

KRONOS INC  
Form 10-K/A  
April 02, 2007

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 10-K/A**  
**(Amendment No. 1)**

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

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**  
For the fiscal year ended September 30, 2006

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 0-20109

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**Kronos Incorporated**

(Exact name of registrant as specified in its charter)

Massachusetts  
(State or other jurisdiction of

incorporation or organization)

297 Billerica Road, Chelmsford, MA 01824

(Address of principal executive offices) (Zip Code)

04-2640942  
(I.R.S. Employer

Identification No.)

Registrant's telephone number, including area code (978) 250-9800

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

|                                                                              |                                                                                            |
|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>Title of Each Class</b><br><b>Common Stock \$0.01 par value per share</b> | <b>Name of Each Exchange on Which Registered</b><br><b>The NASDAQ Global Select Market</b> |
| <b>Securities registered pursuant to Section 12(g) of the Act: None</b>      |                                                                                            |

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 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, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large Accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

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 common stock held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter.

| Non-Affiliate Voting                           | Aggregate                                   |
|------------------------------------------------|---------------------------------------------|
| <b>Date</b><br><b>March 31, 2006</b>           | <b>Market Value</b><br><b>\$850,858,431</b> |
| <b>Shares Outstanding</b><br><b>22,756,310</b> |                                             |

Shares of voting common stock held by each officer and director and by each person who owns 5% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes. The registrant has no shares of non-voting common stock authorized or outstanding.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

| Date                    | Class                                           | Outstanding Shares |
|-------------------------|-------------------------------------------------|--------------------|
| <b>December 1, 2006</b> | <b>Common Stock, \$0.01 par value per share</b> | <b>31,726,076</b>  |

**DOCUMENTS INCORPORATED BY REFERENCE.**

Portions of the registrant's definitive Proxy Statement for the 2007 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year end, are incorporated by reference into Items 10-14 of Part III hereof. With the exceptions of the portions of the Proxy Statement expressly incorporated by reference, such document shall not be deemed filed with this Form 10-K.



**Explanatory Note**

This Amendment No. 1 on Form 10-K/A to the Registrant's Annual Report on Form 10-K originally filed with the United States Securities and Exchange Commission (the Commission) on December 13, 2006 (the Annual Report on Form 10-K) is being filed for the purpose of amending and restating the exhibit index contained in Item 15 of the Annual Report on Form 10-K to correct the numbering of the exhibits, to omit from the exhibit index exhibits that are no longer required to be included therein, and to include in the exhibit index exhibits not previously filed by the Registrant with the Commission. The Annual Report on Form 10-K, as amended by this Amendment No. 1 on Form 10-K/A, is referred to herein as Annual Report on Form 10-K/A.

This Amendment No. 1 on Form 10-K/A does not reflect events occurring after the filing of the Annual Report on Form 10-K on December 13, 2006, or modify or update the disclosures presented in the Annual Report on Form 10-K, except to reflect the revisions as described above.

**PART IV**

**Item 15. Exhibits and Financial Statement Schedules**

(a) *Financial Statements*

The following are filed as a part of this Annual Report on Form 10-K/A:

1. Financial Statements

The financial statements listed in Item 15(a)(1) in the Annual Report on Form 10-K, originally filed with the Commission on December 13, 2006, are incorporated herein by reference.

2. Financial Statement Schedules

Information required by Schedule II is shown in the Notes to Consolidated Financial Statements contained in the Annual Report on Form 10-K, originally filed with the Commission on December 13, 2006, and incorporated herein by reference. All other schedules for which provision is made in the applicable accounting regulation of the Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

(b) *Exhibits*

The Exhibits filed as part of this Amendment No. 1 on Form 10-K/A are listed on the Exhibit Index following the signature page to this Amendment No. 1 on Form 10-K/A and are incorporated herein by reference.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Amendment No. 1 on Form 10-K/A to be signed on its behalf by the undersigned, thereunto duly authorized on April 2, 2007.

KRONOS INCORPORATED

By */s/ PAUL A. LACY*  
**Paul A. Lacy**

**President and Principal Executive Officer**

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**EXHIBIT INDEX**

| <b>Exhibit No.</b> | <b>Description</b>                                                                                                                                                                                                              |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.1(8)             | Agreement and Plan of Merger, dated as of July 12, 2006 by and among the Registrant, Blade Acquisition Corp., Unicru, Inc. and Brian Ascher, as Securityholder Representative.                                                  |
| 3.1                | Restated Articles of Organization of the Registrant, as amended. Filed herewith.                                                                                                                                                |
| 3.2(10)            | Amended and Restated By-laws of the Registrant, as further amended.                                                                                                                                                             |
| 4.1(2)             | Specimen Stock Certificate.                                                                                                                                                                                                     |
| 10.1(7)*           | Kronos Incorporated 2002 Stock Incentive Plan, as amended and restated.                                                                                                                                                         |
| 10.2*              | Kronos Incorporated 2003 Employee Stock Purchase Plan as amended. Filed herewith.                                                                                                                                               |
| 10.3(1)            | Lease dated August 8, 1995, between Principal Mutual Life Insurance Company and the Registrant, relating to premises leased in Chelmsford, MA.                                                                                  |
| 10.4(6)#           | Software License, Hardware Purchase and Support Agreement dated July 24, 2003 between ADP, Inc. and the Registrant, superseding the Restated Software License & Support & Hardware Purchase Agreement dated September 25, 2000. |
| 10.5(2)            | Form of Indemnity Agreement entered into among the Registrant and Directors of the Registrant.                                                                                                                                  |
| 10.6(6)*           | Form of Senior Executive Retention Agreement with accompanying schedule.                                                                                                                                                        |
| 10.7(3)#           | Best Software Inc./Kronos Incorporated Agreement, dated as of March 15, 2002 by and between the Registrant and Best Software, Inc.                                                                                              |
| 10.8(4)#           | Amendment, dated as of July 1, 2004, between the Registrant and ADP, Inc. to the Software License, Hardware Purchase and Support Agreement, dated as of July 24, 2003.                                                          |
| 10.9(4)*           | Form of Nonstatutory Stock Option Agreement entered into with officers, directors, employees, consultants and advisors in connection with stock option grants under the Registrant's 2002 Stock Incentive Plan.                 |
| 10.10(5)           | Acquisition Agreement, dated October 5, 2004 by and between the Registrant, Kronos Acquisition Inc., a Canadian corporation and wholly-owned subsidiary of the Registrant, and Ad Opt Technologies Inc.                         |
| 10.11*             | Summary of Fiscal Year 2007 Management Incentive Plan. Filed herewith.                                                                                                                                                          |
| 10.12*             | Summary of Compensation Arrangements with Directors.                                                                                                                                                                            |
| 10.13(7)*          | Form of Restricted Stock Unit Agreement, Granted under the Registrant's 2002 Stock Incentive Plan.                                                                                                                              |
| 10.14(8)           | Revolving Credit Agreement and Revolving Credit Note by and among the Registrant and Citizens Bank of Massachusetts dated July 11, 2006.                                                                                        |
| 10.15(9)           | Holdback Funds Agreement, dated as of July 31, 2006 by and among the Registrant, Brian Ascher and U.S. Bank National Association.                                                                                               |
| 21.1               | Subsidiaries of the Registrant.                                                                                                                                                                                                 |
| 23.1               | Consent of Independent Registered Public Accounting Firm.                                                                                                                                                                       |
| 31.1               | Certification by Principal Executive Officer pursuant to Rule 13a-4(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended (regarding Annual Report on Form 10-K for the fiscal year ended September 30, 2006).        |
| 31.2               | Certification by Chief Financial Officer pursuant to Rule 13a-4(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended (regarding Annual Report on Form 10-K for the fiscal year ended September 30, 2006).            |
| 31.3               | Certification by Principal Executive Officer pursuant to Rule 13a-4(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended (regarding Amendment No. 1 on Form 10-K/A). Filed herewith.                                 |
| 31.4               | Certification by Chief Financial Officer pursuant to Rule 13a-4(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended (regarding Amendment No. 1 on Form 10-K/A). Filed herewith.                                     |
| 32.1               | Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.                                                                                                         |

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- (1) Incorporated by reference to the exhibits to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1995 (File No. 000-20109).
- (2) Incorporated by reference to the same exhibit number in the Registrant's Registration Statement on Form S-1 (File No. 33-47383).
- (3) Incorporated by reference to the exhibits to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 30, 2002 (File No. 000-20109).
- (4) Incorporated by reference to the exhibits to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended July 3, 2004 (File No. 000-20109).
- (5) Incorporated by reference to the exhibits to the Registrant's Current Report on Form 8-K as filed with the SEC on October 12, 2004 (File No. 000-20109).
- (6) Incorporated by reference to the exhibits to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2003 (File No. 000-20109).
- (7) Incorporated by reference to the exhibits to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended April 1, 2006 (File No. 000-20109).
- (8) Incorporated by reference to the exhibits to the Registrant's Current Report on Form 8-K as filed with the SEC on July 17, 2006 (File No. 000-20109).
- (9) Incorporated by reference to the exhibits to the Registrant's Current Report on Form 8-K as filed with the SEC on August 7, 2006 (File No. 000-20109).
- (10) Incorporated by reference to the exhibits to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2004 (File No. 000-20109).

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\* Management contract or compensatory plan or arrangement filed as an exhibit to this Amendment No. 1 on Form 10-K/A.

# Confidential treatment was requested for certain portions of this agreement.

Previously filed with the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2006, as filed with the Commission on December 13, 2006.