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CVD EQUIPMENT CORP
Form 10KSB
March 28, 2003

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FORM 10-KSB

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES AND EXCHANGE ACT OF 1934
For the year ended December 31, 2002
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES AND EXCHANGE ACT OF 1934
For the transition period from _____ to _____.

Commission File No. 0-14720-NY

CVD EQUIPMENT CORPORATION
 (Exact name of registrant as specified in charter)
 New York 11-2621692
 (State of incorporation) (IRS Employer Identification No.)
 1860 Smithtown Avenue, Ronkonkoma, New York 11779
 (Address of principal executive offices)
 631-981-7081
 (Registrant's telephone number)

Securities Registered Pursuant to Section 12 (b) of the Act: NONE

Securities Registered Pursuant to Section 12 (g) of the Act:

Common Stock

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, and (2) has been subject to such filing requirements for the past 90 days. YES NO

Check if disclosure of delinquent filers pursuant to Item 405 of Regulation S-B 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-KSB or any amendment to this Form 10-KSB.

The registrant's revenues for 2002 were \$9,241,808

The aggregate market value of voting stock held by non-affiliates of the registrant on February 28, 2003 was \$1,668,315 based on a closing price of \$1.10 on that date.

As of February 28, 2003 there were 3,039,100 shares of Common Stock, Par Value \$.01 Per Share, Outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

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PART I

ITEM 1. BUSINESS

INTRODUCTION

Statements contained in this Report on Form 10-KSB that are not historical facts are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, including without limitation, statements regarding industry trends, strategic business

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development, pursuit of new markets, competition, results from operations, and are subject to the safe harbor provisions created by that statute. A forward-looking statement may contain words such as "intends", "plans", "anticipates", "believes", "expect to", or words of similar import. Management cautions that forward-looking statements are subject to risks and uncertainties that could cause the Company's actual results to differ materially from those projected. These risks and uncertainties include, but are not limited to, marketing success, product development, production, technological difficulties, manufacturing costs, and changes in economic conditions in the markets the Company serves. The Company undertakes no obligation to release revisions to forward-looking statements to reflect subsequent events, changed circumstances, or the occurrence of unanticipated events.

GENERAL DEVELOPMENT OF BUSINESS

CVD Equipment Corporation (the "Company") was incorporated under the laws of New York State in October 1982. On September 11, 1985 the Company made an initial public offering of 700,000 units underwritten by D. H. Blair & Co., 44 Wall Street, New York, New York 10005, pursuant to which it received net proceeds of \$2,683,640.

In December 1998, the Company purchased at public auction the inventory, tangible assets, intangible assets and intellectual property of Stainless Design Corporation, Saugerties, NY, for \$672,095.

On December 14, 1998, the Company entered into a contract with Kidco Realty Corp. to purchase, for \$1,400,000, the facility owned by Kidco Realty Corp. located at 1117 Kings Highway, Saugerties, NY 12477 and formerly occupied by Stainless Design Corporation. On April 29, 1999, the contract closed. The purchase price was paid by cash funds from the Company in the amount of \$500,000 and Kidco Realty Corp. issuing a 30 year amortization, 7% interest, 10 year balloon, non recourse purchase money note and mortgage to the Company in the amount of \$900,000.

On December 23, 1998 the Company formed a new 100% owned subsidiary called Stainless Design Concepts, Ltd. (SDC). The new subsidiary is located at 1117 Kings Highway, Saugerties, NY 12477. The new subsidiary manufactures ultra high purity gas and chemical delivery control systems for the semiconductor industry. On April 23, 1999, the new subsidiary was merged into the Company as a wholly owned division.

On November 5, 1999 the Company formed another division called Equipment Consulting Services (ECS). This new division is also located at 1117 Kings Highway, Saugerties, NY 12477. The new division focuses on equipment consulting and the refurbished semiconductor equipment market, a \$1.5 billion industry.

On November 9, 2001 the Company acquired the assets of the Surface Mount Technology division of Research Inc., known as Research International (RI).

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CVD's new division called Research International (RI) is located at 1860 Smithtown Avenue, Ronkonkoma, NY 11779. Research International is a leading manufacturer of Surface Mount Technology (SMT) furnace equipment.

On March 7, 2002, the Company purchased a 50,000 square foot facility located at 1860 Smithtown Avenue, Ronkonkoma, New York, 11779, from the former owner Arrow Electronics, Inc. and in November 2002, we relocated from the existing 20,000 square foot facility located at 1881 Lakeland Avenue, Ronkonkoma, New York, which the Company plans to sublease. The total cost on the new facility was \$3,444,952, a purchase price of \$2,161,875 and \$1,283,077 in renovations. The purchase and renovations were paid by cash

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funds from the Company in the amount of \$744,952 and GE Capital Public Finance, Inc. issuing a 15 year amortization, 5.67% mortgage to the Company in the amount of \$2,700,000 pursuant to an installment sale agreement with the Town of Islip Industrial Development Agency.

On June 17, 2002, the Company purchased substantially all the assets of Conceptronic's Inc. Surface Mount Technology (SMT) business for \$1,239,000. The Company formed another division called Conceptronic, which was located at Portsmouth, New Hampshire. During October 2002, the Company relocated the division and merged it with our Research International Division to our facility located at 1860 Smithtown Avenue, Ronkonkoma, New York. This new division specializes in solder reflow ovens and rework stations for the printed circuit board industry and chip scale package industry.

As evidenced by the Company's development of these new divisions, our growth strategy is one of expanding revenues and increasing profits through internal growth and acquisition. An important ingredient in our Strategic Plan is to be an active player in the acquisitions environment. We look for businesses that are:

- * Synergistic in nature to our core business
- * Complementary to our existing product lines
- * Geared toward a start-up or turnaround situation
- * Opportunistic for growth and profit development

In the year 2002, CVD Equipment Corporation was again named to Deloitte & Touche's prestigious "Long Island Technology Fast 50" program, which ranks the 50 fastest growing technology companies on Long Island.

Deloitte & Touche computed all calculations for revenue growth rate with CVD having a five-year revenue growth rate of 185.79%.

The Long Island Technology Fast 50 program is sponsored by Deloitte & Touche LLP, The Bank of New York, the Nasdaq Stock Market, the Long Island Technology Center, the Long Island Association, SUNY Stony Brook, Idea Alley, Long Island High Technology Incubator at Stony Brook, Newsday, Certilman Balin Adler & Hyman, LLP, Long Island Software & Technology Network, and Invision.com.

CVD is a leading manufacturer of critical UHVCVD, MOCVD, PECVD, LPE, VPE, RTP Etch, Gas & Chemical Delivery Systems, Belt Furnaces, Rework Stations products and services for the Semiconductor, Telecommunications, Wireless, Optoelectronics, MEMS, Solar Power and Surface Mount Technology markets. CVD is proud to be recognized as a key player within Long Island's growing technology sector.

THE ORGANIZATION

Each division, CVD, SDC/ECS, and Conceptronic/RI has their own operating manager with sales and administration being handled by corporate managers. Thus, each division operates reasonably autonomously on a day-to-day basis.

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Yet, there is an overall corporate coordination in the day-to-day administration of the business, in setting policy and consistently applying procedures.

INFORMATION ABOUT INDUSTRY SEGMENTS

The Company designs, develops, manufactures, markets, installs and services equipment primarily for the semiconductor industry. The Company's products include (1) both batch and single substrate systems used for depositing, rapid thermal processing, annealing, diffusion and etching of semiconductor films, (2) gas and liquid flow control systems, (3) ultra high purity gas and chemical piping delivery systems, (4) fabricates standard and custom quartzware, (5) equipment consulting and refurbishing of semiconductor

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processing equipment, and (6) reflow furnaces and rework stations for surface mounting of components onto printed circuit boards. The Company's products are generally manufactured or customized to the particular specifications of each of its customers.

GENERAL NARRATIVE DESCRIPTION OF BUSINESS

Semiconductor components are the fundamental electronic building blocks used in modern electronic equipment and systems. These components are classified as either discrete devices (such as transistors) or integrated circuits (in which a number of transistors and other elements are combined to form a more complicated electronic circuit). In an integrated circuit, these elements are formed on a small "chip" of silicon or gallium arsenide, which is then encapsulated in an epoxy, ceramic, or metal package having lead wires for connection to a circuit board. The Company's products are used in the manufacture of these components.

CVD DIVISION

Designs and manufacturers both standard and custom equipment for the semiconductor industry. CVD has developed a fine reputation for producing high quality products. CVD's equipment has leading edge technology and is utilized for silicon germanium, silicon carbide, and gallium arsenide processes. These processes are paramount in the optoelectric and wireless communications arena.

SDC/ECS DIVISION

Designs and manufactures in their Class 100 cleanroom, ultra high purity Gas and Chemical Delivery systems. Provides semiconductor equipment consulting and refurbishing services. Their expertise crosses over many product lines as well as manufactures, positioning the division to meet the changing requirements of the industry. Their field service group provides for contract maintenance, high purity fab and equipment installations and equipment removal.

CONCEPTRONIC/RI DIVISION

Designs and manufactures solder reflow ovens and rework stations for the printed circuit board industry and chip scale package industry. Their product is marketed throughout the world.

PRINCIPAL PRODUCTS

Chemical Vapor Deposition (CVD) - is a process which passes a gaseous compound over a target material surface that is heated to such a degree that the compound decomposes and deposits a desired layer onto substrate material. The process is accomplished by combining appropriate gases in a reaction chamber, of the kind produced by the Company, at elevated temperatures (typically 300 - 1500 degrees Celsius). The Company's Chemical Vapor Deposition Systems are complete and include all necessary

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instrumentation, subsystems and components. The systems include e mass flow controllers, bellows valves, stainless steel lines and fittings. The Company provides such standard systems and also specifically engineered products for particular customer applications. Some of the standard systems offered by the Company are for Silicon, Silicon-Germanium, Silicon Dioxide, Silicon Nitride, Polysilicon, Liquid Phase Epitaxial, and Metalorganic Chemical Vapor Deposition.

The Company's CVD systems are available in a variety of models that can be used in production and laboratory research. All models can be offered with total system automation, a microprocessor control system, by which the user can measure, predict and regulate gas flow, temperature, pressure and

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chemical reaction rates, thus controlling the process in order to enhance the quality of the materials produced. The Company's standard microprocessor control system is extremely versatile and capable of supporting the Company's complete product line and most custom system requirements. The Company's CVD systems range in price from \$100,000 to \$2,500,000.

Rapid Thermal Processing (RTP) - are used to heat semiconductor materials to elevated temperatures of 1000 degrees Celsius at rapid rates of up to 200 degrees Celsius per second. The Company's RTP systems are offered for implant activation, oxidation, silicide formation and many other processes. The Company offers system that can operate both at atmospheric or reduced pressures. A specific model of the Company's RTP system is used for Thermal Desorption Spectroscopy which allows the semiconductor process engineer the ability to analyze the deposited films between the many process steps used in the complex fabrication process. The Company's RTP systems generally range in price from \$75,000 to \$350,000.

Annealing and Diffusion Furnaces - are used for diffusion, oxidation, implant anneal, solder reflow and other processes. The systems are normally operated at atmospheric pressure with gaseous atmospheres related to the process. An optional feature of the system allows for the heating element to be moved away from the process chamber allowing the wafers to rapidly cool or be heated in a controlled environment. Our cascade temperature control system enables more precise control of the wafers. The systems are equipped with an automatic process controller, permitting automatic process sequencing and monitoring with safety alarm provisions. The Company's Annealing and Diffusion Furnace systems generally range in price from \$75,000 to \$650,000.

Gas and Liquid Control Systems - standard and custom-designed gas and liquid control systems encompassing (1) gas cylinder storage cabinets, (2) custom gas and chemical delivery systems, (3) gas and liquid valve manifold boxes (VMB's) and (4) gas isolation boxes (GIB's) to provide safe storage and handling of pressurized gases and chemicals. System design allows for automatic or manual control from both a local and remote location. The Company's Gas and Liquid Control Systems generally range in price from \$20,000 to \$350,000.

Ultra High Purity Gas and Chemical Piping Delivery Systems - we provide field installation of ultra high purity piping systems within a semiconductor plant for the distribution of gases and chemicals to the assorted process tools. As part of the field service group we also offer repair service work on customer equipment.

Quartzware - we provide standard and custom fabricated quartzware used in the Company's equipment and other customer tools. The Company also provides repair and replacement of existing quartzware. Our customer quartzware spare

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parts requirements have grown substantially, especially for non-company related products.

Surface Mount Reflow Furnaces and Rework Stations—we provide a line of standard and custom systems that are sold and serviced worldwide. There are in excess of 3000 systems that have been manufactured to date that bear the Conceptronic or Research International name.

RESEARCH AND DEVELOPMENT

The Company continues its efforts on several research and development projects. We develop and customize equipment for numerous government, university and industry research laboratories around the world. Very often

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the research, design and development of custom equipment, which remains proprietary to the Company, yields new products.

INDUSTRY OVERVIEW

In 2002, the industry continued the current slowdown. CVD believes that it has organized and structured itself with the three divisions to partially compensate for the cyclic nature and thereby smooth out the ups and downs. The CVD division deals with large capital equipment, which sometimes suffers in a down cycle. However, the CVD division also sells to research facilities and universities that are not normally influenced in a significant way in a down market. The SDC/ECS division supplies Gas and Chemical Delivery Systems and refurbished equipment, which can be impacted during a down market. However, the field service group within that division, usually adds field service work and equipment refurbishing in a down market. And finally, the Conceptronic/Research International division is a tangential manufacturing operation to further create a more balanced and diversified platform of products.

MARKETING

The Company's products are used in research and production applications by the semiconductor industry. The Company sells its products primarily to semiconductor manufacturers, institutions involved in electronic research such as universities, government and industrial laboratories and to electronic assembly manufacturers. During 2002, sales of the Company's products were made by a staff of 6 employees and 20 sales representatives, whose activities were supported, by a staff of 12 application engineers. During 2002 the Company continued to work on expanding our product offerings.

The Company's Web Sites: www.cvdequipment.com; www.stainlessdesign.com; www.equipmentconsulting.com; www.researchintl.com; www.conceptronic.com continue to see increased traffic. The Company focuses on being in the top listings on many search engines, thus increasing the number of hits to our web sites. The Company continuously receives inquiries as a result of the web sites.

The Company warrants its equipment for a period of twelve to twenty four months, depending on the product, after shipment and passes along any warranties from original manufacturers of components used in its products. The Company provides for its own equipment servicing with in-house field service personnel. Warrantee costs have been historically insignificant.

PATENTS, COPYRIGHTS AND LICENSE AGREEMENTS

The Company believes that while patents are useful, and will be used at times in the future, they are not critical or valuable in many cases on an individual basis. We believe the collective value of the intangible property of the Company is comprised of blueprints, specifications, technical processes, cumulative employee knowledge, experience, copyrights and patents.

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During years 2000, 2001, and 2002 the Company has applied for several copyrights associated with the intellectual properties of the former Stainless Design Corporation. In addition, with the acquisition of the assets of Conceptronic and Research International, the Company is now the owner of several patents used in the surface mount technology business.

COMPETITION

The Company's business is subject to intense competition. The Company is aware of other competitors that offer a substantial number of products comparable to the Company's. Many of the Company's competitors (including customers who may elect to

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manufacture systems for internal use) have financial, marketing and other resources greater than the Company's. To date, the Company has been able to compete in markets that include these competitors, primarily on the basis of price, technical performance, quality and delivery.

CUSTOMERS

The Company sells to a wide range of customers. Sales to a single customer in a given year however can exceed 10%. In 2002, two customers represented approximately 11% and 12% of sales whereas in 2001, two customers represented approximately 8% and 10% each of sales. CVD's customers include many of the largest semiconductor, telecommunications, and computer companies in the world. Several of these major customers are as follows:

Advanced Technology Material Inc.	Diamler Chrysler Corp.	NASA
Agere Systems Inc.	Dow Corning	Nat'l Institute of Stan
Agilent Technologies	General Semiconductor	Nova Crystals
Air Products	Hewlett Packard	ON Semiconductor
Alpha Industries	IBM	Osram
Alpha Photonics	Innosys Inc.	Phillips Semiconductor
AMP Inc.	INO	Raytheon
Applied Materials	Intelcore	Samsung Electronics
ASML	ITT	SCI Sanmina
Astro Power	Jabil	Semitool
AXT Optoelectronics	JDS Uniphase	Sensors Unlimited
B.F. Goodrich	Kinetics	Silicon Valley Group In
Bechtel Bettis Inc.	Kopin Corporation	STAR Center
BOC	Liteon	Thermco Systmes
Brookhaven National Labs	Lockhead Martin	Tokyo Electronics
Bruckner	Lucent Technologies	Tyco Electronics
China Nat'l Electronis	Lumileds Lighting	Veeco
Cornings Inc.	MEMC Electronic Materials	Watkins Johnson Company
Cree	Microchip Technology	

In addition, CVD's customers include many prominent universities as follows:

Australian National University	Ohio State University	University of Illinois
Carnegie Mellon University	Pennsylvania State University	University of Maryland
Case Western Reserve University	Princeton University	University of Rochester
Cornell University	Rensselaer Polytechnic Institute	University of South Flo
Harvard University	Research Foundation of SUNY	University of Wisconsin
Indian Institute of Science	University Of Albany	Virginia Polytechnic In
Louisiana Tech. University	University of CA @Santa Barbara	Yale University

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FOREIGN OPERATIONS

The Company's revenues derived from foreign exports were 25% and 15% in 2002 and 2001 respectively.

MANUFACTURING MATERIALS AND SUPPLIES

The Company does not manufacture many components used in producing the Company's products. They are purchased from unrelated third-party manufacturers of such equipment. The Company has no supply contracts covering these components. The Company is not dependent on a principal or major supplier and alternate suppliers are available. The Company does not use a large amount of raw or difficult to obtain materials that could cause a problem in production of our equipment.

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The Company has its own fully equipped machine shop to fabricate in house; the most complex designed parts of our equipment. The Company recently invested in additional CNC machines for the machine shop, thus further increasing efficiencies while significantly reducing costs in production. Similarly, the Company's own Quartz shop is capable of meeting our quartzware needs.

Quality control is a fundamental critical component in our processes. Materials procured on the outside and/or manufactured internally undergo a rigorous quality control process to ensure that the parts meet or exceed the most stringent specifications. All equipment, upon final assembly, undergoes a final series of complete testing to ensure product performance.

ORDER BACKLOG

As of December 31, 2002 the Company's order backlog was \$3,816,877 compared to \$1,389,004 on December 31, 2001. Included in the backlog are all accepted customer purchase orders. Order backlog is usually a reasonable management tool to indicate expected revenues and projected profits, however, it does not provide an assurance of future achievement or profits as order cancellations or delays are possible.

EMPLOYEES

As of December 31, 2002, the Company employed 110 full time personnel and 3 part time personnel of which 48 were in manufacturing, 23 in engineering (including research and development and efforts related to product improvement), 11 in field service, 6 in marketing and 25 in general management and administration.

The Company is not party to any collective bargaining agreement and has had no work stoppages. The Company believes that its employee relations are good.

INSURANCE

Because the Company's products are used in connection with explosive, flammable, corrosive and toxic gases, there are potential exposures to personal injury as well as property damage, particularly if operated without regard to the design limits of the systems and components.

The Company endeavors to minimize its product liability exposure by engineering safety devices for its products, carefully monitoring incidents involving its products to determine areas where safety improvements may be made, and training programs in connection with its products.

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The Company believes that their insurance coverage is adequate. The following types of insurance coverage are carried by the Company:

- * Product liability
- * Property Contents
- * General Liability
- * Workers Compensation
- * Transportation
- * Directors and Officers
- * Employee Benefits Liability
- * Business Auto
- * Umbrella

GOVERNMENT REGULATIONS

The Company knows of no government requirements for approval of the sale of their products or services except in some export cases. At that time we apply for the appropriate export license. As of December 31, 2002, there was no pending government approvals.

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The Company knows of no existing or probable governmental regulations that would have a serious effect on our business.

Cost associated with compliance to environmental laws has not been significant to the Company's business.

FORWARD LOOKING STATEMENTS

Certain statements in this Management's Discussion and Analysis of Financial Condition and Results of Operations constitute "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward looking statements. These forward looking statements were based on various factors and were derived utilizing numerous important assumptions and other important factors that could cause actual results to differ materially from those in the forward looking statements. Important assumptions and other factors that could cause actual results to differ materially from those in the forward looking statements, include, but are not limited to: competition in the Company's existing and potential future product lines of business; the Company's ability to obtain financing on acceptable terms if and when needed; uncertainty as to the Company's future profitability, uncertainty as to the future profitability of acquired businesses or product lines, uncertainty as to any future expansion of the Company. Other factors and assumptions not identified above were also involved in the derivation of these forward looking statements, and the failure of such assumptions to be realized as well as other factors may also cause actual results to differ materially from those projected. The Company assumes no obligation to update these forward looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward looking statements.

ITEM 2. DESCRIPTION OF PROPERTIES

On June 1, 1991, the Company relocated its operations to 1881 Lakeland Avenue, Ronkonkoma, New York, a 20,000 square foot facility. The Company signed a 5-year lease extension in 2000 that is scheduled to expire on July 31, 2006. The principle operations of CVD and its Conceptronic/RI division

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has moved to its new location at 1860 Smithtown Avenue, Ronkonkoma, New York. The Company plans to sublease the 1881 Lakeland Avenue, Ronkonkoma, New York facility. Management feels that the property is adequately covered by insurance and is in good condition.

On April 29, 1999, the Company purchased for \$1,400,000, a 22,000 square foot facility, situated on 5 acres of land located at 1117 Kings Highway, Saugerties, NY 12477. Currently, the SDC and ECS divisions are located at this facility. Management feels the property is adequately covered by insurance and is in good condition.

On March 7, 2002, the Company purchased a 50,000 square foot facility for \$2,161,875 and made \$1,283,077 in renovations, located at 1860 Smithtown Avenue, Ronkonkoma, New York. Currently, the CVD and Conceptronic divisions are located at this facility. Management feels the property is adequately covered by insurance and is in good condition.

ITEM 3. LEGAL PROCEEDINGS

On September 24, 1999, the Company was named in a lawsuit. The nature of this legal proceeding focused on the intellectual property obtained during the purchase of assets of Stainless Design Corporation. On November 10,

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1999, the Company responded with a counterclaim. It is legal counsels' belief that the lawsuit against CVD is without merit and that our counter-suit will be successful. The Company considers its potential exposure to be negligible and covered by insurance.

On January 26, 2000, the Company initiated a lawsuit against a customer upon certain outstanding bills and the customer responded with a counterclaim. Settlement is pending upon terms favorable to CVD.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

A shareholder's meeting was held in the third quarter of 2002 for the primary purpose of re-electing directors and approving the selection of our outside auditing firm.

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PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED SECURITY HOLDER MATTERS

PRINCIPAL MARKET

The stock has been traded on the AMEX under the symbol CVV since June 2001. Prior to June 2001, the stock was traded on the OTC Bulletin Board under the symbol of CVDE.

STOCK PRICE INFORMATION

The Company's common stock first began to be publicly traded on September 11, 1985 and prior to that date the Company was privately held. The following chart sets forth the high and low closing bid price of the Common Stock for the indicated periods.

Period -----	High -----	Low -----
January 1, 2001 through March 31, 2001	5.063	3.500
April 1, 2001 through June 30, 2001	4.250	3.190
July 1, 2001 through September 30, 2001	3.590	2.080
October 1, 2001 through December 31, 2001	3.890	2.050
January 1, 2002 through March 31, 2002	3.100	2.300
April 1, 2002 through June 30, 2002	2.950	2.100
July 1, 2002 through September 30, 2002	2.290	1.540
October 1, 2002 through December 31, 2002	1.990	0.620