

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2005-05-02** | Period of Report: **2005-05-02**
SEC Accession No. **0001275287-05-001633**

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FILER

CAM COMMERCE SOLUTIONS INC

CIK: **819334** | IRS No.: **953866450** | State of Incorpor.: **DE** | Fiscal Year End: **0930**
Type: **8-K** | Act: **34** | File No.: **000-16569** | Film No.: **05789940**
SIC: **7373** Computer integrated systems design

Mailing Address

*17075 NEWHOPE ST
FOUNTAIN VALLEY CA 92708*

Business Address

*17075 NEWHOPE ST
FOUNTAIN VALLEY CA 92708
7142419241*

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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 or 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): May 2, 2005

CAM COMMERCE SOLUTIONS, INC.
(Exact name of registrant as specified in its charter)

| | | |
|--|--|--|
| Delaware (State or other jurisdiction of incorporation) | 000-16569 (Commission File Number) | 95-3866450 (IRS Employer Identification No.) |
|--|--|--|

17075 Newhope Street
Fountain Valley, California 92708
(Address of principal executive offices)

Registrant's telephone number, including area code: (714) 241-9241

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following information is furnished pursuant to this Item 2.02 of Form 8-K. On May 2, 2005, CAM Commerce Solutions, Inc. announced its financial results for the three and six months ended March 31, 2005 pursuant to a press release, a copy of which is attached as Exhibit 99.1 to this report.

The information in this Form 8-K and the Exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing by the company under the Securities Act of 1933 or the Exchange Act, except as may be expressly set forth by specific reference in such filing.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

99.1 Press Release dated May 2, 2005 (furnished pursuant to Item 2.02 of Form 8-K).

SIGNATURES

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

CAM COMMERCE SOLUTIONS, INC.
(Registrant)

Date: May 2, 2005

/s/ Paul Caceres

Paul Caceres
Chief Financial and Accounting Officer

INDEX TO EXHIBITS

| Exhibit Number | Description |
|-------------------|--|
| ----- | ----- |
| 99.1 | Press release, dated May 2, 2005, issued by CAM Commerce Solutions Corporation |

CAM REPORTS 2ND QUARTER RESULTS

FOUNTAIN VALLEY, Calif., May 2 /PRNewswire-FirstCall/ -- CAM Commerce Solutions, Inc. (Nasdaq: CADA) reported a slight increase in revenues to \$5.9 million for the three months ended March 31, 2005 compared to \$5.8 million for the same quarter of fiscal 2004. Income before income tax provisions for the three months ended March 31, 2005 decreased to \$252,000, compared to \$512,000 for the same period ended March 31, 2004. Net income for the three months ended March 31, 2005 decreased to \$150,000 or \$0.04 per fully diluted share, compared to \$475,000 or \$0.12 per share for the quarter ended March 31, 2004.

For the six months ended March 31, 2005, revenue increased 9% to \$12.1 million compared to \$11.1 million for the same period in fiscal 2004. Earnings before provisions for income taxes for the six month period ended March 31, 2005 improved slightly to \$925,000, compared to \$916,000 for the same period of last year. Net income for the six months ended March 31, 2005 decreased to \$552,000 or \$0.14 per fully diluted share, compared to \$850,000 or \$0.23 per share for the six months ended March 31, 2004. Results for the three and six months ended March 31, 2005 include federal tax provision, whereas for the same periods in fiscal 2004, no federal tax provision was recorded due to the utilization of net operating loss carryforwards.

The company's CEO, Geoff Knapp commented, "The quarter ended March 31, 2005 was negatively impacted by lower than expected new system sales and an increase in expense primarily related to the timing of marketing expenditures and the increase in the operational costs of our X-Charge operations as related to the growth we are experiencing in this area of our business. It is too early to say whether or not we are experiencing any type of longer term slow down on the system sales side but we are taking steps to adapt this part of our business to be more flexible. Right now we are treating the shortfall as a sales execution issue and are working to improve in this area.

Our X-Charge payment processing revenues continued to show strong growth and provided solid results. For comparison purposes between the quarters ended March 31, 2005 and 2004, the amounts will not be directly comparable due to the change in accounting estimate for X-Charge revenues that occurred in June of last year. The comparison of the six month periods ended March 31, 2005 and 2004 better reflects the growth rate in X-Charge revenues, which increased 81%.

Our cash flow remained strong during the quarter. Cash and marketable securities increased \$800,000 over last quarter, from \$18.0 million to \$18.8 million.

In summary, we are not happy about the softness we experienced during the quarter in system sales and we are addressing this. At the same time we are very happy with the continued growth of our X-Charge revenues. "

About CAM Commerce Solutions

CAM Commerce Solutions provides total commerce solutions for traditional and web retailers that are based on the company's open architecture software products for inventory management, point of sale, sales transaction processing, accounting, and payment processing. These solutions often include hardware, installation, training, service, and payment processing services provided by the company. You can visit CAM Commerce Solutions at www.camcommerce.com.

Important Information

Certain statements made in this release, including those relating to the expectations of profitability and economic climates, are forward-looking and are made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. Words such as "will," "should," "believe," "expect," "anticipate," "outlook," "forecast," "optimistic," "feel," "potential," "continue," "intends," "goal," "plans," "estimates," "may," "seeks," "would," "future," "bright," "projected," and other similar expressions that predict or indicate future events or trends, or that are not statements of historical matters, identify forward-looking statements. Expectations concerning financial results for future quarters are not actual results and are based upon preliminary estimates, as well as certain assumptions management believes to be reasonable at this time. Investors should not rely upon forward-looking statements because they are subject to a variety of risks, uncertainties, and other factors that could cause actual results to differ materially from management's expectations, and the company does not undertake any duty to update forward-looking statements which speak only as of the date of this release. The performance of any one month or quarter may not be indicative of future performance, particularly given prevailing market and economic uncertainties. In addition to the factors set forth elsewhere in this release, the economic, competitive, technological, and other factors identified in CAM Commerce Solutions' filings with the Securities and Exchange Commission could affect the forward looking statements contained in this release.

CAM COMMERCE SOLUTIONS, INC.
CONDENSED STATEMENT OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

| | THREE MONTHS ENDED | | SIX MONTHS ENDED | |
|--|--------------------|----------|------------------|----------|
| | MARCH 31 | MARCH 31 | MARCH 31 | MARCH 31 |
| | 2005 | 2004 | 2005 | 2004 |
| REVENUES | | | | |
| Net hardware, software and installation revenues | \$ 3,227 | \$ 3,583 | \$ 6,575 | \$ 6,820 |
| Net service revenues | 1,322 | 1,384 | 2,727 | 2,762 |
| Net payment processing revenues | 1,353 | 833 | 2,750 | 1,518 |

| | | | | |
|---|---------|---------|---------|---------|
| Total net revenues | 5,902 | 5,800 | 12,052 | 11,100 |
| COSTS AND EXPENSES | | | | |
| Cost of hardware, software and installation revenues | 1,730 | 1,687 | 3,414 | 3,328 |
| Cost of service revenues | 539 | 511 | 1,051 | 1,019 |
| Cost of payment processing revenues | 107 | 45 | 249 | 83 |
| Total cost of revenues | 2,376 | 2,243 | 4,714 | 4,430 |
| Selling, general and administrative expenses | 2,991 | 2,747 | 5,872 | 5,168 |
| Research and development expenses | 410 | 380 | 777 | 749 |
| Interest income | (127) | (82) | (236) | (163) |
| Total costs and expenses | 5,650 | 5,288 | 11,127 | 10,184 |
| Income before provisions for income taxes | 252 | 512 | 925 | 916 |
| Provisions for income taxes | 102 | 37 | 373 | 66 |
| Net income | \$ 150 | \$ 475 | \$ 552 | \$ 850 |
| Basic net income per share | \$ 0.04 | \$ 0.14 | \$ 0.15 | \$ 0.25 |
| Diluted net income per share | \$ 0.04 | \$ 0.12 | \$ 0.14 | \$ 0.23 |
| Shares used in computing basic net income per share | 3,813 | 3,484 | 3,800 | 3,384 |
| Shares used in computing diluted net income per share | 4,073 | 3,920 | 4,063 | 3,744 |

CAM COMMERCE SOLUTIONS, INC.
CONDENSED BALANCE SHEETS
(In thousands, except per share data)

| | MARCH 31 2005 | SEPTEMBER 30 2004 |
|--|------------------|----------------------|
| | ----- | ----- |
| | (Unaudited) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 16,994 | \$ 16,591 |
| Marketable available-for-sale securities | 1,792 | 1,109 |
| Accounts receivable, net | 1,892 | 1,919 |
| Inventories | 384 | 361 |
| Deferred income taxes | 1,288 | 1,629 |
| Other current assets | 113 | 137 |
| Total current assets | 22,463 | 21,746 |
| Deferred income taxes | 1,175 | 780 |
| Property and equipment, net | 634 | 639 |

| | | |
|------------------------|-----------|-----------|
| Intangible assets, net | 563 | 679 |
| Other assets | 57 | 80 |
| Total assets | \$ 24,892 | \$ 23,924 |

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

| | | |
|--|--------|--------|
| Accounts payable | \$ 581 | \$ 550 |
| Accrued compensation and related expenses | 835 | 1,093 |
| Deferred service revenue and customer deposits | 1,692 | 1,628 |
| Other accrued liabilities | 307 | 357 |
| Total current liabilities | 3,415 | 3,628 |

Stockholders' equity:

| | | |
|--|-----------|-----------|
| Common stock, \$.001 par value; 12,000 shares authorized, 3,825 shares issued and outstanding at March 31, 2005 and 3,754 at September 30, 2004 | 4 | 4 |
| Capital in excess of par value | 19,981 | 19,328 |
| Accumulated other comprehensive income (loss) | (22) | 2 |
| Retained earnings | 1,514 | 962 |
| Total stockholders' equity | 21,477 | 20,296 |
| Total liabilities and stockholders' equity | \$ 24,892 | \$ 23,924 |

SOURCE CAM Commerce Solutions, Inc.

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05/02/2005

/CONTACT: Mathew Hayden, President of Hayden Communications, Inc.,
+1-858-704-5065, for CAM Commerce Solutions, Inc./
/Web site: <http://www.camcommerce.com/>