

Patient Safety Technologies, Inc  
Form 10-Q/A  
February 13, 2006

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-Q/A  
Amendment No. 1**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2005

**OR**

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

COMMISSION FILE NUMBER:

**PATIENT SAFETY TECHNOLOGIES, INC.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State of Incorporation)

**13-3419202**  
(I.R.S. Employer Identification Number)

**100 Wilshire Boulevard, Suite 1500**  
**Santa Monica, California 90401**  
(Address of principal executive offices)

**Registrant's telephone number, including area code:(310) 752-1442**

**With Copies To:**

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Sichenzia Ross Friedman Ference LLP  
1065 Avenue of the Americas  
New York, New York 10018  
(212) 930-9700

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 past 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 Exchange Act). Yes  No

**APPLICABLE ONLY TO CORPORATE ISSUERS**

Indicate the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: On July 27, 2005, there were 5,466,592 shares outstanding of the Registrant's common stock, \$0.33 par value.

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**PATIENT SAFETY TECHNOLOGIES, INC.**

**FORM 10-Q FOR THE SIX MONTHS  
ENDED JUNE 30, 2005**

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**PART I - FINANCIAL INFORMATION****Item 1. Financial Statements.****PATIENT SAFETY TECHNOLOGIES, INC. AND SUBSIDIARIES****Condensed Consolidated Balance Sheets (Unaudited)**

	<b>June 30, 2005</b>	<b>December 31, 2004 *</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 91,252	\$ 846,404
Accounts receivable	1,331,250	
Marketable securities	1,402,222	3,487,719
Other current assets	380,708	255,510
<b>TOTAL CURRENT ASSETS</b>	<b>3,205,432</b>	<b>4,589,633</b>
Property and equipment, net	145,401	23,657
Patents, net	4,576,262	
Long-term investments	3,861,012	2,320,953
<b>TOTAL ASSETS</b>	<b>\$ 11,788,107</b>	<b>\$ 6,934,243</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Notes payable	\$ 1,838,880	\$ 892,530
Accounts payable and accrued liabilities	1,831,446	939,568
Marketable securities, sold short		1,075,100
Due to broker	8,376	460,776
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,678,702</b>	<b>3,367,974</b>
<b>STOCKHOLDERS' EQUITY</b>		
Convertible preferred stock, \$1 par value, cumulative 7% dividend: 1,000,000 shares authorized; 10,950 issued and outstanding at June 30, 2005 and December 31, 2004 (Liquidation preference \$1,095,000)	10,950	10,950
Common stock, \$0.33 par value: 25,000,000 shares authorized; 6,886,634 shares issued and 5,455,339 shares outstanding as of June 30, 2005; 6,128,067 shares issued and 4,670,703 shares outstanding at December 31, 2004	2,272,589	2,022,262
Paid-in capital	20,629,446	13,950,775
Other comprehensive income	1,158,750	
Accumulated deficit	(13,392,306)	(9,800,885)
	10,679,429	6,183,102
Deduct: 1,431,295 and 1,457,364 shares of common stock held in treasury, at cost, at June 30, 2005 and December 31, 2004, respectively	(2,570,024)	(2,616,833)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>8,109,405</b>	<b>3,566,269</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 11,788,107</b>	<b>\$ 6,934,243</b>

\* Restated to include the impact of share-based compensation expense

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



**PATIENT SAFETY TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) (Unaudited)**

	Three Months Ended		Six Months Ended	
	June 30, 2005	June 30, 2004 *	June 30, 2005	June 30, 2004 *
<b>REVENUES</b>	\$ 586,627	\$ —	\$ 586,627	\$ —
<b>EXPENSES</b>				
Salaries and employee benefits	900,385	133,030	2,110,096	261,931
Professional fees	897,974	184,122	1,454,945	241,122
Rent	24,478	18,879	24,478	36,954
Insurance	22,788	17,037	43,578	34,075
Taxes other than income taxes	23,947	6,037	45,982	18,801
Amortization of patents	81,235		108,314	
General and administrative	204,463	34,684	461,634	84,828
<b>Operating expenses</b>	2,155,270	393,789	4,249,027	677,711
<b>Operating loss</b>	(1,568,643)	(393,789)	(3,662,400)	(677,711)
Interest, dividend income and other, net	11,485	50	40,088	215
Equity in income (loss) of investee	(17,020)		(17,020)	
Realized gains on investments, net				