

DOT HILL SYSTEMS CORP
Form 10-Q/A
March 16, 2005

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A

Amendment No. 1

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13

OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 2004

OR

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 1-13317

DOT HILL SYSTEMS CORP.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

13-3460176

(I.R.S. Employer Identification No.)

6305 El Camino Real, Carlsbad, CA

(Address of principal executive offices)

92009

(Zip Code)

(760) 931-5500

(Registrant's telephone number, including area code)

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

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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 is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes No

The registrant had 43,374,347 shares of common stock, \$0.001 par value, outstanding as of May 4, 2004.

This Form 10-Q/A is being filed for the purpose of amending Items 1, 2 and 4 of Part 1 of Form 10-Q for the quarterly period ended March 31, 2004, as originally filed on May 10, 2004, to give effect to the restatement of the Company's condensed consolidated financial statements discussed in Note 1. We have no further changes to the previously filed Form 10-Q. All information in the Form 10-Q/A is for the period ended March 31, 2004 and does not reflect information subsequent to May 10, 2004.

DOT HILL SYSTEMS CORP.

FORM 10-Q/A

For the Quarter Ended March 31, 2004

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Part I. Financial Information

Item 1. Financial Statements

DOT HILL SYSTEMS CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands Except Per Share Amounts)
(Unaudited)

	December 31, 2003	March 31, 2004 (As Restated, See Note 1)
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 105,863	\$ 56,815
Short-term investments	85,682	70,187
Accounts receivable, net of allowance of \$467 and \$408	14,558	19,941
Inventories	3,158	3,596
Prepaid expenses and other	1,836	2,213
Total current assets	211,097	152,752
Property and equipment, net	5,469	7,392
Goodwill	343	57,111
Other intangible assets, net		9,949
Other assets	1,534	1,329
Total assets	\$ 218,443	\$ 228,533
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities:		
Accounts payable	\$ 24,533	\$ 29,466
Accrued compensation	4,459	1,920
Accrued expenses	2,052	4,327
Deferred revenue	1,028	1,337
Income taxes payable	1,005	952
Current portion of restructuring accrual	370	375
Total current liabilities	33,447	38,377
Restructuring accrual, net of current portion	554	386
Note payable		6,000
Accrued interest		994
Borrowings under lines of credit	247	234
Other long-term liabilities	62	975
Total liabilities	34,310	46,966
Commitments and Contingencies (Note 12)		
Stockholders Equity:		
Preferred stock, \$0.001 par value, 10,000 shares authorized, no shares issued or outstanding	43	43

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Common stock, \$0.001 par value, 100,000 shares authorized, 43,307 and 43,316 shares issued and outstanding at December 31, 2003 and March 31, 2004, respectively		
Additional paid-in capital	275,827	275,851
Deferred compensation	(28)	(23)
Accumulated other comprehensive loss	(263)	(273)
Accumulated deficit	(91,446)	(94,031)
Total stockholders' equity	184,133	181,567
Total liabilities and stockholders' equity	\$ 218,443	\$ 228,533

See accompanying notes to condensed consolidated financial statements.

DOT HILL SYSTEMS CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE OPERATIONS
(In Thousands, Except Per Share Amounts)
(Unaudited)

	2003	Three Months Ended March 31,	2004 (As Restated, See Note 1)
Net Revenue	\$	30,522	\$ 47,865
Cost of Goods Sold		24,985	35,787
Gross Profit		5,537	12,078
Operating Expenses:			
Sales and marketing		3,422	4,178
Research and development		2,057	4,085
General and administrative		1,459	2,314
In-process research and development			4,700
Total operating expenses		6,938	