

Andover Medical, Inc.
Form 10-K/A
September 22, 2008
[Table of Contents](#)

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K/A

(Amendment No. 3)

x Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2007

Commission file number: 333-142387

ANDOVER MEDICAL, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

51-0459931

(IRS Employer Identification No.)

510 Turnpike Street, Ste. 204, N. Andover, MA 01845

(Address of principal executive offices)

(978) 557-1001

(Registrant's telephone number,
including area code)

Edgar Filing: Andover Medical, Inc. - Form 10-K/A

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

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the 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 a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

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

As of June 29, 2007 the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was: \$20,509,642 based on the closing price of \$.65 reported on such date by the Over-The-Counter Bulletin Board. For the purposes of determining this amount only, the registrant has defined affiliates to include officers, directors and certain affiliates.

APPLICABLE ONLY TO CORPORATE ISSUERS

Edgar Filing: Andover Medical, Inc. - Form 10-K/A

As of March 24, 2008 there were a total of 35,661,212 shares of the registrant's common stock, par value \$.001 per share, outstanding and no other classes of common stock.

Documents Incorporate By Reference: None

Table of Contents

ANDOVER MEDICAL, INC.

TABLE OF CONTENTS

	Page
<u>Explanatory Note</u>	2
<u>Part II</u>	
<u>Item 9A(T).</u> <u>Controls and Procedures</u>	2
<u>Part IV</u>	
<u>Item 15.</u> <u>Exhibits and Financial Statement Schedules</u>	3
<u>Signatures</u>	4

EXPLANATORY NOTE:

Andover Medical, Inc. (the Company) is filing this Form 10-K/A to its Annual Report on Form 10-K for the year ended December 31, 2007 to include language at the end of the evaluation of disclosure controls and procedures clarifying that our management determined that our disclosure controls and procedures were not effective as of December 31, 2007 due to an inadvertant failure to include Management's Annual Report on Internal Control Over Financial Reporting required by Item 308T of Regulation S-K in the Company's original Form 10-K filed on March 25, 2008. Except as expressly set forth in this Form 10-K/A, Amendment No. 3, the Company's Annual Report on Form 10-K for the year ended December 31, 2007 has not been amended, updated or otherwise modified since Amendment No. 2.

This Form 10-K/A does not reflect events occurring after the filing of the Form 10-K or modify or update those disclosures affected by subsequent events. Consequently, all other information is unchanged and reflects the disclosures made at the time of the filing of the Form 10-K. With this Amendment, the principal executive officer and principal financial officer of the Company have reissued their certifications required by Sections 302 and 906 of the Sarbanes-Oxley Act.

PART II

Item 9A(T). **Controls and Procedures.**

Evaluation of Disclosure Controls and Procedures

The Company's Chief Executive Officer is responsible for establishing and maintaining disclosure controls and procedures for the Company. The Company's Chief Executive Officer and the Chief Financial Officer have designed such disclosure controls and procedures to ensure that material information is made known to them, particularly during the period in which this report was prepared. As of the end of the period covered by this Annual Report on Form 10-K, the Company carried out an evaluation, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as such term is defined under Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Exchange Act). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were not effective as of December 31, 2007 due to an inadvertent failure to include Management's Annual Report on Internal Control Over Financial Reporting required by Item 308T of Regulation S-K in the Company's original Form 10-K filed on March 25, 2008. As of the date of this amended report, the Company has taken the following steps to address this issue:

1. Before each report is filed, management of the company will review the SEC's website, www.sec.gov, to determine what, if any, recent changes have occurred in the rules impacting the Company's disclosure requirements; and
2. During the report preparation process, management of the Company will discuss with its independent consultants who assist in the preparation of the reports and related financial statements whether they are aware of recent changes that have occurred in the rules impacting the Company's disclosure requirements

Table of Contents

Management's Annual Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined under Rule 13a-15(f) and Rule 15d-15(f) promulgated under the Exchange Act. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of the internal controls over financial reporting based on the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2007. Based on management's assessment and those criteria, management believes that the internal control over financial reporting as of December 31, 2007 was effective.

Management's internal control report was not subject to attestation by the Company's independent registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report.

As permitted by the Exchange Act Rules, we did not conduct an evaluation of the effectiveness of internal controls at our Ortho Medical Products and Rainier Surgical divisions as those divisions came into existence with their respective acquisitions on May 4, 2007 and May 11, 2007. The effectiveness of internal controls at the Ortho Medical Products and Rainier Surgical divisions will be evaluated as of December 31, 2008.

Changes in Internal Control Over Financial Reporting

There were no changes (including corrective actions with regard to significant deficiencies or material weaknesses) in our internal controls over financial reporting that occurred during the period ended December 31, 2007 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this report:

1. Exhibits

The exhibits listed in the accompanying Index to Exhibits are filed or incorporated by reference as part of the annual report.

Table of Contents

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.

ANDOVER MEDICAL, INC.

September 22, 2008

By: EDWIN A. REILLY
/s/ EDWIN A. REILLY
Chief Executive Officer

In accordance with the requirements of the Securities Act, this registration statement was signed by the following persons in the capacities and on the dates stated.

Signature	Title	Date
/s/ EDWIN A. REILLY EDWIN A. REILLY	Chairman of the Board and Chief Executive Officer (Principal Executive Officer), and Chief Operating Officer	September 22, 2008
/s/ JAMES A. SHANAHAN JAMES A. SHANAHAN	Chief Financial Officer (Principal Financial and Accounting Officer) and Secretary	September 22, 2008
/s/ ROBERT G. COFFILL, JR. ROBERT G. COFFILL, JR.	Director	September 22, 2008
/s/ MARSHALL S. STERMAN MARSHALL S. STERMAN	Director	September 22, 2008
/s/ ROBERT A. BARON ROBERT A. BARON	Director	September 22, 2008

Table of Contents

INDEX TO EXHIBITS

Exhibit Number	Description	Reference
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith