

SECURITIES AND EXCHANGE COMMISSION

FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

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FILER

GENERAL DEVICES INC

CIK: **40528** | IRS No.: **210661726** | State of Incorporation: **NJ** | Fiscal Year End: **1231**
Type: **10QSB** | Act: **34** | File No.: **000-03125** | Film No.: **04968866**
SIC: **9995** Non-operating establishments

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

FORM 10-QSB

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended June 30, 2004

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT

For the transition period from _____ to _____

Commission File No: 0-3125

General Devices, Inc.

(Exact name of small business issuer as specified in its charter)

Delaware

21-0661726

(State or other jurisdiction of
incorporation or organization)

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

376 Main Street, Bedminster, New Jersey 07921

(Address of principal executive offices)

(908) 234-1881

(Issuer's telephone number)

N/A

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

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 issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of July 31, 2004, the issuer had 2,347,922 shares of its common stock, par value \$.01 per share, outstanding.

Transitional Small Business Disclosure Format (Check one): Yes [] No [X]

PART I - FINANCIAL INFORMATION

Item 1 - FINANCIAL STATEMENTS

GENERAL DEVICES, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEET
June 30, 2004
(UNAUDITED)

ASSETS

Current assets:

Cash and cash equivalents	\$ 32,035
Prepaid expenses	1,223
Other assets	500

Total current assets	\$ 33,758
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:	
Accounts payable and accrued liabilities	\$ 6,555

Total current liabilities	6,555

Stockholders' equity:	
Common stock \$.01 par value 12,000,000	
shares authorized; 2,347,922 outstanding	23,479
Capital in excess of par value	2,359,352
Accumulated deficit	(2,355,628)

Total stockholders' equity	27,203

Total liabilities and stockholders' equity	\$ 33,758
	=====

See accompanying notes to consolidated financial statements.

GENERAL DEVICES, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended June 30,	
	2004	2003
Revenues:		
Interest income	\$ 18	\$ 255
Expenses:		
General and administrative	21,226	16,031
Net loss	(\$ 21,208) =====	(\$ 15,776) =====
Basic and diluted net loss per share	(\$.01) =====	(\$.01) =====
Weighted average number of shares outstanding	2,347,922 =====	2,347,922 =====

See accompanying notes to consolidated financial statements.

GENERAL DEVICES, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Six Months Ended June 30,	
	2004	2003
Revenues:		
Interest income	\$ 79	\$ 529
Expenses:		
General and administrative	40,127	34,121

	-----	-----
Net loss	(\$ 40,048)	(\$ 33,592)
	=====	=====
Basic and diluted net loss per share	(\$.02)	(\$.01)
	=====	=====
Weighted average number of shares outstanding	2,347,922	2,347,922
	=====	=====

See accompanying notes to consolidated financial statements.

GENERAL DEVICES, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Six Months Ended June 30,	
	2004	2003
	=====	=====
Cash flows from operating activities:		
Net loss	(\$ 40,048)	(\$ 33,592)
Change in prepaid expenses and other assets	(666)	(1,190)
Collection of receivable from sale of investment in unproved oil producing activities	-	146,560
Change in accounts payable and accrued liabilities	(7,979)	(7,692)
	-----	-----
Net cash provided by (used in) operating activities	(48,693)	104,086
	-----	-----
Cash and cash equivalents at beginning of period	80,728	14,032
	-----	-----
Cash and cash equivalents at end of period	\$ 32,035	\$118,118
	=====	=====
Supplemental disclosure of cash flows information:		
Cash paid for income taxes	\$ 575	\$ 800
	=====	=====

See accompanying notes to consolidated financial statements.

GENERAL DEVICES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003
(UNAUDITED)

1. Basis of Presentation
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The accompanying unaudited condensed consolidated financial statements of General Devices, Inc. and Subsidiary (the "Company") as of June 30, 2004 and for the three and six months ended June 30, 2004 and 2003 reflect all material adjustments consisting of only normal recurring adjustments which, in the opinion of management, are necessary for a fair presentation of results for the interim periods. Certain information and footnote disclosures required under accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission, although the Company believes that the disclosures are adequate to make the information presented not misleading. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2003, as filed with the Securities and Exchange Commission.

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The results of operations for the three and six months ended June 30, 2004 and 2003 are not necessarily indicative of the results to be expected for the entire year or for any other period.

2. Investment in Oil Producing Activities

=====

In June 2002 the Company committed to and subsequently invested approximately \$159,000 in the drilling of an oil well in Eastern Montana. In December 2002 the Company sold its interest in the oil well for \$146,560 recording a loss of approximately \$6,500 on the sale. In January 2003 the proceeds from the sale were collected.

3. Net Loss Per Share

=====

The Company reports loss per share under the requirements of Statement of Financial Accounting Standards No. 128, "Earnings per Share". Basic loss per share includes the weighted average number of common shares outstanding during the year. Diluted loss per share includes the weighted average number of shares outstanding and dilutive potential common shares, such as warrants and options. Since there are no dilutive potential common shares, basic and diluted loss per share are the same.

Item 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
=====
CONDITION AND RESULTS OF OPERATIONS
=====

Results of Operations
=====

The Company had been engaged in the business of providing contract technical services. Effective April 14, 1990, the Company sold most of its technical services business, and certain assets to TAD Technical Services Corporation ("TAD"). On June 1, 1990, the Company sold its 100% owned British subsidiary, GDI Euroforce Ltd., to TAD. The Company continued to operate in the technical services business from its King of Prussia, Pennsylvania location on a much smaller scale. Since 1993, the Company has been inactive. A Petition of Reorganization under Chapter 11 of the Federal Bankruptcy Code was filed on August 23, 1996. The court confirmed the Company's Chapter 11 reorganization plan on December 22, 1997, and issued a final decree on September 15, 1998. In February 1999 three investors purchased a controlling interest in the Company

with the objective of maximizing shareholder value. The Company is currently seeking the acquisition of an operating business. The Company is not currently a party to any understandings or agreements regarding an acquisition, merger or similar business combination or transaction. The Company was incorporated in 1953 under the laws of the State of New Jersey. In September 2000, the Company was reorganized under the laws of the State of Delaware. Its executive offices were located in King of Prussia, Pennsylvania until September 2000 when such offices were relocated to Bedminster, New Jersey.

In June 2002 the Company committed to and subsequently invested approximately \$159,000 in the drilling of an oil well in Eastern Montana. In December 2002 the Company sold its interest in the oil well for \$146,560 recording a loss of approximately \$6,500 on the sale. In January 2003 the proceeds from the sale were collected.

General and administrative expenses were \$21,226 and \$16,031 for the quarters ended June 30, 2004 and 2003, respectively. General and administrative expenses for the quarter ended June 30, 2004 consisted of management fees of \$12,000, accounting fees of \$3,900, stockholders expenses of \$1,520 and all other office expenses of \$3,806. In the quarter ended June 30, 2003 general and administrative expenses consisted of management fees of \$12,000, accounting fees of \$2,000, stockholders expenses of \$1,524, and all other office expenses of \$507.

For the six months ended June 30, 2004 and 2003, general and administrative expenses were \$40,127 and \$34,121, respectively. General and administrative expenses for the six months ended June 30, 2004 consisted of management fees of \$24,000, accounting fees of \$5,900, stockholders expenses of \$3,188, legal fees of \$1,137 and all other office expenses of \$5,902. In the six months ended June 30, 2003 general and administrative expenses consisted of management fees of \$24,000, accounting fees of \$4,000, stockholders expenses of \$3,326, legal fees of 1,132, and all other office expenses of \$1,663.

Liquidity and Capital Resources

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At June 30, 2004 the Company had cash and cash equivalents (U.S. Treasury Bills with original maturities of ninety days or less) of \$32,035. Working

capital at June 30, 2004 was \$27,203. Additional financing will be required for the Company's current business activities and for the costs of seeking an acquisition of an operating business. The Company's Board of Directors has authorized the issuance of additional shares of the Company's common stock to provide the required liquidity. The number of shares and price per share will be determined at the time of issuance. The Company has been informed by its largest shareholder, Asset Value Fund Limited Partnership, that it would purchase sufficient shares to provide the required funding.

Net cash used in operations was \$48,693 during the six months ended June 30, 2004, principally due to the net loss. For the period ended June 30, 2003 cash provided by operations of \$104,086 was principally due to the collection of the receivable from the sale of the Company's investment in unproved oil producing activities offset by the net loss from operations.

Item 3 - CONTROLS AND PROCEDURES
=====

As of the end of the period covered by this report, the Company carried out, under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based upon and as of the date of that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures are effective. There were no significant changes in the Company's internal controls over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) during the quarter ended June 30, 2004 that have materially affected or are reasonably likely to materially affect the Company's internal controls over financial reporting evaluation.

PART II - OTHER INFORMATION
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Item 6 - EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits
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31.1 Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32 Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) Reports on Form 8-K
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No reports on Form 8-K were filed during the quarter for which this report is being filed.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GENERAL DEVICES, INC.

Dated: August ___, 2004

By: /s/ John W. Galuchie, Jr.

John W. Galuchie, Jr.
Chairman

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, John W. Galuchie, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-QSB of General Devices, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

- b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
- a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August __ , 2004

/s/ John W. Galuchie, Jr.

John W. Galuchie, Jr.
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Sue Ann Merrill, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of General Devices, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

- a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August __, 2004

/s/ Sue Ann Merrill
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Sue Ann Merrill
(Principal Accounting and
Financial Officer)

Exhibit 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Public Company Accounting Reform and Investor Protection Act of 2002 (18 U.S.C. 1350, as adopted), John W. Galuchie, Jr., the Chairman of General Devices, Inc., (the "Company"), and Sue Ann Merrill, the Chief Financial Officer, Treasurer and Secretary of the Company each hereby certifies that, to the best of their knowledge:

- 1. The Company's Quarterly Report on Form 10-QSB for the period ended June 30, 2004, to which this Certification is attached as Exhibit 32 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended;

and

- 2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: June 30, 2004

/s/ John W. Galuchie, Jr.
=====
John W. Galuchie, Jr.

Chairman

/s/ Sue Ann Merrill

=====

Sue Ann Merrill
Chief Financial Officer,
Treasurer and Secretary