

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K/A

Current report filing [amend]

Filing Date: **1996-12-30** | Period of Report: **1996-09-23**
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FILER

APPLIED CELLULAR TECHNOLOGY INC

CIK: **924642** | IRS No.: **431641533** | State of Incorpor.: **MO** | Fiscal Year End: **1231**
Type: **8-K/A** | Act: **34** | File No.: **000-26020** | Film No.: **96687894**
SIC: **5045** Computers & peripheral equipment & software

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NIXA MO 65714

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4177259888

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

FORM 8-K/A

CURRENT REPORT

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

Date of Report (Date of earliest event reported) September 23, 1996

APPLIED CELLULAR TECHNOLOGY, INC.

(Exact name of registrant as specified in its charter)

Missouri

33-79678

43-1641533

(State of other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

Highway 160 & CC, Suite 5, Nixa, Missouri

65714

(Address of principal executive officers)

(Zip Code)

Registrant's telephone number, including area code: 417-725-9888

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Item 1. Changes in Control of Registrant

Item 2. Acquisition or Disposition of Assets.

On September 23, 1996, the Company issued 295,115 shares of its common stock at \$4.75 per share to the 12 shareholders of Cra-Tek Company in exchange for an amount of common shares equal to 80.1% of the total outstanding common shares of Cra-Tek Company.

- Item 3. Bankruptcy or Receivership. None.
- Item 4. Changes in Registrant's Certifying Accountant. No.
- Item 5. Other Events. None.
- Item 6. Resignation of Registrant's Directors. None.
- Item 7. Financial Statements and Exhibits.
- (a) Financial statements of businesses acquired. Not required--per attached calculation.
- (b) Pro forma financial information. Not required--per attached calculation.
- (c) Exhibits. Agreement of Sale. Previously filed.
- Item 8. Change in Fiscal Year. None.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

APPLIED CELLULAR TECHNOLOGY, INC.
(Registrant)

Date: December 23, 1996

/s/ Garrett Sullivan

President

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 <TABLE>
 APPLIED CELLULAR TECHNOLOGY, INC. AND SUBSIDIARIES
 TEST OF SIGNIFICANCE FOR THE 80% PURCHASE OF CRA-TEK COMPANY
 FOR THE 8-K FILING

100%- 80% of the Cra-Tek amount
 divided by the proforma amount

<CAPTION>			
<S>	<C>	<C>	<C>
CRA-TEK COMPANY			
INVESTMENT IN BY ACT	\$459,791	1.73%	
CRA-TEK'S TOTAL ASSETS AT 12/31/95	\$644,942		1.94%
CRA-TEK'S NET INCOME BEFORE TAX FOR THE YEAR ENDED 12/31/95	\$113,978		15.19%

<CAPTION>
 ALL %'S ARE BELOW 20%, THEREFORE NO FINANCIAL STATEMENTS
 OR PROFORMA STATEMENTS ARE REQUIRED.

<S>	<C>	
APPLIED CELLULAR TECHNOLOGY, INC. AND SUBSIDIARIES		
PER THE MOST RECENT PROFORMA INFORMATION FILED WITH AN 8-K: APPLIED CELLULAR TECHNOLOGY, INC. AND SUBSIDIARIES		
TOTAL ASSETS AT 12/31/95	\$26,643,096	(see attached)
NET INCOME BEFORE TAX FOR THE YEAR ENDED 12/31/95	\$600,032	(see attached)

</TABLE>

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 AS PREVIOUSLY FILED

The following pro forma consolidated statement of operations of Applied Cellular Technology, Inc. and Subsidiaries for the year ended December 31, 1995 and for the nine months ended September 30, 1996 gives effect to the acquisition of Advanced Telecom Holdings, Inc. as if it were effective January 1, 1995. The statements give effect to the Acquisition under the purchase method of accounting and the assumptions in the accompanying notes to the pro forma financial statements.

In September 1996, the Company entered into an agreement to purchase 100% of Advanced Telecom Holdings, Inc. in exchange for 1,618,180 shares of Applied Cellular Technology, Inc.'s common stock, 100,000 shares of 8% redeemable preferred stock at \$100 per share of Applied Cellular Technology, Inc. and warrants evidencing the right to purchase 1,000,000 shares of Applied Cellular Technology, Inc.'s common stock. The shares of common stock issued were valued at 75% of the then current market trading value of \$5.00, due to the limited market of the shares and the restricted nature of the shares. No value was attributed to the warrants because the exercise price exceeded the fair value of the underlying common shares. Each warrant can be exercised, at any time, and from time to time, beginning in October 1996 until October 2001, at a price of one warrant plus \$5.31 per common share. The total value of the investment based on the above facts was recorded at \$12,022,725 plus acquisition costs of \$326,863, for a total investment of \$12,349,588. The agreement dated October 1996, called for the effective date of the acquisition to be September 1, 1996 due to the significant control of the Company by ACT Communications, Inc. since September 1, 1996 and the agreement called for the profit and loss to be allocated to ACT Communications beginning September 1, 1996. The 8% preferred dividend begins accruing on October 1, 1996.

The pro forma statements may not be indicative of the results that would have occurred if the Acquisitions had been effective on the dates indicated or of the results that may be obtained in the future. The pro forma statements should be read in conjunction with the financial statements and notes thereto of the Company.

AS PREVIOUSLY FILED

<TABLE>
 PROFORMA CONSOLIDATED STATEMENT OF OPERATIONS
 (UNAUDITED)

<CAPTION>	As Reported	Pro forma adjustments	Pro Forma
	For the year ended	-----	For the year ended
	December 31,	Advanced	December 31,
	1995	Telecom	1995
		Holdings, Inc.	
		<F1>	(UNAUDITED)
<S>	<C>	<C>	<C>

Net Revenues	\$2,335,999	\$32,792,474	\$35,128,473
Direct Costs	\$1,186,213	\$14,908,104	\$16,094,317

Gross Profit	\$1,149,786	\$17,884,370	\$19,034,156
Operating Expenses	\$981,212	\$15,624,091	\$17,248,553

Operating Income (Loss)	\$168,574	\$2,260,279	\$1,785,603
Interest Income	\$74,899	\$0	\$74,899
Interest Expense	(\$15,150)	(\$396,087)	(\$411,237)
Minority Interest	(\$48,963)	\$0	(\$48,963)
Provision for income tax	\$0	\$0	(\$439,539)

Net Income (Loss)	\$179,360	\$1,864,192	\$960,763
Dividends			(\$800,000)
Net income (loss) applicable to common shareholders	\$179,360	\$1,864,192	\$160,763
=====			
Net Income (Loss) Per Common Share	\$0.10		\$0.05
Weighted Average Number Of Common Shares Outstanding	1,792,939		3,129,474

<FN>

Computational Note:

The Net Income before tax used in the attached calculation is calculated as follows:

\$160,763	Net income applicable to common shareholders
\$439,539	Tax provision

\$600,302	Net income before tax
=====	

The related pro forma 12/31/95 balance sheet (not required to be filed with this 8-K) - resulted in total assets of \$26,643,096.

Note : The Pro Forma Consolidated Statement of Operations gives effect to the following pro forma adjustments:

- <F1> Represents the Statement of Operations of Advanced Telecom Holdings, Inc. for the year ended December 31, 1995 that would have been consolidated with the Company if the acquisition would have taken place on January 1, 1995.
- <F2> Represents the amortization expense for goodwill on the Advanced Telecom Holdings, Inc. acquisition, in the amount of \$643,250 (\$12,865,009 divided by 20 years)
- <F3> Represents an increase in the tax provision as reported at December 31, 1995, due to the proformed increase in book income from (F1)-(F2).
- <F4> Represents the twelve months expense for the dividends that will be paid on the 8% preferred stock issued in the Advanced Telecom Holdings, Inc. acquisition (100,000 x \$100 x 8%)

</TABLE>

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AS PREVIOUSLY FILED

<TABLE>

PROFORMA CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED)

<CAPTION>

	As Reported For the nine months ended September 30, 1996 (UNAUDITED)	Pro forma adjustments ----- Advanced Telecom Holdings, Inc. (UNAUDITED) <F1>	Pro Forma For the nine months ended September 30, 1996 (UNAUDITED)
<S>	<C>	<C>	<C>
Net Revenues	\$7,602,707	\$19,363,543	\$26,966,250
Direct Costs	\$4,163,160	\$7,470,031	\$11,633,191

Gross Profit	\$3,439,547	\$11,893,512	\$15,333,059
Operating Expenses	\$2,911,541	\$11,185,016	\$14,531,705

Operating Income (Loss)	\$528,006	\$708,496	\$801,354
Interest Income	\$67,628	\$0	\$67,628
Interest Expense	(\$75,151)	(\$336,823)	(\$411,974)
Minority Interest	(\$80,013)	\$0	(\$80,013)
Provision for income tax	(\$133,702)	\$0	(\$22,851)

Net Income (Loss)	\$306,768	\$371,673	\$266,194
Dividends			(\$600,000)
Net income (loss) applicable to common shareholders	\$306,768	\$371,673	(\$333,856)
=====			
Net Income (Loss) Per Common Share	\$0.11		(\$0.08)

<FN>

Note : The Pro Forma Consolidated Statement of Operations gives effect to the following pro forma adjustments:

<F1> Represents the Statement of Operations of Advanced Telecom Holdings, Inc. for the eight months ended August 31, 1996 (the month to date for September 30, 1996 is already included in the as reported column) that would have been consolidated with the Company if the acquisition would have taken place on January 1, 1995.

<F2> Represents the amortization expense for goodwill on the Advanced Telecom Holdings, Inc. acquisition, in the amount of \$482,438 (\$12,865,009 divided by 20 years x 9/12) less the \$47,290 that is already reflected in the as reported column.

<F3> Represents a decrease in the tax provision as reported at September 30, 1996, due to the proformed decrease in book income from (F1)-(F2).

<F4> Represents the nine months expense for the dividends that will be paid on the 8% preferred stock issued in the Advanced Telecom Holdings, Inc. acquisition (100,000 x \$100 x 8% x 9/12)

</TABLE>