

SAFEGUARD SCIENTIFICS INC

Form 10-K/A

March 29, 2013

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 December 31, 2012

Commission File Number 1-5620

Safeguard Scientifics, Inc.

(Exact name of Registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of

incorporation or organization)

23-1609753
(I.R.S. Employer

ID No.)

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435 Devon Park Drive
Building 800
Wayne, PA
(Address of principal executive offices)

(610) 293-0600

19087
(Zip Code)

(Registrant's telephone number, including area code)

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

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock (\$.10 par value)	New York Stock Exchange
Securities registered pursuant to Section 12(g) of the Act: None	

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

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 whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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 a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☒

Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

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

As of June 30, 2012, the aggregate market value of the Registrant's common stock held by non-affiliates of the Registrant was \$316,924,470 based on the closing sale price as reported on the New York Stock Exchange.

The number of shares outstanding of the Registrant's Common Stock, as of March 7, 2013 was 20,976,963.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement (the Definitive Proxy Statement) to be filed with the Securities and Exchange Commission for the Company's 2013 Annual Meeting of Shareholders are incorporated by reference into Part III of this report.

EXPLANATORY NOTE REGARDING THIS FORM 10-K/A

This Amendment No. 1 to the Annual Report on Form 10-K (Form 10-K/A) of Safeguard Scientifics, Inc. (the Company) amends our Annual Report on Form 10-K for the year ended December 31, 2012, which was originally filed on March 11, 2013 (Original Form 10-K). This amendment is being filed to (1) provide Consolidated Financial Statements of PixelOptics, Inc. as Exhibit 99.1 hereto, (2) provide the Consent of Ernst and Young, LLP, independent auditors for PixelOptics, Inc., as Exhibit 23.2 hereto, (3) incorporate by reference Consolidated Financial Statements of NuPathe Inc. as Exhibit 99.2 hereto, and (4) provide the Consent of KPMG LLP, independent auditors for NuPathe Inc. as Exhibit 23.3 hereto. The Company owns equity interests in PixelOptics, Inc. and NuPathe Inc., and is required to include their Consolidated Financial Statements pursuant to Rule 3-09 under Regulation S-X. The Consolidated Financial Statements of PixelOptics, Inc. and NuPathe Inc. were not available at the time the Company filed its Original Form 10-K.

This Form 10-K/A sets forth an amended Item 15. Exhibits and Financial Statement Schedules in its entirety and includes the new certifications from the Company's principal executive officer and principal financial officer.

Except as expressly noted herein, this Form 10-K/A does not modify or update in any way disclosures made in the Original Form 10-K and does not reflect events occurring after the filing of the Original Form 10-K.

PART IV**Item 15. Exhibits and Financial Statement Schedules****(a) Consolidated Financial Statements and Schedules**

The following documents were filed as part of the Original Form 10-K:

1. The Company's Consolidated Financial Statements required to be filed as part of the Original Form 10-K and the Reports of Independent Registered Public Accounting Firm are filed as Part II, Item 8. Financial Statements and Supplementary Data.
2. All other financial statement schedules are omitted because the required information is not applicable, or because the information is included in the Company's Consolidated Financial Statements or the Notes to the Consolidated Financial Statements.
3. The exhibits listed on the accompanying Exhibit Index filed or incorporated by reference as part of the Original Form 10-K and this Form 10-K/A and such Exhibit Index are incorporated by reference herein (on the Exhibit Index, a * identifies each management contract or compensatory plan or arrangement required to be filed as an exhibit to the Original Form 10-K and this Form 10-K/A, and such listing is incorporated herein by reference).

(b) Exhibits

The exhibits listed on the Exhibit Index below filed or incorporated by reference as part of the Original Form 10-K and this Form 10-K/A and such Exhibit Index are incorporated herein by reference.

(c) Financial Statement Schedules

The financial statements as of December 31, 2012 of PixelOptics, Inc. (a development stage company), an equity method investee, are included in, and the financial statements as of December 31, 2012 of NuPathe, Inc, a fair value method company, are incorporated by reference in, this Form 10-K/A pursuant to Rule 3-09 of Regulation S-X.

Exhibits

The following is a list of exhibits required by Item 601 of Regulation S-K filed as part of this Report. For exhibits that previously have been filed, the Registrant incorporates those exhibits herein by reference. The exhibit table below includes the Form Type and Filing Date of the previous filing and the location of the exhibit in the previous filing which is being incorporated by reference herein. Documents which are incorporated by reference to filings by parties other than the Registrant are identified in footnotes to this table.

Exhibit Number	Description	Incorporated Filing Reference Form Type &	
		Filing Date	Original Exhibit Number
2.1.1	Purchase Agreement, dated as of February 29, 2008, by and between Safeguard Scientifics, Inc., as Seller, and Saints Capital Dakota, L.P., as Purchaser.	Form 8-K 3/4/08	2.1
2.1.2	First Amendment to Purchase Agreement, dated May 6, 2008, by and between Safeguard Scientifics, Inc., as Seller, and Saints Capital Dakota, L.P., as Purchaser	Form 8-K 5/7/08	2.1
3.1.1		Form 8-K	3.1

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	Seconded Amended and Restated Articles of Incorporation of Safeguard Scientifics, Inc.	10/25/07	
3.1.2	Amendment to Seconded Amended and Restated Articles of Incorporation of Safeguard Scientifics, Inc.	Form 8-K	3.1
		8/27/09	
3.1.3	Statement with Respect to Shares	Registration	3.1.3
		Statement on Form	
		S-4	
		12/17/10	

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Exhibit		Incorporated Filing Reference	
		Form Type &	
Number	Description	Filing Date	Original Exhibit Number
3.2	Amended and Restated By-laws of Safeguard Scientifics, Inc.	Form 8-K	3.2
		10/25/07	
4.1	Indenture, dated as of February 18, 2004, between Safeguard Scientifics, Inc. and Wachovia Bank, National Association, as trustee, including the form of 2.625% Convertible Senior Debentures due 2024	Form 10-K	4.10
		3/15/04	
4.2	Indenture, dated as of March 26, 2010, by and between Safeguard Scientifics, Inc. and U.S. Bank, National Association	Form 8-K	4.1
		3/30/10	
4.3	Global Note representing 10.125% Convertible Senior Debentures due March 15, 2014	Form 8-K	4.2
		3/30/10	
4.4	Escrow Agreement, dated as of March 26, 2010, by and among Safeguard Scientifics, Inc., U.S. Bank, National Association (as trustee) and U.S. Bank, National Association (in its capacity as escrow agent)	Form 8-K	4.3
		3/30/10	
4.5	Indenture, dated as of November 19, 2012, between Safeguard Scientifics, Inc. and U.S. Bank National Association, as trustee	Form 8-K	4.1
		11/20/12	
10.1*	Safeguard Scientifics, Inc. 1999 Equity Compensation Plan, as amended and restated on October 21, 2008	Form 10-Q	10.4
		11/6/08	
10.2	Safeguard Scientifics, Inc. 2001 Associates Equity Compensation Plan, as amended and restated on October 21, 2008	Form 10-Q	10.5
		11/6/08	
10.3*	Safeguard Scientifics, Inc. 2004 Equity Compensation Plan, as amended and restated on July 13, 2009 (attached to the Company's Definitive Proxy Statement filed on July 23, 2009)	Form 10-K	10.3
		3/16/10	
10.4*	Safeguard Scientifics, Inc. Executive Deferred Compensation Plan (amended and restated as of January 1, 2009)	Form 10-K	10.4
		3/19/09	
10.5*	Management Incentive Plan	Form 8-K	10.1
		4/25/08	
10.6*	Compensation Summary Non-employee Directors	Form 10-Q	10.1
		7/30/10	
10.7.1*	Amended and Restated Agreement by and between Safeguard Scientifics, Inc. and Peter J. Boni dated December 5, 2008	Form 10-K	10.7
		3/19/09	
10.7.2*	Compensation Agreement by and between Safeguard Scientifics, Inc. and Peter J. Boni dated December 14, 2009	Form 10-K	10.7.2
		3/16/10	

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10.7.3*	Letter Agreement between Peter J. Boni and Safeguard Scientifics, Inc. dated as of November 12, 2012	Form 8-K	10.1
		11/13/12	
10.8.1*	Amended and Restated Agreement by and between Safeguard Scientifics, Inc. and James A. Datin dated December 31, 2008	Form 10-K	10.8
		3/19/09	
10.8.2*	Compensation Agreement by and between Safeguard Scientifics, Inc. and James A. Datin dated December 14, 2009	Form 10-K	10.8.2
		3/16/10	
10.8.3*	Compensation Agreement by and between Safeguard Scientifics, Inc. and James A. Datin dated December 28, 2012		

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Exhibit Number	Description	Incorporated Filing Reference	
		Form Type & Filing Date	Original Exhibit Number
10.9.1*	Agreement by and between Safeguard Scientifics, Inc. and Stephen Zarrilli dated as of May 28, 2008	Form 8-K 5/29/08	10.1
10.9.2*	Letter Amendment dated December 9, 2008, to Agreement by and between Safeguard Scientifics, Inc. and Stephen Zarrilli dated as of May 28, 2008	Form 10-K 3/19/09	10.9.2
10.9.3*	Compensation Agreement by and between Safeguard Scientifics, Inc. and Stephen T. Zarrilli dated December 28, 2012		
10.10.1*	Amended and Restated Letter Agreement by and between Safeguard Scientifics, Inc. and Brian J. Sisko dated December 3, 2008	Form 10-K 3/19/09	10.12
10.10.2*	Compensation Agreement by and between Safeguard Scientifics, Inc. and Brian J. Sisko dated December 14, 2009	Form 10-K 3/16/10	10.11.2
10.10.3*	Compensation Agreement by and between Safeguard Scientifics, Inc. and Brian J. Sisko dated December 28, 2012		
10.11.1	Amended and Restated Loan and Security Agreement dated as of May 27, 2009, by and among Silicon Valley Bank, Safeguard Scientifics, Inc., Safeguard Delaware, Inc. and Safeguard Scientifics (Delaware), Inc.	Form 8-K 5/28/09	10.1
10.11.2	Joinder and First Loan Modification Agreement dated as of December 31, 2010, by and among Silicon Valley Bank, Safeguard Scientifics, Inc., Safeguard Delaware, Inc., Safeguard Scientifics (Delaware), Inc. and Safeguard Delaware II, Inc.	Form 8-K 1/4/11	10.1
10.11.3	Second Loan Modification Agreement dated as of April 29, 2011, by and among Silicon Valley Bank, Safeguard Scientifics, Inc., Safeguard Delaware, Inc., Safeguard Scientifics (Delaware), Inc. and Safeguard Delaware II, Inc.	Form 10-Q 7/28/11	10.2
10.11.4	Third Loan Modification Agreement dated as of December 21, 2012, by and among Silicon Valley Bank, Safeguard Scientifics, Inc., Safeguard Delaware, Inc., Safeguard Delaware II, Inc. and Safeguard Scientifics (Delaware), Inc.	Form 8-K 12/27/12	10.1
10.12	Purchase and Sale Agreement dated as of December 9, 2005 by and among HarbourVest VII Venture Ltd., Dover Street VI L.P. and several subsidiaries and affiliated limited partnerships of Safeguard Scientifics, Inc.	Form 10-K 3/13/06	10.36
10.13	Consent Agreement, dated as of May 17, 2011, by and among Shire Pharmaceuticals, Inc. and certain stockholders of Advanced BioHealing, Inc.	Form 8-K 5/18/11	10.1
14.1	Code of Business Conduct and Ethics		
21.1	List of Subsidiaries		
23.1	Consent of Independent Registered Public Accounting Firm KPMG LLP		
23.2	Consent of Independent Auditors Ernst and Young LLP		
23.3	Consent of Independent Registered Public Accounting Firm KPMG LLP		
31.1	Certification of Stephen T. Zarrilli pursuant to Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934		

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Exhibit Number	Description	Incorporated Filing Reference	
		Form Type & Filing Date	Original Exhibit Number
31.2	Certification of Stephen T. Zarrilli pursuant to Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934		
32.1	Certification of Stephen T. Zarrilli pursuant to 18 U.S.C. Section 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		
32.2	Certification of Stephen T. Zarrilli pursuant to 18 U.S.C. Section 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		
99.1	Consolidated Financial Statements of PixelOptics, Inc.		
99.2	Consolidated Financial Statements of NuPathe, Inc.	(1)	
101**	The following materials from Safeguard Scientifics, Inc. Annual Report on Form 10-K for the year ended December 31, 2012, formatted in XBRL (eXtensible Business Reporting Language); (i) Consolidated Balance Sheets December 31, 2012 and 2011; (ii) Consolidated Statements of Operations Years ended December 31, 2012, 2011 and 2010; (iii) Consolidated Statements of Comprehensive Income (Loss) Years ended December 31, 2012, 2011 and 2010 (iv) Consolidated Changes of Changes in Equity Years ended December 31, 2012, 2011 and 2010 (v) Consolidated Statements of Cash Flows Years ended December 31, 2012, 2011 and 2010; and (vi) Notes to Consolidated Financial Statements.		

Filed on March 11, 2013 as an exhibit to the Original Form 10-K

Filed herewith

Furnished herewith

- * These exhibits relate to management contracts or compensatory plans, contracts or arrangements in which directors and/or executive officers of the Registrant may participate.
- ** Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.
- (1) Incorporated by reference to Part II, Item 8 of the Annual Report on Form 10-K for the year ended December 31, 2012, filed by NuPathe Inc. (SEC file No. 001 - 34836)

SIGNATURES

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

SAFEGUARD SCIENTIFICS, INC.

By: /s/ STEPHEN T. ZARRILLI
STEPHEN T. ZARRILLI
President and Chief Executive Officer

Dated: March 29, 2013