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DEWEY ELECTRONICS CORP

Form 10-K/A

October 28, 2004

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

FORM 10-K/A
(Amendment No. 1)

ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 2004

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Commission file number 0-2892

THE DEWEY ELECTRONICS CORPORATION
(Exact name of registrant as specified in charter)

NEW YORK 13-1803974
(State of Incorporation) R.S. Employer Identification No.)

27 Muller Road, Oakland, New Jersey 07436
(Address of principal executive offices) Zip Code

201-337-4700
(Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Act:
None

Securities registered pursuant to Section 12(g) of the Act:
Common stock, \$.01 par value
(Title of class)

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.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No .

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, computed by reference to the price at which the common stock was sold as of the close of business on December 31, 2003: \$3,210,979.

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The number of shares outstanding of the registrant's common stock, \$.01 par value was 1,359,531 at October 20, 2004.

Documents Incorporated by Reference: None

THE DEWEY ELECTRONICS CORPORATION

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EXPLANATORY NOTE: This Form 10-K/A is being filed by The Dewey Electronics Corporation (the "Corporation") for the sole purpose of including in the Corporation's Form 10-K for the fiscal year ended June 30, 2004 the information required by Items 10-14 of Part III of Form 10-K within the period required by General Instruction G(3) to Form 10-K.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information Concerning Directors. The following table sets forth the name of each member of the Board of Directors, his or her

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age, principal occupation during the past five years and the name and principal business of any corporation or organization in which such occupation is carried on, and the period during which he or she has served as director. John H. D. Dewey is a son of Frances D. Dewey.

Name	Age	Principal Occupation During Past Five Years Other Directorships and Positions With Corporation	Director Since
Alexander A. Cameron	82	President, Key Research and Market Development, Inc. Business Consultants	1964
Frances D. Dewey	77	Director of the Corporation (Chairperson of the Board since June 14, 2002) Secretary of the Corporation	1955
John H.D. Dewey	39	President and Chief Executive Officer of the Corporation (since December 4, 2002; Acting Chief Executive Officer from June 14, 2002 until December 4, 2002) Management Consultant (until June 14, 2002) President, Monastery Graphics, Inc. Information Technology Consulting	1999
LTG James M. Link (USA Retired)	61	President Director (since July 21, 2001) Teledyne Brown Engineering Systems Engineering	2001
Nathaniel Roberts	38	General Manager Callery-Judge Grove Citrus Suppliers	1999

Executive Officers. In addition to John H. D. Dewey (see "Information Concerning Directors" above), the Corporation's executive officers are: Thom A. Velto, age 54, who has been Treasurer of the Corporation since February 1990; Edward L. Proskey, age 48, who was elected Vice President, Operations of the Corporation in June 1994 (this title was changed to Senior Vice President, Operations in June 2003); and Francis DeLorenzo, age 44, who was elected Vice President, Business Development and Marketing on June 3, 2000 (this title was changed to Vice President, Government Programs in June 2003). Prior to such election, Mr. DeLorenzo had been employed by the Corporation since 1991 in various program management capacities.

Code of Business Conduct and Ethics. The Corporation has adopted a Code of Business Conduct and Ethics that applies to all of

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its directors, officers and employees. A copy of the code is available, free of charge, upon written request to the Corporate Secretary, The Dewey Electronics Corporation, at the Corporation's executive offices. Any substantive amendments to the code and any grant of a waiver from a provision of the code requiring disclosure under applicable SEC rules will be disclosed in a report on Form 8-K.

"Audit Committee Financial Expert." The Corporation does not have an "audit committee financial expert" serving on its Board of Directors, as that term is defined by Securities and Exchange Commission rules. The Board believes that the directors collectively have sufficient knowledge of financial and auditing matters to effectively oversee the Corporation's accounting and financial reporting practices. Furthermore, the Board has the power to engage experts or consultants as it deems appropriate to carry out its responsibilities.

16(a) Beneficial Ownership Reporting Compliance. For the fiscal year ended June 30, 2004, based solely on a review of copies of reports furnished to the Corporation or written representations that no other reports were required, the Corporation believes that all filing requirements under Section 16(a) of the Securities Exchange Act of 1934 applicable to its executive officers and directors were complied with. With respect to holders of more than 10 percent of the Corporation's Common Stock as of June 30, 2004, the Corporation does not have any information regarding the Section 16(a) beneficial ownership reporting compliance of Mr. Paul Koether, other than his filings with the Securities and Exchange Commission (which do not include a Form 5).

Item 11. EXECUTIVE COMPENSATION

Summary Compensation Table. The following table sets forth the aggregate compensation paid by the Corporation during the Corporation's last three fiscal years to (1) the chief executive officer of the Corporation and (2) the other executive officers of the Corporation whose aggregate of salary and bonus compensation for the fiscal year ended June 30, 2004 exceeded \$100,000.

Name and Principal Position Fiscal Year Ended	Fiscal Year Ended	Salary	Bonus	Securities Underlying Options/SARs (#)
John H.D. Dewey, President and Chief Executive Officer (1)	June 30, 2004	\$128,461	\$15,000	--
	June 30, 2003	\$120,000	--	12,000
	June 30, 2002	\$ 4,615	--	--
Edward L. Proskey Senior Vice President, Operations	June 30, 2004	\$96,812	\$10,000	--
	June 30, 2003	\$88,866	\$10,000	3,000
	June 30, 2002	\$86,284	\$34,250	--
Thom A. Velto Treasurer	June 30, 2004	\$104,130	\$8,000	--
	June 30, 2003	\$ 99,109	\$10,000	3,000
	June 30, 2002	\$ 96,223	\$30,000	--

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(1) John H. D. Dewey was appointed Acting Chief Executive Officer of the Corporation on June 14, 2002 at an annual salary of \$120,000. On December 4, 2002, Mr. Dewey was elected President and Chief Executive Officer of the Corporation. In addition to the salary set forth in the table above, Mr. Dewey received payments under the Corporation's policy regarding compensation of directors for the following fiscal years: 2004 -- \$0. 2003 -- \$0. 2002 -- \$6,000. Pursuant to an advisory agreement entered into in 2001, and terminated in 2002 when Mr. Dewey became an employee of the Corporation, the Corporation made payments to Monastery Graphics, Inc., a management and information technology consulting company of which Mr. Dewey is President, in the following amounts: 2004 -- \$0. 2003-- \$0. 2002 -- \$44,625. Since becoming an employee of the Corporation, Mr. Dewey has not played an active role in Monastery Graphics' business.

Option Grants in Last Fiscal Year. The Corporation did not grant any stock options to its executive officers during the fiscal year ended June 30, 2004.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values. None of the executive officers of the Corporation for whom information is provided in the "Summary Compensation Table" above exercised any stock options during the Corporation's fiscal year ended June 30, 2004. The following table sets forth, for each such executive officer, (1) the total number of securities underlying unexercised options as of the end of the Corporation's last fiscal year (June 30, 2004) and (2) the value of unexercised, in-the-money options as of the end of the Corporation's last fiscal year.

Name	Number of Securities Underlying Unexercised Options at Fiscal Year End (#)		Value of Unexercised In-the-Money Options at Fiscal Year End(\$)	
	Exercisable	Unexercisable	Exercisable	Unexercisable
John H.D. Dewey	6,000	6,000	--	--
Edward L. Proskey	3,500	1,500	\$3,750	--
Thom A. Velto	3,500	1,500	\$3,750	--

Retirement Benefits. The Corporation has a non-contributory pension plan for all active employees, under which, in general, employees with 25 or more years of service can receive 20% of their average monthly earnings (based on earnings during the five years preceding retirement) up to a specified maximum of \$850 per month for life assuming normal retirement at age 65 and vested employees with lesser service receive lesser amounts. Upon the employee's death, 50%

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of the monthly benefit is payable to the employee's spouse for life. Mrs. Dewey receives survivor's benefits of \$602 per month but does not otherwise participate in the pension plan. The Corporation's executive officers will receive the monthly maximum amount of \$850 at retirement, based upon current compensation levels and assuming normal retirement at age 65.

Compensation of Directors. The Corporation's current policy regarding compensation of directors is to pay \$4,000 per annum plus \$400 for each Board meeting attended. During the Corporation's last fiscal year, the Board of Directors held four meetings; each director attended all meetings. Annual compensation of \$25,000 was paid to Frances D. Dewey as Chairperson of the Board, in lieu of the directors fees described above. During the last fiscal year, General Link received \$24,000 for serving on the Corporation's Business Development Committee. No payments for services as a director or member of the Corporation's Business Development Committee during fiscal year 2004 were made to John H.D. Dewey (who received compensation as an officer of the Corporation).

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Item 403 of Regulation S-K

The following table sets forth certain information regarding ownership of the Corporation's Common Stock, as of October 20, 2004 (except as otherwise noted), by: (i) each person who is known by the Corporation to own beneficially more than five percent of the Corporation's Common Stock, (ii) each of the Corporation's directors, (iii) each of the Corporation's executive officers for whom information is provided in the "Summary Compensation Table" above, and (iv) all executive officers and directors as a group. The information presented in the table is based upon certain filings with the Securities and Exchange Commission by such persons, as indicated in the notes to the table below, or upon information otherwise provided by such persons to the Corporation. According to such filings or other information, such persons have sole voting and investment power with respect to shares reported as beneficially owned (except as indicated in the notes to the table below).

The address of each person who is a director or officer of the Corporation is 27 Muller Road, Oakland, New Jersey 07436.

Name of Beneficial Owner	Number of Shares Beneficially owned	% of the Common Stock
Frances D. Dewey	474,383 (1)	34.89%
A sset Value Fund Limited Partnership 376 Main Street, P.O. Box 74 Bedminster, New Jersey 07921	135,000 (2)	9.93%
Alexander A. Cameron	12,649	*
John H.D. Dewey	69,317 (3)	5.05%
LTG. James M. Link (USA Retired)	--	--

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Nathaniel Roberts	1,475	*
Edward Proskey	15,010 (4)	1.10%
Thom A. Velto	15,715 (4)	1.15%
All Directors and Executive Officers as a Group (8 persons)	603,049 (5)	43.55%

* Less than 1%.

(1) Does not include any shares of Common Stock beneficially owned by Mrs. Dewey's son, John H.D. Dewey. Mrs. Dewey disclaims any beneficial interest in the shares of Common Stock beneficially owned by John H.D. Dewey.

(2) Based upon a Form 4 dated August 6, 2004 filed with the Securities and Exchange Commission.

(3) Includes 27,258 shares of Common Stock owned of record by a trust for the benefit of a daughter of Frances D. Dewey, of which John H.D. Dewey (Mrs. Dewey's son) is the sole trustee. Does not include any shares of Common Stock beneficially owned by Mrs. Dewey. Mr. Dewey disclaims any beneficial interest in the shares of Common Stock beneficially owned by Mrs. Dewey. Also includes 12,000 shares issuable upon exercise of stock options granted under the Corporation's 1998 Stock Option Plan.

(4) Includes 5,000 shares issuable upon exercise of stock options granted under the Corporation's 1998 Stock Option Plan.

(5) Includes 37,000 shares issuable upon exercise of stock options.

Item 201(d) of Regulation S-K

Plan category	(a)	(b)	(c)
	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))

Equity compensation

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plans approved by security holders	42,500	\$2.034	72,500
Equity compensation plans not approved by security holders	0	0	0
Total	42,500	\$2.034	72,500

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During 1988, Gordon C. Dewey, the Corporation's co-founder, lent the Corporation a total of \$200,000. The loans, which are unsecured, provide for the payment of interest at the fixed rate of 9%. The loans are repayable upon demand by Frances D. Dewey, his widow, but are subordinate to the Corporation's term loan with Sovereign Bank, its principal lender.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees. The aggregate fees billed by Deloitte & Touche LLP for professional services rendered to the Corporation for the audit of the Corporation's annual financial statements for the fiscal year ended June 30, 2004 and reviews of the financial statements included in the Corporation's Forms 10-Q for such year were \$68,900. Such fees for the fiscal year ended June 30, 2003 were \$59,838.

Tax Fees. The aggregate fees billed by Deloitte & Touche LLP for tax services rendered to the Corporation during the fiscal year ended June 30, 2004 were \$3,470. Such services consisted of research for tax planning. There were no such fees for the fiscal year ended June 30, 2003.

Audit-Related Fees; All Other Fees. Deloitte & Touche LLP did not render any other services to the Corporation for the fiscal years ended June 30, 2004 and June 30, 2003.

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(2) Exhibits

A list of the exhibits required to be filed as part of this report is set forth in the Index to Exhibits, which immediately follows the signature page, and is incorporated herein by this reference.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, The Dewey Electronics Corporation has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized:

THE DEWEY ELECTRONICS CORPORATION

/s/ John H.D. Dewey
BY: John H.D. Dewey
President and Chief Executive Officer

/s/ Thom A. Velto
BY: Thom A. Velto,
Treasurer

DATE: October 27, 2004

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

/s/ Alexander A. Cameron Date: October 27, 2004
Alexander A. Cameron Director

/s/ Frances D. Dewey Date: October 27, 2004
Frances D. Dewey Director

/s/ John H.D. Dewey Date: October 27, 2004
John H.D. Dewey Director

/s/ James M. Link Date: October 27, 2004
James M. Link Director

/s/ Nathaniel Roberts Date: October 27, 2004
Nathaniel Roberts Director

THE DEWEY ELECTRONICS CORPORATION

INDEX TO EXHIBITS

The following exhibits are filed as part of this report. For convenience of reference, exhibits are listed according to the numbers assigned in the Exhibit table to Regulation S-K.

Number	Page No.
3 (a)- Certificate of Incorporation as amended. This item was filed as part of the Registrant's Form 10-K for the year ended June 30, 1988 and is herein incorporated by reference.	--

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3 (b)- By Laws as amended. This item was filed as part of the Registrant's Form 10-K for the year ended June 30, 1988 and is herein incorporated by reference. --

4 (a)- Agreement dated as of September 18, 1997 with Sovereign Bank providing for the borrowing of \$2,300,000 against issuance of a mortgage note payable to the Bank. This item was filed as part of the Registrant's Form 10-K for the year ended June 30, 1997 and is herein incorporated by reference. --

4 (a)- Mortgage note modification agreement dated December 27, 2001 with Sovereign Bank providing for reducing outstanding balance to \$975,000, reducing interest rate, and extending term to January 1, 2005. This item was filed as part of the Registrant's Form 10-K for the year ended June 30, 2002 and is herein incorporated by reference. --

4 (b)- Line of credit agreement dated as of September 18, 1997 with Sovereign Bank providing for the borrowing of up to \$500,000. This item was filed as part of the Registrant's Form 10-K for the year ended June 30, 1997 and is herein incorporated by reference. --

4 (c)- 2001 Stock Option Plan. This item was filed with the Registrant's Definitive Proxy Statement for the 2001 annual meeting of stockholders on December 5, 2001 and is herein incorporated by reference.

4 (c)- Amendment and Restatement of the 1998 Stock Option Plan. This item was filed with the Registrant's Definitive Proxy Statement for the 2001 annual meeting of stockholders on December 5, 2001 and is herein incorporated by reference.

31.1 Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).

31.2 Certification of Treasurer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).

32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (previously filed with the Registrant's Form 10-K for the year ended June 30, 2004).

32.2 Certification of Treasurer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (previously filed with the Registrant's Form 10-K for the year ended June 30, 2004).

Exhibit 31.1

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

I, John H.D. Dewey, certify that:

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1. I have reviewed this annual report on Form 10-K of The Dewey Electronics Corporation;
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)) 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) 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
 - c) 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 the 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.

Date: October 27, 2004
By: /s/ John H.D. Dewey
John H.D. Dewey
President and Chief
Executive Officer

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Exhibit 31.2

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

I, Thom A. Velto, certify that:

1. I have reviewed this annual report on Form 10-K of The Dewey Electronics Corporation;
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)) 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) 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
 - c) 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 the 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.

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Date: October 27, 2004

By: /s/ Thom A. Velto

Thom A. Velto

Treasurer