APOGEE TECHNOLOGY INC Form 10-Q November 15, 2010

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

### FORM 10-Q

(Mark One)

 $\circ$  QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2010

o 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 001-10456

APOGEE TECHNOLOGY, INC.

(Exact name of Small Business Issuer in its charter)

DELAWARE (State or other jurisdiction of incorporation) 04-3005815 (I.R.S. Employer Identification No.)

129 MORGAN DRIVE, NORWOOD, MASSACHUSETTS 02062 (Address of principal executive offices)

(781) 551-9450 (Registrant's telephone number, including area code)

**NOT APPLICABLE** 

(Former name, former address and former fiscal year, if changed since last report)

Securities registered under Section 12(g) of the Exchange Act:

Common Stock

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(Title of Class)

Indicate by check mark whether the registrant: (1) 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. ý Yes o No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Date File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405) of this chapter) during the proceeding 12 months (or such shorter periods that the registrant was required to submit and post such files). ý Yes o No

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.

Large accelerated filer o Accelerated filer o Non-accelerated filer o Smaller reporting
( Do not check if a company x smaller reporting company)

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

As of November 1, 2010, 13,178,454 of the registrant's common stock were outstanding. See Note 1 Basis of Presentation, Going Concern for cessation of trading in our common stock on April 16, 2010.

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### PART I FINANCIAL INFORMATION

Item 1. Financial Statements

# APOGEE TECHNOLOGY, INC. AND SUBSIDIARY (A Development Stage Company) CONSOLIDATED BALANCE SHEETS

ASSETS	SEPTEMBER 30, 2010 (Unaudited)	DECEMBER 31, 2009 (Audited)
Current assets		
Cash	\$ 519	\$ 4,704
Prepaid expenses and other current assets	267	2,694
riepalu expenses and other current assets	207	2,094
Total current assets	786	7,398
Total Carrent assets	700	7,350
Property and equipment, net	30,390	44,042
	2 3,22 3	,
Other assets		
Patents, net	175,295	118,570
	\$ 206,471	\$ 170,010
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued expenses	\$ 3,476,375	\$ 3,092,189
Officer loans and notes payable	1,447,793	1,060,542
Shareholder loans and notes payable	1,345,103	1,206,283
Other loans and notes payable	247,020	796,320
Total current liabilities	6,516,291	6,155,334
Stockholders' deficiency		
Preferred stock, par value \$0.0001 per share; 5,000,000 shares authorized, none		
issued and outstanding	_	<del>_</del>
Common stock, \$0.01 par value; 40,000,000 shares authorized, 13,178,454 issued and outstanding at September 30, 2010 and 12,132,332 issued and outstanding at	131,785	121,323

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December 31, 2009		
Additional paid-in capital	19,748,103	18,973,783
Accumulated deficit	(21,891,704)	(21,891,704)
Accumulated deficit during development stage	(4,298,004)	(3,188,726)
Total stockholders' deficiency	(6,309,820)	(5,985,324)
	\$ 206,471 \$	170,010

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

# APOGEE TECHNOLOGY, INC. AND SUBSIDIARY (A Development Stage Company) CONSOLIDATED STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT (Unaudited)

Revenues	Three Months Ended September 30, 2010 2009				Nine Mon Septen 2010		Cumulative from Re-entering Development Stage on October 1, 2008 to September 30, 2010	
Product sales	<b>\$</b> —		<b>\$</b> —		\$—	<b>\$</b> —	,	\$ —
Consulting	25,000		ψ— —		40,000	ψ— —	,	40,000
Consulting	23,000		_		+0,000			+0,000
	25,000		_		40,000			40,000
	20,000				.0,000			.0,000
Costs and expenses								
Research and development	121,388		145,575		319,492	579,317		1,501,602
Selling, general and administrative	249,166		269,911		735,622	874,277		2,286,043
	370,554		415,486		1,055,114	1,453,594		3,787,645
Operating loss	(345,554	)	(415,486)	)	(1,015,114)	(1,453,594	)	(3,747,645)
0.1								
Other income (expense)								
Gain on extinguishment of debt	16,500				341,810			341,810
Warrant Expense	10,500				(56,754)	_		(56,754)
Interest and other expense	(127,983	)	(96,532)		(380,579)	(279,573	)	(839,565)
Interest and other expense	535	,	500	_	1,359	1,606	,	4,150
interest and other meetine	333		200		1,333	1,000		1,120
	(110,948	)	(96,032)	)	(94,164)	(277,967	)	(550,359)
	·					•		
Net loss	\$(456,502	)	\$(511,518)	)	\$(1,109,278)	\$(1,731,561	) :	\$ (4,298,004)
Accumulated deficit - beginning	\$(25,733,20	5)	\$(24,101,122)	)	\$(25,080,430)	\$(22,881,079	9) :	\$ —
	h (a c 122 ==	o ,	h (2.1 c) =		h (a.c. 1.c. =	<b></b>		A (1.000.001)
Accumulated deficit - ending	\$(26,189,70)	8)	\$(24,612,640)	)	\$(26,189,708)	\$(24,612,640	)) :	\$ (4,298,004)
	¢ (0, 02	`	\$(0.04		\$(0.00	¢ (O 14	\	
	\$(0.03	)	\$(0.04)	)	\$(0.09)	\$(0.14	)	

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Basic and diluted loss per common share

Weighted average common shares

outstanding - basic and diluted 13,116,878 12,132,332 12,532,163 12,132,332

The accompanying notes are an integral part of these consolidated financial statements

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# APOGEE TECHNOLOGY, INC. AND SUBSIDIARY (A Development Stage Company) CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

					]	mulative from Re-entering elopment Stag		
		MONTE	on OCTOBER 1, 2008 through					
	SEPTEMBER 30, 2010 2009				SEPTEMBER 30, 2010			
	2010			2009		2010		
Cash flows from operations								
-	\$ (1,109,278	)	\$	(1,731,561	) \$	(4,298,004	)	
Adjustments to reconcile net loss to net		,			,			
cash used in operating activities:								
Depreciation and amortization	55,055			77,305		210,517		
Stock compensation expense for								
employees and directors	(39,828	)		64,217		51,826		
Original issue discount	93,814			70,543		203,721		
Warrant Expenses	56,754			<del></del>		56,754		
Patent impairment	_			17,267		205,674		
Disposal of sensor equipment	_			<del></del>		3,731		
Gain on extinguishment of debt	(341,810	)		_		(341,810	)	
Changes in operating assets and liabilities:								
Accounts receivable	_			_		_		
The state of the s								