2000, issued by BIZ Interactive Zone, Inc. in favor of Roth Capital Partners, Inc. as to 23,756 shares, assumed by SSP Solutions, Inc. in the acquisition of BIZ Interactive Zone, Inc. (24)
- 10.65 Agreement of Settlement on Stipulated Judgment dated August 29, 2003 between SSP Solutions, Inc. and Research Venture, LLC (19)
- 10.66 Lease Surrender and Termination Agreement dated August 29, 2003 between SSP Solutions, Inc. and Research Venture, LLC (19)
- 10.67 Amended Stipulation for Entry of Judgment dated August 29, 2003 between SSP Solutions, Inc. and Research Venture, LLC (19)
- 10.68 Promissory Note dated August 27, 2003, in the amount of \$250,000 made by SSP Solutions, Inc. in favor of Crestview Capital Fund II, L.P., cancelled in payment of exercise price of re-priced warrants (21)
- 10.69 Promissory Note dated August 27, 2003, in the amount of \$250,000 made by SSP Solutions, Inc. in favor of Crestview Capital Fund II, L.P., cancelled in payment of exercise price of re-priced warrants (21)
- 10.70 Bridge Loan Agreement dated September 1, 2003, by and among Richard P. Kiphart, Crestview Capital Fund, L.P., Crestview Capital Fund II, L.P., SDS Merchant Fund, L.P., and SSP Solutions, Inc. in the amount of \$1,500,000 (21)
- 10.71 Form of 10% Convertible Bridge Notes dated September 1, 2003, September 17, 2003 and October 6, 2003 made by SSP Solutions, Inc. in favor of Richard P. Kiphart, SDS Merchant Fund, L.P., Crestview Capital Fund, L.P., and Crestview Capital Fund II, L.P., respectively, in the principal amounts of \$500,000, \$750,000, \$100,000 and \$150,000, respectively (21)
- 10.72 Form of Warrants issued with 10% Convertible Bridge Notes dated September 1, 2003, September 17, 2003 and October 6, 2003 made by SSP Solutions, Inc. in favor of Richard P. Kiphart, SDS Merchant Fund, L.P., Crestview Capital Fund, L.P., and Crestview Capital Fund II, L.P., respectively, as to 166,667, 250,000, 33,333 and 50,000 shares of common stock, respectively (21)

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- 10.73 Forbearance Agreement dated September 1, 2003, made by and among SSP Solutions, Inc. and Richard P. Kiphart, Crestview Capital Fund, L.P., Crestview Capital Fund II, L.P., Crestview Offshore Fund, Inc., Robert Geras and Nefilim Associates, LLC (21)
- 10.74 Form of First Amendment to Warrants to Purchase Common Stock (subject to a registration statement) made and entered into as of September 1, 2003, by and between SSP Solutions, Inc., and Richard P. Kiphart, Crestview Capital Fund, L.P., Crestview Capital Fund II, L.P., Crestview Offshore Fund, Inc., Robert Geras and Nefilim Associates, LLC, respectively (21)
- 10.75 Form of First Amendment to Warrants to Purchase Common Stock (not subject to a registration statement) made and entered into as of September 1, 2003, by and between SSP Solutions, Inc., and Richard P. Kiphart, Crestview Capital Fund, L.P., and Crestview Capital Fund II, L.P., respectively (21)
- 10.76 Placement Agent Agreement dated August 26, 2003, between SSP Solutions, Inc. and Burnham Hill Partners in connection with the sale of Series A Convertible Preferred Stock (21)
- 10.77 Form of Placement Agent Warrants dated as of November 19, 2003 issued by SSP Solutions, Inc. in favor of Burnham Hill Holdings, LLC (as to 800,000 shares of common stock), Hilary Bergman (as to 49,204 shares), Brad Reifler (as to 49,204 shares), Matthew Balk (as to 65,000 shares), Eric Singer (as to 20,681 shares), Hudson Valley Capital Management (as to 50,720 shares), Chris Shufeldt (as to 1,750 shares), Kimball & Cross Investment Management Corp. (as to 5,830 shares), Brian Herman (as to 27,040 shares), Sean Callahan (as to 7,600 shares), Mark Ford (as to 12,960 shares), Daniel Pietro (as to 900 shares), Claude Ware (as to 4,000 shares), James St. Clair (as to 6,000 shares) and Roger Lockhart (as to 1,500 shares) (24)
- 10.78 Form of Exchange Agent Warrants dated as of November 19, 2003 issued by SSP Solutions, Inc. in favor of Burnham Hill Holdings, LLC (as to 163,000 shares of common stock), Hilary Bergman (as to 9,599 shares), Brad Reifler (as to 9,599 shares) and Matthew Balk (as to 9,806 shares) (24)
- 10.79 Warrant Agreement dated as of June 14, 1999 between Litronic Inc. and BlueStone Capital Partners, L.P. and Pacific Crest Securities Inc. (22)
- 10.80 Forbearance Agreement dated March 12, 2003 between SSP Solutions, Inc. and Integral Systems, Inc., effective September 1, 2002 (23)
- 10.81 Warrant to Purchase Common Stock dated March 12, 2003 by SSP Solutions, Inc. to Integral Systems, Inc. (23)
- 10.82 Letter Agreement dated December 1, 2003, between KRDS, Inc. and SSP Solutions, Inc., relative to payment of a certain amount of late fees in exchange for cancellation of the Letter Agreement of April 11, 2002.
- 10.83 Form of Stockholder Agreement by and among SAFLINK Corporation, Spartan Acquisition Corporation and the following stockholders of SSP Solutions, Inc.: Richard P. Kiphart, JAW Financial, L.P., The Winkler Childrens Trust 1998, The Schiff Family 1998 living Trust, Leena Shah Trust, Kris & Geraldine Shah Family Trust, and Chandra L. Shah Trust (26)

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- 10.84 Form of Stockholder Agreement by and among SSP Solutions, Inc. and the following stockholders of SAFLINK corporation: Glenn L. Argenbright; Gregory Jensen; Jon C. Engman; SDS Merchant Fund, L.P. (a/k/a SDS Capital Group SPC, Ltd.); North Sound Legacy Fund LLC; North Sound Legacy Institutional Fund LLC; and North Sound Legacy international Ltd. (26)
- 16 Letter dated August 6, 2002 from KPMG LLP regarding change in certifying accountant (16)
- 21 Subsidiaries of SSP Solutions, Inc. (25)
- 23 Consent of Haskell & White LLP, Independent Auditors (25)
- 31 Certifications Required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (*)
- 32 Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (25)
- 99 Amended and Restated Charter of the Audit Committee of the Board of Directors of SSP Solutions, Inc. adopted as of February 10, 2004 (25)

- (*) Filed as an exhibit to this amendment.
- (#) Management contract or compensatory plan, contract or arrangement required to be filed as an exhibit.
- (1) Filed as an exhibit to our Form S-1 filed with the Securities and Exchange Commission ("Commission") on February 11, 1999 (registration statement no. 333-72151) and incorporated herein by reference.
- (2) Filed as an exhibit to our Form 10-K for the year ended December 31, 2001 (file no. 000-26227) and incorporated herein by reference.
- (3) Filed as an exhibit to Amendment No. 2 to our Form S-1 filed with the Commission on May 6, 1999 (registration statement no. 333-72151) and incorporated herein by reference.
- (4) Filed as an exhibit to the initial filing of our Form 10-K for the year ended December 31, 2002 and incorporated herein by reference.
- (5) Filed as an exhibit to our Form 8-K report for April 16, 2002 and incorporated herein by reference.
- (6) Filed as an exhibit to our Form S-3 filed with the Commission on June 14, 2002 (registration statement no. 333-90574) and incorporated herein by reference.
- (7) Filed as an exhibit to our Form 8-K report for September 27, 2002 and incorporated herein by reference.
- (8) Filed as an exhibit to our Form 8-K report for October 23, 2002 and incorporated herein by reference.
- (9) Filed as an exhibit to our Form S-8 filed with the Commission on

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November 13, 2001 (registration statement no. 333-73204) and incorporated herein by reference.

- (10) Filed as an exhibit to our Form 10-K for the year ended December 31, 2000 and incorporated herein by reference.
- (11) Filed as an exhibit to our Form 10-Q for the quarter ended September 30, 2001 and incorporated herein by reference.
- (12) Filed as an exhibit to our Form 10-Q for the quarter ended June 30, 2002 and incorporated herein by reference.
- (13) Filed as an exhibit to our Form 10-Q for the quarter ended September 30, 2002 and incorporated herein by reference.
- (14) Filed as an exhibit to Amendment No. 1 to our Form 10-Q for the quarter ended June 30, 2002 and incorporated herein by reference.
- (15) Filed as an exhibit to our Definitive Proxy Statement filed with the Commission July 25, 2001 and incorporated herein by reference.

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- (16) Filed as an exhibit to Amendment No. 1 to our Form 8-K report for July 25, 2002 and incorporated herein by reference.
- (17) Filed with the Commission on November 21, 2003 as an exhibit to our current report on Form 8-K for November 17, 2003 and incorporated herein by reference.
- (18) Filed with the Commission on November 4, 2002 as an exhibit to our current report on Form 8-K for October 23, 2002 and incorporated herein by reference.
- (19) Filed with the Commission on September 9, 2003 as an exhibit to our current report on Form 8-K for August 27, 2003 and incorporated herein by reference.
- (20) Filed with the Commission on November 19, 2003 as an exhibit to our quarterly report on Form 10-QSB for September 30, 2003 and incorporated herein by reference.
- (21) Filed with the Commission on January 20, 2004 as an exhibit to our Form S-3 and incorporated herein by reference.
- (22) Filed as an exhibit to Amendment No.2. to our Form S-1 filed with the Commission on May 6, 1999 (registration statement no. 333-72151) and incorporated herein by reference.
- (23) Filed as an exhibit to the initial filing of our Form 10-K for the year ended December 31, 2002 and incorporated herein by reference.
- (24) Filed as an exhibit to our Amendment No.1 Form S-3 filed with the Commission on January 21, 2004 (registration statement no. 333-111402) and incorporated herein by reference.
- (25) Filed as an exhibit to the initial filing of our Form 10-KSB for the year ended December 31, 2003.
- (26) Filed with the Commission on March 24, 2004 as an exhibit to the

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registrant's current report on Form 8-K for March 22, 2004 and incorporated herein by reference.

- (27) Filed as an exhibit to our Definitive Proxy Statement filed with the Commission on December 8, 2003 and incorporated herein by reference.
- (28) Filed as an exhibit to our Form 8-K report for September 26, 2003 and incorporated herein by reference.

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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 report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: April 1, 2004

SSP Solutions, Inc.

By: /s/ MARVIN J. WINKLER

Marvin J. Winkler, Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1934, this report is made by the following persons on behalf of the registrant and in the capacities indicated.

| NAME ---- | TITLE ----- | DATE ---- |
|---|---|---------------|
| /s/ MARVIN J. WINKLER ----- Marvin J. Winkler | Co-Chairman of the Board of Directors, Director and Chief Executive Officer (Principal Executive Officer) | April 1, 2004 |
| /s/ KRIS SHAH ----- Kris Shah | Co-Chairman of the Board of Directors, Director and President and Chief Operating Officer | April 1, 2004 |
| /s/ THOMAS E. SCHIFF ----- Thomas E. Schiff | Executive Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) | April 1, 2004 |
| /s/ GREGG AMBER ----- Gregg Amber | Director | April 1, 2004 |
| /s/ RON R. GOLDIE ----- Ron R. Goldie | Director | April 1, 2004 |
| /s/ DAVID A. JANES ----- David A. Janes | Director | April 1, 2004 |

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EXHIBITS FILED WITH THIS AMENDMENT

| EXHIBIT NUMBER ----- | DESCRIPTION ----- |
|----------------------------|--|
| 31 | Certifications Required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |