

Edgar Filing: Steel Excel Inc. - Form 8-K/A

Steel Excel Inc.
Form 8-K/A
October 21, 2013

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

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 23, 2013

STEEL EXCEL INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	0-15071 (Commission File Number)	94-2748530 (IRS Employer Identification No.)
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1133 Westchester Avenue, Suite N222, White Plains, New York (Address of principal executive offices)	10604 (Zip Code)
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Registrant's telephone number, including area code: (914) 461-1300

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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This Current Report on Form 8-K/A amends the Current Report on Form 8-K of Steel Excel Inc. (the "Company") dated August 29, 2013, for purposes of providing the financial statements of iGo, Inc. ("iGo") and the unaudited pro forma financial information relating to the Company's acquisition of 44.7% of iGo's issued and outstanding common stock.

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

(1) Audited financial statements of iGo as of December 31, 2012 and 2011, and for the three years ended December 31, 2012.

(2) Unaudited financial statements of iGo as of and for the three months and six months ended June 30, 2013 and 2012.

(b) Pro forma financial information

(c) Not applicable

(d) Exhibits

Exhibit No.	Exhibits
23.1	Consent of Independent Registered Public Accounting Firm, KPMG LLP
23.2	Consent of Independent Registered Public Accounting Firm, Moss Adams LLP

(a) (1) Audited financial statements of iGo

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders

iGo, Inc.:

We have audited the accompanying consolidated balance sheet of iGo, Inc. and subsidiaries (the Company) as of December 31, 2012 and the related consolidated statements of comprehensive income (loss), stockholders' equity, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of iGo, Inc. and subsidiaries as of December 31, 2012, and the results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

(signed) Moss Adams LLP

Phoenix, Arizona

April 1, 2013

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders

iGo, Inc.:

We have audited the accompanying consolidated balance sheet of iGo, Inc. and subsidiaries (the Company) as of December 31, 2011, and the related consolidated statements of comprehensive income (loss), stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2011. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of iGo, Inc. and subsidiaries as of December 31, 2011, and the results of their operations and their cash flows for each of the years in the two-year period ended December 31, 2011, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 3 to the consolidated financial statements, as of January 1, 2010, the Company adopted the provisions of ASU 2009-17, which changed the accounting and reporting for variable interest entities.

(signed) KPMG LLP

Phoenix, Arizona

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March 27, 2012, except for the effect of the reverse stock split disclosed in Note 1, as to which the date is April 1, 2013

IGO, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

	December 31,	
	2012	2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$8,229	\$10,290
Short-term investments	2,129	4,890
Accounts receivable, net	4,131	5,813
Inventories	8,376	11,177
Prepaid expenses and other current assets	336	540
Total current assets	23,201	32,710
Property and equipment, net	445	587
Goodwill	—	285
Intangible assets, net	1,001	3,116
Long-term investments	60	420
Other assets	158	160
Total assets	\$24,865	\$37,278
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable	\$2,698	\$4,150
Accrued expenses and other current liabilities	796	956
Deferred revenue	307	1,305
Total liabilities	3,801	6,411
Stockholders' Equity:		
Common stock, \$.01 par value; authorized 90,000,000 shares; 2,896,925 and 2,811,801 shares issued and outstanding at December 31, 2012 and December 31, 2011, respectively	29	28
Additional paid-in capital	175,177	173,762
Accumulated deficit	(153,934	) (141,910
Accumulated other comprehensive loss	(208	) (1,013
Total equity	21,064	30,867
Total liabilities and stockholders' equity	\$24,865	\$37,278
See accompanying notes to consolidated financial statements.		

IGO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands, except per share amounts)

	Year Ended December 31,		
	2012	2011	2010
Revenue	\$29,876	\$38,372	\$43,357
Cost of revenue	24,593	29,903	28,947
Gross profit	5,283	8,469	14,410
Operating expenses:			
Sales and marketing	5,233	7,695	7,805
Research and development	2,218	2,358	1,525
General and administrative	7,046	7,753	7,594
Asset impairment	1,443	2,260	—
Total operating expenses	15,940	20,066	16,924
Loss from operations	(10,657	) (11,597	) (2,514
Other income, net:			
Interest income, net	12	62	171
Other-than-temporary impairment of long-term investments	(1,161) —	—
Gain on disposal of assets and other income (expense), net	(218	) 6	2,176
Loss before income tax	(12,024	) (11,529	) (167
Income tax benefit	—	—	(1,002
Net Income (loss)	\$(12,024	) \$(11,529	) \$835
Net income (loss) attributable to iGo, Inc. per share:			
Basic	\$(4.22	) \$(4.14	) \$0.31
Diluted	\$(4.22	) \$(4.14	) \$0.29
Weighted average common shares outstanding:			
Basic	2,852	2,784	2,731
Diluted	2,852	2,784	2,923
Other comprehensive income (loss):			
Reclassification adjustment for losses included in net income	1,166	—	—
Unrealized gain (loss) on available for sale of investments	(343	) (812	) 6
Foreign currency translation adjustments	(18	) (310	) (37
Total comprehensive loss	\$(11,219	) \$(12,651	) \$804
See accompanying notes to consolidated financial statements.			

IGO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except share amounts)

	Common Stock		Additional	Accumulated	Accumulated	Net
	Shares	Amount	Paid-In Capital	Deficit	Other Comprehensive Income (Loss)	Stockholders' Equity
Balances at December 31, 2009 as recast	2,700,961	27	\$171,331	\$(131,216)	\$ 140	\$40,282
Issuance of stock awards	40,197	—	(266)	—	—	(266)
Amortization of deferred compensation	—	—	1,478	—	—	1,478
Other comprehensive loss	—	—	—	—	(31)	(31)
Net income	—	—	—	835	—	835
Balances at December 31, 2010	2,741,158	27	172,543	(130,381)	109	42,298
Issuance of stock awards	70,643	1	(605)	—	—	(604)
Amortization of deferred compensation	—	—	1,824	—	—	1,824
Other comprehensive loss	—	—	—	—	(1,122)	(1,122)
Net loss	—	—	—	(11,529)	—	(11,529)
Balances at December 31, 2011	2,811,801	28	173,762	(141,910)	(1,013)	30,867
Issuance of stock awards	85,124	1	(183)	—	—	(182)
Amortization of deferred compensation	—	—	1,598	—	—	1,598
Other comprehensive income	—	—	—	—	805	805
Net loss	—	—	—	(12,024)	—	(12,024)
Balances at December 31, 2012	2,896,925	\$29	\$175,177	\$(153,934)	\$ (208)	\$21,064

See accompanying notes to consolidated financial statements.

IGO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2012	2011	2010
Cash flows from operating activities:			
Net (loss) income	\$(12,024	) \$(11,529	) \$835
Adjustments to reconcile net loss to net cash used in operating activities:			
Provision for doubtful accounts and sales returns and credits	1,367	1,243	360
Depreciation and amortization	1,674	1,806	1,573
Amortization of deferred compensation	1,598	1,824	1,478
Other-than-temporary impairment charges	1,166	—	—
Loss on disposal of assets	—	34	—
Impairment of goodwill	285	1,681	—
Impairment of intangible assets	1,158	579	—
Deferred taxes	—	—	(1,002
Changes in operating assets and liabilities, net of acquisitions:)
Accounts receivable	316	1,564	(3,542
Inventories	2,801	(870	) (4,022
Prepaid expenses and other assets	204	(937	) (581
Accounts payable	(1,452	) (516	) 724
Accrued expenses and other current liabilities	(1,340	) (1,552	) 595
Net cash used in operating activities	(4,247	) (6,673	) (3,582
Cash flows from investing activities:			
Purchase of property and equi			