

ARRHYTHMIA RESEARCH TECHNOLOGY INC /DE/
Form 10QSB
November 14, 2007
Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM 10-QSB

Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended **September 30, 2007** or

Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

1-9731

(Commission file No.)

ARRHYTHMIA RESEARCH TECHNOLOGY, INC.

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

DELAWARE

*(State or other jurisdiction of incorporation
or organization)*

72-0925679

(I.R.S. employer identification no.)

25 Sawyer Passway

Fitchburg, Massachusetts 01420

(Address of principal executive offices)

(978) 345-5000

(Issuer's telephone number, including area code)

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

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

As of November 1, 2007 there were 2,711,680 shares of the Company's common stock outstanding.

Transitional Small Business Disclosure Format Yes_ No X

ARRHYTHMIA RESEARCH TECHNOLOGY, INC.

TABLE OF CONTENTS

FORM 10-QSB

September 30, 2007

PART I - FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

Consolidated Balance Sheets

Consolidated Statements of Income

Consolidated Statements of Cash Flows

Notes to the Consolidated Financial Statements

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 3. Controls and Procedures

PART II - OTHER INFORMATION

Item 5. Other Information.

Item 6. Exhibits

SIGNATURES

Exhibit 31.1 Certification of Chief Executive Officer pursuant to section 302 of the Sarbanes-Oxley Act of 2002 X-1

Exhibit 31.2 Certification of Chief Financial Officer pursuant to section 302 of the Sarbanes-Oxley Act of 2002 X-2

Exhibit 32.1 Certification of Chief Executive Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002 X-3

Exhibit 32.2 Certification of Chief Financial Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002 X-4

Exhibit 99.01 Press Release dated November 12, 2007 announcing its financial results for the quarter ended September 30, 2007 X-5

PART I - FINANCIAL INFORMATION**Item 1. Consolidated Financial Statements**

ARRHYTHMIA RESEARCH TECHNOLOGY, INC. AND SUBSIDIARY

Consolidated Balance Sheets

(Unaudited)

ASSETS	September 30, 2007	December 31, 2006
Current assets:		
Cash and cash equivalents	\$ 2,194,603	\$ 2,065,645
Trade and other accounts receivable, net of allowance for doubtful accounts of \$49,830 and \$29,830	2,737,518	2,857,937
Inventories, net	3,558,815	2,868,292
Deferred income taxes, net	57,000	57,000
Deposits, prepaid expenses and other current assets	684,523	476,153
Total current assets	9,232,459	8,325,027
Property and equipment, net of accumulated depreciation of \$7,565,084 and \$6,849,805	7,078,504	6,045,736
Goodwill	1,564,966	1,564,966
Other intangible assets, net	244,735	310,802
Deferred income taxes, net	70,000	70,000
Other assets	32,466	87,349
Total assets	\$ 18,223,130	\$ 16,403,880

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$ 1,729,799	\$ 1,347,464
Accrued expenses	304,312	414,739
Current portion of acquisition note payable	61,633	61,633
Short term loan payable	382,959	-
	2,478,703	1,823,836

Total current liabilities		
Long term liabilities:		
Long term payables	10,210	25,836
Acquisition note payable, net of current portion	88,336	134,083
Total long term liabilities	98,546	159,919
Total liabilities	2,577,249	1,983,755
Shareholders' equity:		
Preferred stock, \$1 par value; 2,000,000 shares authorized, none issued	-	-
Common stock, \$0.01 par value; 10,000,000 shares authorized, 3,926,491 shares issued	39,265	39,265
Additional paid-in-capital	10,130,023	10,021,417
Common stock held in treasury, 1,214,811, and 1,220,811 shares at cost	(3,326,579)	(3,343,007)
Retained earnings	8,803,172	7,702,450
Total shareholders' equity	15,645,881	14,420,125
Total liabilities and shareholders' equity	\$ 18,223,130	\$ 16,403,880

The accompanying notes are an integral part of the consolidated financial statements.

[Return to Table of Contents](#)

ARRHYTHMIA RESEARCH TECHNOLOGY, INC. AND SUBSIDIARY

Consolidated Statements of Income

(Unaudited)

		(ii) SCQP beneficially owned
Three Months Ended September 30,	Nine Months Ended September 30,	111,680 Shares;

(iii) SCMGP, as the general partner of each of SCP and SCQP, may be deemed the beneficial owner of the (i) 1,456,816 Shares beneficially owned by SCP and (ii) 111,680 Shares beneficially owned by SCQP;

CUSIP NO. 45778Q107

(iv) SCM, as the investment advisor and the general partner of SCMGP, may be deemed the beneficial owner of the (i) 1,456,816 Shares beneficially owned by SCP and (ii) 111,680 Shares beneficially owned by SCQP; and

(v) Messrs. Seaver and Kent, as managers of SCM, may be deemed the beneficial owner of the (i) 1,456,816 Shares beneficially owned by SCP and (ii) 111,680 Shares beneficially owned by SCQP.

The filing of this Schedule 13G shall not be construed as an admission that the Reporting Persons are, for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, the beneficial owners of any of the Shares reported herein. Each of the Reporting Persons specifically disclaims beneficial ownership of the Shares reported herein that are not directly owned by such Reporting Person.

(b) Percent of class:

The following percentages are based on 25,338,512 Shares outstanding as of February 3, 2015, which is the total number of Shares outstanding as reported in the Issuer's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 10, 2015.

As of the close of business on March 20, 2015, (i) SCP beneficially owned approximately 5.8% of the outstanding Shares, (ii) SCQP beneficially owned less than 1% of the outstanding Shares, and (iii) each of SCMGP, SCM and Messrs. Seaver and Kent may be deemed to beneficially own approximately 6.2% of the outstanding Shares.

(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote:

See Cover Pages Items 5-9.

(ii) Shared power to vote or to direct the vote:

See Cover Pages Items 5-9.

(iii) Sole power to dispose or to direct the disposition of:

See Cover Pages Items 5-9.

(iv) Shared power to dispose or to direct the disposition of:

See Cover Pages Items 5-9.

Item 5. Ownership of Five Percent or Less of a Class.

Not Applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Not applicable.

CUSIP NO. 45778Q107

Item Identification and Classification of the Subsidiary That Acquired the Security Being Reported on by the Parent
7. Holding Company or Control Person.

Not Applicable.

Item 8. Identification and Classification of Members of the Group.

See Exhibit 99.1.

Item 9. Notice of Dissolution of Group.

Not Applicable.

Item 10. Certifications.

By signing below each of the undersigned certifies that, to the best of its knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

CUSIP NO. 45778Q107

SIGNATURE

After reasonable inquiry and to the best of his knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: March 23, 2015

STADIUM CAPITAL QUALIFIED PARTNERS, L.P.

By: Stadium Capital Management GP, L.P.
General Partner

By: Stadium Capital Management, LLC
General Partner

By: /s/ Alexander M. Seaver
Name: Alexander M. Seaver
Title: Managing Member

STADIUM CAPITAL PARTNERS, L.P.

By: Stadium Capital Management GP, L.P.
General Partner

By: Stadium Capital Management, LLC
General Partner

By: /s/ Alexander M. Seaver
Name: Alexander M. Seaver
Title: Managing Member

STADIUM CAPITAL MANAGEMENT GP, L.P.

By: Stadium Capital Management, LLC
General Partner

By: /s/ Alexander M. Seaver
Name: Alexander M. Seaver
Title: Managing Member

CUSIP NO. 45778Q107

STADIUM CAPITAL MANAGEMENT, LLC

By: /s/ Alexander M. Seaver
Name: Alexander M. Seaver
Title: Managing Member

/s/ Alexander M. Seaver
Alexander M. Seaver

/s/ Bradley R. Kent
Bradley R. Kent

