

CVD EQUIPMENT CORP
Form 10-K/A
May 01, 2018

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K/A

Amendment No. 1

(Mark
One)

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

For the fiscal year ended December 31, 2017

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

For the transition period from ____ to ____

Commission file number: 1-16525

CVD EQUIPMENT CORPORATION

(Exact name of registrant as specified in its charter)

New York **11-2621692**
*(State or Other Jurisdiction of (I.R.S. Employer Identification No.)
Incorporation or Organization)*

355 South Technology Drive

Central Islip, New York 11722
*(Address including zip code of registrant's Principal Executive
Offices)*

(631) 981-7081

(Registrant's Telephone Number, Including Area Code)

Securities registered under Section 12(b) of the Act:

| Title of each class | Name of each exchange on which registered |
|---------------------------------------|---|
| Common Stock, Par value \$0.01 | NASDAQ Capital Market |

Securities registered under 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 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 Website, if any, every Interactive Data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) 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 (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the 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.

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant’s most recently completed second fiscal quarter: \$58,029,593 at June 30, 2017

Indicate the number of shares outstanding of each of the registrant’s classes of common stock, as of the latest practicable date: 6,458,714 shares of Common Stock, \$0.01 par value at March 15, 2018.

DOCUMENTS INCORPORATED BY REFERENCE: None.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (this "Amendment ") amends the Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (the "Original Form 10-K") as filed by CVD Equipment Corporation (the "Company"), with the United States Securities and Exchange Commission on April 2, 2018. The purpose of this Amendment is to correct an error contained in the Summary Compensation Table (the "Table") found under "Item 11. Executive Compensation" of the Original Form 10-K. Specifically, the salary for Leonard A. Rosenbaum, the Company's President and Chief Executive Officer, for fiscal 2017 was overstated by \$197,948. This amount represented payment to Mr. Rosenbaum of the value of his unused vacation time, which was accrued over many years, and should have been listed under the column heading "All Other Compensation". The Table should correctly read that Mr. Rosenbaum's salary for fiscal 2017 was \$302,742 (the same amount as in 2016). The total amount of Mr. Rosenbaum's compensation for 2017 as reported in the Table was correct and remains unchanged. The above has no impact on the Company's Financial Statements as filed with the Original Form 10-K.

As required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended, new certifications by our principal executive officer and principal financial officer are filed as exhibits to this Form 10-K/A.

The corrected Summary Compensation Table under Item 11. Executive Compensation is included below.

Except as described herein, this Amendment does not modify or update in any way the financial position, results of operations, cash flows or other disclosures in, or exhibits to, the Original Form 10-K, nor does it reflect events occurring after the filing of the Original Form 10-K. Accordingly, this Amendment should be read in conjunction with the Original Form 10-K.

Item 11. Executive Compensation.

Summary Compensation Table

The following table sets forth the compensation of our chief executive officer and chief financial officer, and our "named executive officers," for the years ended December 31, 2017 and 2016.

| Name and principal position | Year | Salary | Bonus | Option Awards | Stock Awards | All Other Compensation | Total |
|------------------------------------|-------------|---------------|--------------|----------------------|---------------------|-------------------------------|--------------|
| | | (\$) | (\$) | | | | (\$) |

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| | | | | | (\$) | (\$) | |
|---|------|---------|--------|---|--------|------------|---------|
| | | | | | (1) | (1) | |
| Leonard A. Rosenbaum | 2017 | 302,742 | 22,500 | - | 21,936 | 197,948(2) | 545,126 |
| President and Chief Executive Officer | 2016 | 302,742 | 20,000 | - | 37,949 | - | 360,691 |
| Glen R. Charles | 2017 | 157,981 | 20,000 | - | 21,936 | - | 199,917 |
| Secretary and Chief Financial Officer | 2016 | 163,942 | 15,000 | - | 28,469 | | 192,411 |
| Steven Aragon | 2017 | 181,731 | 20,000 | - | 46,936 | | 248,667 |
| Chief Operating Officer | 2016 | 193,462 | 15,000 | - | 53,469 | | 250,199 |
| Martin J. Teitelbaum | 2017 | 265,074 | 20,000 | - | 21,936 | | 307,010 |
| General Counsel and Assistant Secretary | 2016 | 266,126 | 15,000 | - | 28,469 | | 309,595 |

Amounts shown do not reflect compensation actually received by the named executive officer. Instead, the amounts shown reflect the total remaining compensation on restricted stock and option awards granted, that have not previously been shown, as determined pursuant to ASC 718. The assumptions used to calculate the value of stock and option awards are set forth under Note 11 of the Notes to Consolidated Financial Statements. This column represents the grant date fair value of the awards as calculated in accordance with FASB ASC 718 (Stock Compensation). Pursuant to SEC rule changes effective February 28, 2010, we are required to reflect the total grant date fair values of the option grants in the year of grant, rather than the portion of this amount that was recognized for financial statement reporting purposes in a given fiscal year which was required under the prior SEC rules, resulting in a change to the amounts reported in prior Annual Reports, which was valued utilizing the grant date fair value in the year granted.

(2) Represents payment for accrued and unused vacation time.

Employment Agreements and Potential Payments Upon Termination or Change in Control

There are no arrangements for compensation of directors and there are no employment contracts between the company and its directors or any change in control arrangements.

Outstanding Equity Awards at December 31, 2017

The following table sets forth the outstanding equity awards held by our named executive officers as of December 31, 2017.

| Name | Number of Securities Underlying | | OPTION AWARDS | | STOCK AWARDS | | | |
|------|---------------------------------|-----------------------|----------------|------------------------|---|---|---|---|
| | Options Exercisable | Options Unexercisable | Exercise Price | Option Expiration Date | Number of shares or units of stock that have not vested | Market Value of shares or units of stock that have not vested | Equity Incentive Plan Awards: Number of unearned shares or units that have not vested | Market or payout value of unearned shares or units that have not vested |
| | (#) | (#) | (\$) | Date | (#) | (\$) | (#) | (\$) |

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| | | | | | | | | | |
|-------------------------|----------------|---------|--------------|------------------------|--------|--------|----------------|-----|------------------|
| Leonard A Rosenbaum | - | - | - | - | - | - | 2,898 | (1) | 33,675 |
| Steven Aragon | 100,000 | 100,000 | 11.17 | Various (4) | | | 2,174 | (2) | 25,262 |
| Glen R. Charles | - | - | - | - | - | - | 3,606 2,174 | (3) | 41,902 25,262 |
| Martin J. Teitelbaum | 5,310 1,400 | - - | 4.25 7.90 | 1/15/2020 1/15/2021 | - - | - - | 2,174 - | (2) | 25,262 - |

(1) Restricted stock units vest as to 1,449 shares respectively on July 1, 2018 and 2019.

(2) Restricted stock units vest as to 1,087 shares respectively on July 1, 2018 and 2019.

(3) Restricted stock units vest on November 15, 2018.

(4) Options vest as to 20,000 shares on October 20 each year consecutively through 2019 and expire 10 years from date of issuance.

2017 Director Compensation

The following table sets forth a summary of the compensation we paid to our non-employee directors in 2017.

| Name | Fees Earned or Paid in Cash | Option Awards (1) | Restricted Stock Awards (1) | Total |
|---------------------|---|-------------------------|--------------------------------------|--------|
| | Conrad J. Gunther | 23,000 | - | 30,070 |
| Lawrence J. Waldman | 20,000 | - | 30,070 | 50,070 |
| Raymond A. Nielsen | 20,000 | - | 30,070 | 50,070 |

Amounts shown do not necessarily reflect compensation actually received by the named director. Instead, the (1) amounts shown are the compensation costs recognized by CVD in fiscal 2017 for awards as determined pursuant to ASC 718. The assumptions used to calculate the value of option awards are set forth under Note 12 of the Notes to Consolidated Financial Statements.

On May 9, 2016, the Board of Directors adopted a Director Compensation Plan for all non-employee directors, which retroactively from January 1, 2016, provided for annual compensation of approximately fifty thousand dollars (\$50,000) to each non-employee director in a combination of 40% cash and 60% stock grant.

PART IV

Item 15: Exhibits, Financial Statement Schedules

The following exhibits are filed as part of this Form 10-K/A:

31.1 Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.

31.2 Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.

32.1 Section 1350 Certification of Principal Executive Officer.

32.2 Section 1350 Certification of Principal Financial Officer.

SIGNATURES

In accordance with 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.

DATE: May 1, 2018

CVD EQUIPMENT CORPORATION

By: /s/ Leonard A. Rosenbaum

Name: Leonard A. Rosenbaum

Title: President and Chief Executive Officer