

# SECURITIES AND EXCHANGE COMMISSION

## FORM 10-K/A

Annual report pursuant to section 13 and 15(d) [amend]

Filing Date: **1997-06-18** | Period of Report: **1996-12-31**  
SEC Accession No. **0001005477-97-001690**

([HTML Version](#) on [secdatabase.com](http://secdatabase.com))

### FILER

#### **NORLAND MEDICAL SYSTEMS INC**

CIK: **946428** | IRS No.: **061387931** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **10-K/A** | Act: **34** | File No.: **000-26206** | Film No.: **97625980**  
SIC: **3826** Laboratory analytical instruments

Mailing Address  
*106 CORPORATE PARK  
DRIVE  
SUITE 106  
WHITE PLAINS NY 10604*

Business Address  
*106 CORPORATE PARK  
DRIVE  
SUITE 106  
WHITE PLAINS NY 10604  
914-694-2285*

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

FORM 10-K/A

Annual Report Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934

For the fiscal year ended December 31, 1996

Commission File No. 0-26206

NORLAND MEDICAL SYSTEMS, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation or organization)

06-1387931  
(I.R.S. Employer  
Identification No.)

106 Corporate Park Drive, Suite 106, White Plains, NY  
(Address of principal executive offices)

10604  
(Zip Code)

Registrant's telephone number, including area code: (914) 694-2285

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

None

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

Common Stock, par value \$0.0005 per share

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  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 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

The aggregate market value of the registrant's Common Stock, par value \$0.0005 per share, held by non-affiliates of the registrant as of March 21, 1997 was \$23,555,584 based on the price of the last reported sale on the NASDAQ National Market.

As of March 21, 1997 there were 7,148,531 shares of the registrant's Common Stock, par value \$0.0005 per share, outstanding.

This Form 10-K/A Report amends the Form 10-K Report filed by the Registrant with the Securities and Exchange Commission on March 31, 1997 (the "Original Report"), as amended by Forms 10-K/A filed on April 30, 1997 and on May 6, 1997, respectively. The purpose of this amendment is to replace the copy of Exhibit 10.8 (Amendment No. 3 to Distribution Agreement by and among Norland Corporation, Stratec Medizintechnik GmbH and Norland Medical Systems, Inc.) filed with the Original Report with the copy of Exhibit 10.8 filed herewith. The copy of Exhibit 10.8 filed herewith has been changed to highlight the fact that certain portions of the exhibit have been omitted based upon a request for confidential treatment.

#### PART IV

#### ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(b) Exhibits. Exhibit 10.8 filed with the Original Report is replaced by Exhibit 10.8 filed herewith.

Exhibit Number -----	Description -----
+ 10.8	Amendment No. 3 to Distribution Agreement by and among Norland Corporation, Stratec Medizintechnik GmbH and Norland Medical Systems, Inc.
+	Confidentiality requested as to certain provisions

2

#### 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 to its Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of White Plains, New York, on the 17th day of June, 1997.

NORLAND MEDICAL SYSTEMS, INC.

By: /s/ Reynald G. Bonmati

-----

Name: Reynald G. Bonmati

Pursuant to the requirements of the Securities Exchange Act of 1934, this Amendment to Annual Report has been signed below by the following persons on behalf of the Registrant, Norland Medical Systems, Inc., in the capacities and on the dates indicated.

Signature -----	Capacity In Which Signed -----	Date ----
/s/ Reynald G. Bonmati ----- Reynald G. Bonmati	Chairman of the Board and President (Principal Executive Officer); and Director	June 17, 1997
/s/ Kurt W. Streams ----- Kurt W. Streams	Vice President, Finance (Principal Financial Officer and Principal Accounting Officer)	June 17, 1997
* ----- James J. Baker	Director	June 17, 1997
* ----- Michael W. Huber	Director	June 17, 1997
* ----- Robert L. Piccioni	Director	June 17, 1997
* ----- Albert S. Waxman	Director	June 17, 1997

\* By: /s/ Kurt W. Streams  
-----  
Kurt W. Streams  
Attorney-in-Fact

Certain portions of this exhibit have been omitted based upon a request for confidential treatment.

Such omitted portions have been separately filed with the Commission.

AMENDMENT NO. 3 TO  
DISTRIBUTION AGREEMENT

AMENDMENT NO. 3 TO DISTRIBUTION AGREEMENT (the "Amendment") dated as of December 1, 1996, by and among NORLAND CORPORATION, a Wisconsin corporation having its principal place of business at W6340 Hackbarth Road, Fort Atkinson, Wisconsin 53538-8999, U.S.A. ("Norland Corp."), STRATEC MEDIZINTECHNIK, GmbH, a German corporation having its principal place of business at Durlacherstrasse 35, D-75172 Pforzheim, Germany ("Stratec", and, together with Norland Corp., the "Manufacturers"), and NORLAND MEDICAL SYSTEMS, INC. (formerly named Ostech, Inc.), a Delaware corporation having its principal place of business at 106 Corporate Park Drive, Suite 106, White Plains, New York 10604, U.S.A. (the "Distributor").

WHEREAS, the Manufacturers and the Distributor are parties to that certain Distribution Agreement dated as of April 1, 1995, as amended by Amendment No. 1, dated as of January 1, 1996, and Amendment No. 2, dated as of June 1, 1996 (as so amended, the "Distribution Agreement"); and

WHEREAS, the Manufacturers and the Distributor desire to amend the Distribution Agreement in certain respects, as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Norland Corp., Stratec and the Distributor hereby agree as follows:

1. Exhibit B to the Distribution Agreement is hereby amended by deleting all countries listed thereon except in Germany. As a result, only Germany shall be included within the term "Excluded Territory". The words "using pQCT technology" are hereby deleted from the second sentence of Section 2(b) and from each of the first two sentences of Section 2(e) of the Distribution Agreement.

2. Section 2(h) of the Distribution Agreement is hereby amended in its entirety to read as follows:

"(h) Except for (i) sales of Norland Devices and Stratec Devices pursuant to this Agreement, (ii) sales of Devices manufactured by the Distributor or any affiliate of the Distributor, and (iii) sales of Devices using ultrasound technology, the Distributor agrees that during the Term (as defined below) of this Agreement, it will not distribute or

otherwise sell any Device which competes with any Norland Device or Stratec Device."

3. Notwithstanding the provisions of Section 3 of the Distribution Agreement, (i) for the period from October 1, 1996 through December 31, 1997 (the "Norland Corp. Period"), the price to be paid by the Distributor to Norland Corp. for each Norland Device shall be determined in accordance with paragraphs 4 and 6 below, and (ii) for the period from December 1, 1996 through December 31, 1997 (the "Stratec Period"), the price to be paid by the Distributor to Stratec for each Stratec Device shall be determined in accordance with paragraphs 5 and 6 below. The Norland Corp. Period and the Stratec Period shall be automatically and successively renewed without further action by any party for an indefinite number of successive one-year

-2-

terms commencing January 1, 1998 and each January 1 thereafter; provided, however, that Norland Corp. may terminate the Norland Corp. Period and Stratec may terminate the Stratec Period effective on December 31, 1997 or on any December 31 thereafter upon written notice to the Distributor not less than 90 days nor more than 180 days prior to the end of such calendar year.

4. Subject to the provisions of Section 6 below, the price to be paid by the Distributor to Norland Corp. for each Norland Device purchased during the Norland Corp. Period shall be an amount equal to the Distributor's Device Cost (as defined below). In addition, with respect to any Norland Device, other than the XR-36, the Eclipse and the current model of the pDEXA, sold by the Distributor during the Norland Corp. Period, the Distributor shall pay to Norland Corp. an additional amount equal to 5% of the purchase price received by the Distributor for such Norland Device (net of returns, allowances, credits, etc.).

5. Subject to the provisions of Section 6 below, the price to be paid by the Distributor to Stratec for each Stratec Device purchased during the Stratec Period shall be an amount equal to Distributor's Device Cost. In addition, with respect to each Stratec Device using pQCT technology sold by the Distributor during the Stratec Period, the Distributor shall pay to Stratec an additional amount equal to 5% of the purchase price received by the Distributor for such Stratec Device (net of returns, allowances, credits, etc.).

6. If the aggregate purchase price payable by the Distributor pursuant to paragraphs 4 and 5 hereof for all Norland Devices purchased in a calendar year during the Norland Corp. Period and all Stratec Devices purchased in a calendar year during the Stratec Period would exceed the aggregate purchase price for such Devices under the Distribution Agreement,

-3-

assuming that the provisions of paragraphs 3 through 5 hereof had never become effective (the "Original Aggregate Purchase Price"), then the aggregate purchase price payable by the Distributor to Norland Corp. and Stratec for such Devices shall be reduced to an amount equal to the Original Aggregate Purchase Price. Such determination shall be made as soon as practicable following the end of each calendar year during the Norland Corp. Period and the Stratec Period, and Norland Corp. and Stratec shall promptly repay to the Distributor any amounts paid by the Distributor in excess of the Original Aggregate Purchase Price. The period from October 1, 1996 through December 31, 1997 shall be deemed to be a single calendar year during the Norland Corp. Period, and the period from December 1, 1996 through December 31, 1997 shall be deemed to be a single calendar year during the Stratec Period.

7. The term "Distributor's Device Cost" shall have the meaning set forth on Annex A attached hereto.

8. This Amendment may be executed in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument, and any party may execute this Amendment by signing any such counterpart.

9. Except as specifically amended herein, the terms and provisions of the Distribution Agreement are in all respects ratified and confirmed.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

NORLAND CORPORATION

By: /s/ Reynald G. Bonmati

-----  
Name: Reynald G. Bonmati  
Title: President

-4-

STRATEC MEDIZINTECHNIK GmbH

By: /s/ Hans Schiessl

-----  
Name: Hans Schiessl  
Title: Geschäftsführer

NORLAND MEDICAL SYSTEMS, INC.

By: /s/ Reynald G. Bonmati

-----  
Name: Reynald G. Bonmati

Title: President

-5-

ANNEX A

"Distributor's Device Cost" shall mean, with respect to any Norland Device or Stratec Device, an amount equal to the sum of (i) \*% of the Manufacturer's Standard Costs of all components and other parts used in such Device, other than Computer Components, as in effect at the time of shipment of such Device by the Manufacturer, (ii) 100% of the Manufacturer's Standard Costs of any Computer Components purchased from the Manufacturer as part of such Device, as in effect at the time of shipment of such Device by the Manufacturer, (iii) a computer handling charge of \$200 for each Norland Device and DM300 for each Stratec Device, (iv) the Labor Costs related to such Device, and (v) all sales, excise or other taxes or duties imposed in connection with the sale of such Device, to the extent payable by the Manufacturer.

The term "Computer Components" shall mean any computer hardware and related peripherals, including monitors and printers.

The term "Standard Cost" shall mean, at any time that the Standard Cost of any component or part is to be established by the Manufacturer, the average cost to the Manufacturer of all units of such component or part purchased by the Manufacturer during the preceding six months. If there have been no purchases of such component or part during such six month period, the then established Standard Cost shall not be changed. All Standard Costs shall be expressed in U.S. dollars.

Each Manufacturer shall maintain a list setting forth the Standard Cost of each component and part used in each Device. This list will be updated by the Manufacturer at least twice each year. If, at the time the list of Standard Costs for a particular Device is to be revised, the aggregate Standard Costs of all components and parts used in such Device would not increase or decrease by more than 5% from the aggregate Standard Costs of such components and parts then in effect, the Standard Costs of such components and parts shall not be changed.

The term "Labor Costs" shall mean, with respect to any Device, an amount equal to the Lesser of (i) the actual labor costs incurred by the Manufacturer in producing such Device (using standard cost accounting methods) and (ii) \*% of the Manufacturer's Standard Costs of all components and other parts used in such Device, other than Computer Components.



\* = Confidential Treatment Requested