AGILENT TECHNOLOGIES INC
Form 4
November 21, 2002
SEC Form 4

FORM 4	UNITED STATES SECURITIES AND EXCHANGE COMMISSION	OMB APPROVAL
[ ] Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).	**Washington, D.C. 20549** **STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP** Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(f) of the Investment Company Act of 1940	OMB Number: 3235-0287 Expires: January 31, 2005 Estimated average burden hours per response. 0.5

1. Name and Address of Reporting Person*	2. Issuer Name and Ticker or Trading Symbol	4. Statement for (Month/Date/Year)	6. Relationship of Reporting Person(s) to Issuer (Check all applicable)
Van Ingen, Chris (Last) (First) (Middle) **395 Page Mill Road, MS A3-18** (Street) **Palo Alto, CA 94306** (City) (State) (Zip)	**Agilent Technologies, Inc. (A)** 3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary)	**November 19, 2002** 5. If Amendment, Date of Original (Month/Year)	____ Director ____ 10% Owner __X__ Officer ____ Other Officer/Other Description **Senior Vice President** 7. Individual or Joint/Group Filing (Check Applicable Line) **X** Individual Filing _ Joint/Group Filing

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	3. Transaction Code and Voluntary Code (Instr. 8) Code | V	4. Securities Acquired (A) or Disposed (D) Of (Instr. 3, 4, and 5) Amount | A/D | Price	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct(D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	**10/31/2002**	**A (1) | V**	**124.36 | A | $11.69**	**3,106.50**	**D**	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.
* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

(over)
SEC 1474 (3-99)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	4. Transaction Code and Voluntary (V) Code (Instr.8) Code | V	5. Number of Derivative Securities Acquired (A) or Disposed (D) Of (Instr. 3,4 and 5)	6. Date Exercisable(DE) and Expiration Date(ED) (Month/Day/Year) (DE) | (ED)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr.5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr.4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I)	11. Nature of Indirect Beneficial Ownership (Instr.4)
Employee Stock Option (right to buy)	**$15.89**	**11/19/2002**	**A |**	**(A) 125,000**	**11/19/2003 (2) | 11/18/2012**	**Common Stock - 125,000**		**125,000**	**D**	
Employee Stock Option (right to buy)	**$19.44**				**11/17/2000 | 11/16/2005**	**Common Stock - 3,470**		**3,470**	**D**	
Employee Stock Option (right to buy)	**$30.26**				**11/21/1997 | 11/20/2006**	**Common Stock - 543**		**543**	**D**	
Employee Stock Option (right to buy)	**$35.59**				**11/20/1998 | 11/19/2007**	**Common Stock - 1,735**		**1,735**	**D**	
Employee Stock Option (right to buy)	**$34.11**				**11/19/1999 | 11/18/2008**	**Common Stock - 11,451**		**11,451**	**D**	
Employee Stock Option (right to buy)	**$30.00**				**11/18/2000 | 11/17/2009**	**Common Stock - 50,000**		**50,000**	**D**	
Employee Stock Option (right to buy)	**$30.00**				**11/20/2000 | 11/17/2009**	**Common Stock - 6,792**		**6,792**	**D**	
Employee Stock Option (right to buy)	**$80.28**				**05/17/2003 | 05/16/2010**	**Common Stock - 100**		**100**	**D**	
Employee Stock Option (right to buy)	**$39.41**				**11/13/2001 | 11/12/2010**	**Common Stock - 40,000**		**40,000**	**D**	
Employee Stock	**$25.67**				**11/26/2002 | 11/25/2011**	**Common Stock -**		**125,000**	**D**	

Option (right to buy)						**125,000**					
Employee Stock Options (right to buy)	**$37.94**				**05/15/2002 | 05/14/2011**	**Common Stock - 25,000**		**25,000**	**D**		

Explanation of Responses :

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations.
See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

By: Marie Oh Huber / Attorney-in-fact

11-20-2002

** Signature of Reporting Person

Date

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient,
See Instruction 6 for procedure.

Power of Attorney

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Potential persons who are to respond to the collection of information contained in this form are not
required to respond unless the form displays a currently valid OMB number.

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FOOTNOTE Descriptions for Agilent Technologies, Inc. (A)

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Chris Van Ingen
395 Page Mill Road, MS A3-18

Palo Alto, CA 94306

Explanation of responses:

(1) Shares acquired in an Employee Stock Purchase Plan under Section 423 of the Internal Revenue Code of 1986, as amended, in a transaction exempt under Rule 16b-3.

(2) The option is exercisable in four equal annual installments beginning on the first anniversary of the date of the grant. The first vesting date is stated.

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ognition"; SOP 81-1, "Accounting for Performance of Construction-Type and Certain Production-Type Contracts" and SOP 97-2, "Software Revenue Recognition", and other applicable revenue recognition guidance and interpretations. The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectibility is probable. In instances where the customer specifies final acceptance criteria, revenue is deferred until all acceptance criteria are met. The Company reduces revenue for contracted future maintenance services where applicable. Hardware and Third Party Software Revenue from hardware and third party software sales is recognized at the time of shipment. NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) Software The company recognizes the revenue allocable to software licenses and software maintenance contracts based on delivery, implementation and customer acceptance criteria. Revenue is recognized as appropriate for each customer. Services Professional service fee revenue is generally recognized when services are performed and invoiced or, if paid in advance, are recognized in future periods as performed and invoiced. The percentage of completion method is used for long-term contracts. Multiple-element arrangements The Company enters into transactions that include multiple-element arrangements, which can include any combination of hardware, software and/or services. When vendor-specific objective evidence of fair value of undelivered elements is established and the functionality of delivered elements is not dependent on the undelivered elements, revenue for the delivered elements is recognized using the accounting methods discussed above. Otherwise, revenue is recognized under the percentage of completion method. Accounts Receivable Accounts receivable are due from customers and are generally unsecured. The carrying amount of accounts receivable is reduced by an allowance for doubtful accounts that reflects management's best estimate of the amounts that will not be collected. The Company provides for credit losses based on management's evaluation of collectibility including current and historical performance, credit worthiness and experience with each customer. The allowance for doubtful accounts at December 31, 2005 was $38,494. Maintenance and Warranty Liabilities The Company's products are sold with a standard warranty for defects and the right to product maintenance upgrades for a standard period of one year, although the period may vary. The Company defers maintenance revenue on the sale of software licenses for the period specified in the contract based on maintenance fees in effect at the time the contract is executed. Software Development Costs The Company does not capitalize costs related to the development of computer software and expenses all salaries and related costs as incurred. Software Purchase Costs The Company has acquired the full rights to or unlimited licenses for several key software products that are sold to third parties as part of the Company's suite of product offerings. The acquisition costs of these products and licenses are capitalized and amortized over their useful lives, currently five years. NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) Recent Pronouncements In June 2006, FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 190" (FIN No. 48). FIN No. 48 clarifies the accounting for uncertainty in income taxes by prescribing a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The interpretation also provides guidance on derecognition, classification, interest and penalties, accounting during interim periods and disclosure. FIN No. 48 is effective for fiscal years beginning after December 15, 2006. The Company is in the process of evaluating the impact of FIN No. 48 on its financial condition and results of operations. In September 2006, FASB issued FASB Statement No. 157 "Fair Value Measurements" (FAS 157). This new standard provides guidance for using fair value to measure assets and liabilities. Under FAS 157, fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts. In this standard, the FASB clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability. In support of this principle, FAS 157 establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data, for example, the reporting entity's own data. Under the standard, fair value measurements would be separately disclosed by level within the fair value hierarchy. The provisions of FAS 157 are effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company has not yet determined the impact that the adoption of FAS 157 will have on its consolidated financial position, results of operations or cash flows. NOTE 2 NATURE OF BUSINESS AND CONCENTRATION OF CREDIT RISK The Company derives revenue from proprietary software license fees, software maintenance fees, professional services, customer support services and sales of third-party produced hardware and software. Products The Company's core product, the iSIVA(TM) point-of-sale and back-office software suite, is the first enterprise-integrated and Internet-enabled offering built for the restaurant industry. Leveraging this core enterprise engine, the Company has engineered a broad range of innovative products that drive automation and improved performance at the restaurant and throughout the enterprise information hierarchy, including the Touchmark(R) point-of-sale NOTE 2 NATURE OF BUSINESS AND CONCENTRATION OF CREDIT RISK (Continued) system, IntelliKitchen(R) kitchen management system, POS(2) wireless ordering system, Pay@Table(TM) wireless payment processing system, and a number of innovative technologies designed to increase access to operations intelligence and improve the guest experience. Through a subsidiary, the Company also sells a middleware product known as X Message Server targeted at the multi-unit data gathering market. The Company's technologies provide its customers significant advantages in the areas of architecture, choice and scope. The Company believes its technology offers significant competitive advantages in the areas of architecture, open standards and real-time business intelligence. Designed in the age of the Internet, Java, Linux, and low-cost communication infrastructures, the Company's technologies are built around an enterprise database which provides centralized configuration and deployment of information to the site as well as real-time synchronization of transaction information from the site to the enterprise. The applications are agnostic when it comes to hardware, database, and operating systems; they operate with any vendor's hardware offering and virtually any operating system. The applications also work with any SQL-92 compliant database. Finally, the Company's applications are built from the ground up to handle the real-time acquisition and analysis of transactional information. Market Served The Company's current market focus is the U.S. foodservice segment of retail technology. The Company primarily sells through its direct sales force, but has several resellers and relationships with major hardware vendors and non-competing service providers who market and distribute the Company's products and services. These solutions have widespread application in the greater retail space as well as in industries as varied as healthcare and banking. Line of Business The Company develops and markets technology products for the food service industry that enable better management of money, materials, employees and the guest experience in a geographically dispersed environment, resulting in improved profitability and customer satisfaction. Focusing on site operations but with corporate-wide deployment, the Company's enterprise applications improve on traditional software designs by delivering information throughout the organization and by reducing the cost and complexity normally associated with system ownership. The Company primarily sells software licenses, custom development, professional and installation services, maintenance and help desk contracts, and in addition provides hosting services and resells hardware. The Company also has arrangements with certain hardware and other vendors that pay referral fees and provide marketing support in specific circumstances. NOTE 3 PROPERTY AND EQUIPMENT, NET Property and equipment balances and estimated useful lives were as follows: Life -------- Computers and office equipment. $ 331,021 5 years Office furniture and fixtures . 27,892 5 years Software .... 20,052 5 years Other equipment .... 72,562 5 years Leasehold improvements .... 54,559 Lease period Equipment under capital leases 15,375 4 years --------- 521,461 Less: Accumulated depreciation and amortization .... (245,693) --------- Property and equipment, net ... $ 275,768 ========= Depreciation expense was $123,256 for the year ended December 31, 2005. NOTE 4 INTANGIBLE ASSETS, NET Intangible assets consist primarily of computer software assets. The unamortized balance of intangible assets was $1,505,917 at December 31, 2005 and amortization expense for the year ended December 31, 2005 was $451,001. Amortization expense is computed using the straight-line method over the useful life of five years. Amortization expense for the five succeeding fiscal years and thereafter is as follows: Future amortization of intangible assets is as follows: 2006 $ 460,000 2007 460,000 2008 425,000 2009 160,000 2010 1,000 Later years -- ---------- $1,506,000 ========== NOTE 5 DEBT Debt consists of the following: 2004 promissory notes; 12% interest due monthly, beginning November 2004; 16% default interest rate per annum; principal payments due quarterly beginning September 2005; loan is in default. $ 1,089,029 2004 and 2005 secured promissory notes; 15% interest rate per annum; 18% default interest rate per annum; principal and interest due at maturity; maturity is earlier of May 25, 2005 or the closing of the sale of the Company; loan is in default. 1,504,418 March 2005 promissory notes; 15% interest rate per annum; 18% default interest rate per annum; principal and interest due at maturity; maturity is earlier of December 31, 2005 or the closing of the sale of the Company; loan is in default. 1,586,493 June 2005 senior subordinated promissory notes; 15% interest due monthly in arrears, beginning August 1, 2005; 18% default interest rate per annum; maturity is earlier of June 20, 2006 or the closing of the sale of the Company; loan is in default. 500,000 September 2005 senior subordinated promissory notes; 18% interest due monthly in arrears, beginning January 1, 2006; 21% to 24% default interest rate per annum; maturity is earlier of one year from date of issuance or the closing of the sale of the Company or a major refinancing of the Company. 647,222 December 2005 promissory notes; 5% interest rate per annum; 24% default interest rate per annum; principal and interest due at maturity; maturity is March 31, 2006. 660,841 December 2005 unsecured promissory note; 6% interest rate per annum; principal payments of $15,000 due monthly beginning January 10, 2006; accrued interest due at maturity, December 10, 2006. 175,986 Unsecured promissory notes due from employees; 15% interest rate per annum. 35,208 NOTE 5 DEBT (Continued) Various capital leases, interest rates range from 10.5% to 13.97%, monthly principal and interest payments, leases expire July 2009 to September 2009. 14,142 ------------ 6,213,339 Less: current portion (6,202,547) ------------ Long-term debt, net $ 10,792 ============ Future maturities on capital lease obligations are as follows as of December 31, 2005: 2006 $ 3,350 2007 3,765 2008 4,231 2009 2,796 ----------- Total $ 14,142 =========== In connection with the Securities Purchase Agreement entered into on March 31, 2006 (see note 10), all outstanding debt and accrued interest at December 31, 2005 was satisfied; except for capital lease obligations. Warrants for 112,359,522 shares of Company stock, exercisable at prices ranging from $0.05 to $0.1667, have been issued in conjunction with the Company's notes payable. NOTE 6 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES Accrued expenses and other current liabilities include the following: Interest payable $ 630,719 Other accrued expenses 263,647 Customer deposits payable 73,900 Accrued vacation 49,733 ------------ $ 1,017,999 ============ NOTE 7 STOCK OPTION PLAN The Company has reserved 21,220,746 shares under its stock option plan. Options under this Plan may be issued as incentive stock options or nonqualified options. Stock options are nontransferable other than NOTE 7 STOCK OPTION PLAN (Continued) upon death. Option grants vest over a four year period after the grant date and expire ten years after the date of the grant. There are provisions for accelerated vesting in certain cases. Under the plan, the exercise price of each option equals the estimated market price of the Company's stock on the grant date. The fair value of each option grant is estimated on the grant date using an option-pricing model with the following weighted average assumptions used for grants: dividend yield of 0%, risk-free interest rate ranging from 3.5% to 4.46% and expected lives of 4 years for the options. As of December 31, 2005, there were 16,491,750 options outstanding with exercise prices ranging from $0.05 to $0.12 per share. No shares have been exercised since the inception of the plan. There were 1,105,000 options granted and 225,000 options forfeited during the year ended December 31, 2005. At December 31, 2005 there were 4,728,996 options available for future grant. Stock options outstanding at December 31, 2005 are summarized as follows: Exercise Remaining Exercisable Price Shares Outstanding Contractual Life 12/31/05 -------- ----------------- --------------- ---------- $0.050 12,131,108 4.8 years 12,131,108 $0.080 7,500 5.4 years 7,500 $0.097 200,000 7.0 years 150,000 $0.100 3,048,142 7.4 years 1,905,089 $0.120 1,105,000 9.5 years 201,146 ---------- ---------- 16,491,750 14,394,843 ========== ========== Pro forma information regarding net loss as if the Company had accounted for employee stock options under the fair value method of SFAS No. 123 is presented below. For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The effects of applying SFAS No. 123 for providing pro forma disclosures are not likely to be representative of the effects on reported net income (loss) for future years, due to the impact of the staggered vesting periods of the Company's stock option grants. The Company's pro forma information is as follows. Net loss as reported $ 4,853,099 Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects 23,630 ------------ Pro forma net loss $ 4,876,729 ============= NOTE 8 CONTINGENCIES Operating Leases The Company leases office furniture and equipment under various operating leases. Lease expense during the year ended December 31, 2005 was $41,775. In addition, the Company rents office space in Delray Beach, Florida under an operating lease that expires February 28, 2008. Rent expense during the year ended December 31, 2005 was $226,447. Future minimum rental payments required under the leases are as follows: 2006 $ 262,577 2007 270,463 2008 43,786 2009 -- 2010 -- Later years -- ----------- $ 576,826 =========== Employment Contracts The Company has employment agreements with certain executive officers. These agreements may obligate the Company to a severance amount equal to one year's compensation should an executive leave the Company under certain terms of the agreement. NOTE 9 INCOME TAXES Deferred tax assets and liabilities represent the future tax return consequences of differences between the basis of assets and liabilities for financial statement and income tax purposes, which will either be deductible or taxable when the assets and liabilities are recovered or settled. At December 31, 2005 deferred tax assets relate primarily to the effects of tax loss carryforwards. Deferred taxes consist of the following at December 31, 2005: Deferred tax assets (non-current) $ 4,420,000 Valuation allowance (4,420,000) ----------- $ -- ============ A valuation allowance of $4,420,000 was established at December 31, 2005 to eliminate the net deferred tax benefit as it was uncertain if the tax benefits would ever be realized. The accompanying financial statements do not reflect an income tax benefit from the current year operating loss. No income taxes were paid by the Company in 2005. NOTE 9 INCOME TAXES (Continued) As of December 31, 2005, the Company had net operating loss carryforwards approximating $13,000,000 that can be deducted against future taxable income. These federal tax carryforwards expire at various dates through 2025. NOTE 10 SUBSEQUENT EVENTS Securities Purchase Agreement On March 31, 2006, the Company entered into a Securities Purchase Agreement with Morganthau

Accelerator Fund, L.P. and Jim Melvin whereby the Company issued 4,926,378 and 656,850 shares of Series B-1 Convertible Preferred Stock, $0.001 par value, for $3.0 million and $400,000, respectively. In order to close this transaction the Company recapitalized its outstanding common stock, Series A, B and C Preferred Stock, and all options and warrants outstanding. Sale of Business Assets On November 2, 2006 the Company sold substantially all its assets to Par Technology Corporation (PAR), a leading provider of integrated technology solutions to the hospitality industry for approximately $6.7 million in cash and Par Technology common stock. At closing, PAR paid the Company $5.65 million in cash and placed $1.1 million of PAR common stock (125,549 shares par value $0.02) into an escrow account. The escrow amount will be held, invested and distributed in accordance with an Escrow Agreement. Subject to any such indemnification claims, the amount in escrow is to be delivered to the Company on the second anniversary date of the closing. In addition, PAR may be obligated to pay the Company a contingent purchase price amount if a certain Software License and Distribution Agreement of the Company is assumed by PAR during a specified period of time after the closing. If PAR assumes the contract the Company could be eligible to receive 15% of revenue collected by PAR under the agreement, not to exceed $6.0 million. [GRAPHIC OMITTED] To the Board of Directors of SIVA Corporation We consent to the use of our report dated December 21, 2006, included herein with respect to the consolidated balance sheet of SIVA Corporation as of December 31, 2005, and the related consolidated statement of operations, stockholders' deficit, and cash flow for the year ended December 31, 2005. [GRAPHIC OMITTED] /s/Kramer Weisman and Associates, LLP Davie, Florida December 21, 2006 EX-99.2 The unaudited interim consolidated financial statements of SIVA Corporation as of September 30, 2006 and for the three and nine months ended September 30, 2006 and 2005. SIVA CORPORATION CONSOLIDATED BALANCE SHEET SEPTEMBER 30, 2006 (Unaudited) ASSETS Current assets: Cash and cash equivalents .... $ 20,008 Accounts receivable .... 154,258 Other current assets .... 111,081 ----------- Total current assets .... 285,347 Property and equipment, net .... 255,928 Intangible assets, net .... 1,159,506 Security deposits .... 29,104 ----------- Total assets .... $ 1,729,885 =========== LIABILITIES AND STOCKHOLDERS' DEFICIT Current liabilities: Notes payable .... $ 4,050,903 Accounts payable .... 594,231 Current portion of capital lease obligations .... 3,350 Accrued expenses and other current liabilities .... 597,793 Deferred revenue .... 494,782 ----------- Total current liabilities 5,741,059 Capital lease obligation .... 10,792 ----------- Total liabilities .... 5,751,851 ----------- Commitments and contingencies .... -- Stockholders' deficit: Series A-1 preferred stock .... 1,565 Series B-1 preferred stock .... 2,612 Common stock, $0.001 par value; .... 2,508 Additional paid-in capital .... 13,681,220 Accumulated deficit .... (17,709,871) ----------- Total stockholders' deficit .... (4,021,966) ----------- Total liabilities and stockholders' deficit .... $ 1,729,885 =========== See notes to unaudited interim consolidated financial statements. SIVA CORPORATION CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited) For the three months For the nine months ended September 30, ended September 30, --- 2006 2005 2006 2005 ----------- ----------- ----------- ----------- Revenues: Software .... $ 62,475 $ 638,125 $ 936,844 $ 683,667 Service and support .... 81,248 224,515 258,520 800,001 ----------- ----------- ----------- ----------- Total revenues .... 143,723 862,640 1,195,364 1,483,668 ----------- ----------- ----------- ----------- Costs of sales: Software .... -- -- -- -- Service and support .... 343 4,621 235,670 13,863 ----------- ----------- ----------- ----------- Total cost of sales ..... 343 4,621 235,670 13,863 ----------- ----------- ----------- ----------- Gross margin .... 143,380 858,019 959,694 1,469,805 ----------- ----------- ----------- ----------- Operating expenses: Sales and marketing .... 88,908 32,618 241,700 161,121 General and administrative .. 621,847 746,548 1,930,601 1,945,389 Software development costs .. 347,562 632,459 1,542,686 1,868,515 Depreciation and amortization 136,470 136,153 406,934 430,693 ----------- ----------- ----------- ----------- Total operating expense . 1,194,787 1,547,778 4,121,921 4,405,718 ----------- ----------- ----------- ----------- Operating loss .... (1,051,407) (689,759) (3,162,227) (2,935,913) Interest expense, net .... (160,534) (220,269) (575,969) (458,920) ----------- ----------- ----------- ----------- Loss before provision for income taxes .... (1,211,941) (910,028) (3,738,196) (3,394,833) Provision for income taxes .... -- -- -- -- ----------- ----------- ----------- ----------- Net loss .... $(1,211,941) $ (910,028) $(3,738,196) $(3,394,833) =========== =========== =========== =========== See notes to unaudited interim consolidated financial statements.

SIVA CORPORATION CONSOLIDATED STATEMENTS OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, (Unaudited) 2006 2005 ------------ ------------- Cash flows from operating activities: Net loss .... $(3,738,196) $(3,394,833) Adjustments to reconcile net loss to net cash used in operating activities: Depreciation and amortization .... 406,934 430,693 Provision for bad debts .... 190,630 -- Changes in operating assets and liabilities: Accounts receivable .... (56,992) 5,247 Other current assets .... (33,389) (6,576) Security deposits .... (6,684) (9,388) Accounts payable .... 318,242 74,197 Accrued expenses and other current liabilities ...... (323,852) 310,510 Deferred revenue .... 395,739 (65,000) ----------- ----------- Net cash used in operating activities .... (2,847,568) (2,655,150) ----------- ----------- Cash flows from investing activities: Capital expenditures .... (40,684) (17,242) ----------- ----------- Net cash used in investing activities .... (40,684) (17,242) ----------- ----------- Cash flows from financing activities: Principal advances/(payments) on notes, net .... 2,818,556 (913,209) Proceeds from issuance of short term notes .... -- 3,554,057 ----------- ----------- Net cash provided by financing activities .... 2,818,556 2,640,848 ----------- ----------- Net decrease in cash .... (69,696) (31,544) Cash, beginning of period .... 89,704 41,152 ----------- ----------- Cash, end of period .... $ 20,008 $ 9,608 =========== =========== Supplemental Schedule of Cash Related Activities: Interest paid .... $ 75,803 $ 80,000 =========== =========== Non-cash activity: Shares of common stock issued to a vendor in lieu of payment $ -- $ 76,998 =========== =========== Conversion of debt to equity $ 4,966,851 $ -- =========== =========== See notes to unaudited interim consolidated financial statements. SIVA CORPORATION NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS 1. The accompanying unaudited interim consolidated financial statements have been prepared by SIVA (the "Company") in accordance with accounting principles generally accepted in the United States of America for interim financial statements. Accordingly, these interim financial statements do not include all information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of the Company such unaudited statements include all adjustments (which comprise only normal recurring accruals) necessary for a fair presentation of the results for such periods. The results of operations for the three and nine months ended September 30, 2006 are not necessarily indicative of the results of operations to be expected for any future period. The unaudited interim consolidated financial statements and notes thereto should be read in conjunction with the audited consolidated financial statements and notes (included in this SEC Form 8-K/A in Exhibit 99.1) as of and for the year ended December 31, 2005. 2. On November 2, 2006, PAR Technology Corporation (the "Company") and its wholly owned subsidiary, Par-Siva Corporation (f/k/a PAR Vision Systems Corporation) (the "Subsidary") acquired substantially all of the assets and assumed certain liabilities of SIVA Corporation ("SIVA"). The purchase price of the assets was approximately $6.7 million. The purchase price consisted of $1.1 million worth of PAR common stock (125,549 shares of PAR Technology Corporation common stock) and the remainder in cash. The agreement provides for additional contingent purchase price payments based on certain sales based milestones and other conditions. SIVA, based in Delray Beach, Florida, is a developer of software solutions for multi-unit restaurant operations. EX-99.3 The unaudited pro forma Consolidated Statements of Income for the year ended December 31, 2005 and for the nine months ended September 30, 2006 and the unaudited pro forma Consolidated Balance Sheet as of September 30, 2006. On November 2, 2006, PAR Technology Corporation (the "Company") and its wholly owned subsidiary, Par-Siva Corporation (f/k/a PAR Vision Systems Corporation) (the "Subsidary") acquired substantially all of the assets and assumed certain liabilities of SIVA Corporation ("SIVA"). The purchase price of the assets was approximately $6.9 million including estimated acquisition costs. The purchase price consisted of $1.1 million worth of PAR common stock (125,549 shares of PAR Technology Corporation common stock) and the remainder in cash. The agreement provides for additional contingent purchase price payments based on certain sales based milestones and other conditions. SIVA, based in Delray Beach, Florida, is a developer of software solutions for multi-unit restaurant operations. PAR TECHNOLOGY CORPORATION AND SIVA CORPORATION UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF INCOME Year Ended December 31, 2005 (in thousands except per share amounts) Acquisition Pro forma PAR Technology SIVA Pro forma PAR Technology Corporation Corporation Adjustments Corporation -- Net revenues: Product $ 91,130 $ 944 $ $ 92,074 Service 58,327 1,018 59,345 Contract 56,182 -- 56,182 ----------- ----------- ----------- ------------ 205,639 1,962 207,601 ----------- ----------- ----------- ------------ Costs of sales:

Product 53,443 -- 53,443 Service 44,205 18 44,223 Contract 52,405 -- 52,405 ----------- ------------ ----------- ------------- 150,053 18 150,071 ----------- ------------ ----------- ------------- Gross margin 55,586 1,944 57,530 ----------- ------------ ----------- ------------- Operating expenses: Selling, general and administrative 30,867 3,364 34,231 Research and development 9,355 2,329 11,684 Amortization of identifiable intangible assets 1,030 451 (116)(f) 1,365 ----------- ------------ ----------- ------------- 41,252 6,144 (116) 47,280 ----------- ------------ ----------- ------------- Operating income (loss) 14,334 (4,200) 116 10,250 Other income, net 743 743 Interest expense (287) (653) (358)(g) (1,298) ----------- ----------- ----------- ------------- Income (loss) before provision for income taxes 14,790 (4,853) (242) 9,695 (Provision) benefit for income taxes (5,358) -- 1 ,684 (h) (3,674) ----------- ------------ ----------- ------------- Net income (loss) $ 9,432 $ (4,853) $ 1,442 $ 6,021 =========== ============ =========== ============= Earnings per share: Basic $ .68 $ .43 Diluted $ .64 $ .41 Weighted average shares outstanding Basic 13,792 126(e) 13,918 =========== =========== ============ Diluted 14,648 126(e) 14,774 =========== ============ ============ See notes to unaudited pro forma consolidated financial statements. PAR TECHNOLOGY CORPORATION UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET September 30, 2006 (in thousands except share amounts) Acquisition Pro forma PAR Technology SIVA Pro forma PAR Technology Corporation Corporation Adjustments Corporation -- Assets Current assets: Cash and cash equivalents $ 2,098 $ 20 $ (20) (a) $ 2,098 Accounts receivable-net 47,900 154 48,054 Inventories-net 34,839 34,839 Income tax refunds 2,353 2,353 Deferred income taxes 4,442 4,442 Other current assets 3,192 111 3,303 ------------- ------------- ------------- ------------ Total current assets 94,824 285 (20) 95,089 Property and equipment - net 7,550 256 7,806 Goodwill 20,885 4,810 (c) 25,695 Intangible assets - net 8,902 1,160 764 (c) 10,826 Other assets 2,695 29 2,724 ------------- ------------- ------------- ------------ $ 134,856 $ 1,730 $ 5,554 $ 142,140 ============= ============= ============= ============ Liabilities and Stockholders' Equity (Deficit) Current liabilities: Current portion of long-term debt $ 129 $ 3 $ (3) (a) $ 129 Borrowings under lines of credit 9,899 4,051 (4,051) (a) 9,899 Accounts payable 12,913 594 (417)(a)(d) 13,090 Accrued salaries and benefits 7,362 -- 7,362 Accrued expenses 2,003 598 (598) (a) 2,003 Customer deposits 3,545 3,545 Deferred service revenue 10,616 495 (104) (c) 11,007 ------------- ------------- ------------- ------------ Total current liabilities 46,467 5,741 (5,173) 47,035 ------------- ------------- ------------- ------------ Long-term debt 1,889 5,650 (d) 7,539 ------------- ------------- ------------- ------------ Deferred income taxes 751 751 ------------- ------------- ------------- ------------ Other long-term liabilities 1,649 11 (11) (a) 1,649 ------------- ------------- ------------- ------------ Stockholders' equity (deficit): Preferred stock, $.02 par value, 1,000,000 shares authorized -- 4 (4) (b) -- Common stock, $.02 par value, 29,000,000 shares authorized; 15,959,536 issued and 14,181,232 outstanding 319 3 (3) (b) 319 (Pro forma PAR; 15,959,536 issued; 14,306,781 outstanding) Capital in excess of par value 37,799 13,681 (13,034)(b)(e) 38,446 Retained earnings 52,338 (17,710) 17,710 (b) 52,338 Accumulated other comprehensive loss (428) (428) Treasury stock, at cost, 1,778,304 shares (5,928) 419 (e) (5,509) (Pro forma 1,652,755) ------------- ------------- ------------- ------------ Total stockholders' equity (deficit) 84,100 (4,022) 5,088 85,166 ------------- ------------- ------------- ------------ $ 134,856 $ 1,730 $ 5,554 $ 142,140 ============= ============= ============= ============ See notes to unaudited pro forma consolidated financial statements. PAR TECHNOLOGY CORPORATION UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF INCOME For The Nine Months Ended September 30, 2006 (in thousands except share amounts) Acquisition Pro forma PAR Technology SIVA Pro forma PAR Technology Corporation Corporation Adjustments Corporation -- Net revenues: Product $ 63,705 $ 937 $ $ 64,642 Service 43,723 258 43,981 Contract 47,046 -- 47,046 ----------- --------- ----------- ---------- 154,474 1,195 155,669 ----------- ---------- ----------- ---------- Costs of sales: Product 36,242 -- 36,242 Service 32,937 235 33,172 Contract 43,844 -- 43,844 ----------- ---------- ----------- ---------- 113,023 235 113,258 ----------- ---------- ----------- ---------- Gross margin 41,451 960 42,411 ----------- ---------- ----------- ---------- Operating expenses: Selling, general and administrative 24,510 2,241 38 (k) 26,789 Research and development 8,348 1,543 9,891 Amortization of identifiable intangible assets 922 338 (87) (i) 1,173 ----------- ---------- ----------- ---------- 33,780 4,122 (49) 37,853 ----------- ---------- ----------- ---------- Operating income 7,671 (3,162) 49 4,558 Other income, net 437 437 Interest expense (458) (576) (269) (j) (1,303) ----------- ---------- ----------- ---------- Income (loss)before provision for income taxes 7,650 (3,738) (220) 3,692 (Provision) benefit for income taxes (2,750) -- 1,332 (h) (1,418) ----------- ---------- ----------- ========== Net income (loss) $ 4,900 $ (3,738) $ 1,112 $ 2,274 =========== ========== ========== ========== Earnings per share: Basic $ .35 $ .16 Diluted $ .33 $ .15 Weighted average shares outstanding Basic 14,168 126 (e) 14,294 =========== ============ ==========

Diluted 14,751 126 (e) 14,877 =========== =========== ========== See notes to unaudited pro forma consolidated financial statements. 1. Purchase Price Allocation The total purchase price discussed above is allocated to the tangible and identifiable intangible assets acquired and liabilities assumed by the Company based on their estimated fair values as of the closing date of the acquisition. The following table presents the preliminary estimated fair values of the assets acquired and liabilities assumed: (in thousands) Historical basis of Siva net assets acquired .... $ 55 Adjustment to step-up assets and liabilities to fair value: Deferred service revenue .... 104 ------- Fair value of net assets acquired .... 159 Identifiable intangible assets acquired Software .... 1,025 Customer relationships .... 649 Trademark and trade names .... 250 Goodwill .... 4,810 ------- Total estimated purchase price including acquisition costs .... $ 6,893 ======= The identifiable intangible assets acquired and their estimated useful lives (based on preliminary third party valuation) are as follows: (in thousands) ------------ Estimated Fair Value Useful Life ---------- ----------- Software .... $ 1,025 5 Years Customer relationships ... 649 5 Years Trademarks and trade names 250 Indefinite ------- $ 1,924 ======= 2. Pro forma assumptions The accompanying unaudited pro forma consolidated balance sheet at September 30, 2006 and the unaudited pro forma consolidated statements of income for the nine months ended September 30, 2006 and the year ended December 31, 2005 give effect to the acquisition referred to above. The pro forma consolidated statements of income assume the acquisition took place on January 1, 2005. The pro forma consolidated balance sheet at September 30, 2006 assumes the acquisition took place on September 30, 2006. The pro forma consolidated balance sheet and statements of income are presented for illustrative purposes only and do not necessarily reflect the results of operations that would have occurred had the acquisition actually occurred during the periods presented. The accompanying unaudited pro forma consolidated balance sheet and statements of income are subject to a number of estimates, assumptions and uncertainties, and do not purport to be indicative of actual results had the acquisition taken place on the dates indicated, nor do these statements of income purport to be indicative of the results of operations that may be achieved in the future. The unaudited pro forma consolidated balance sheet at September 30, 2006 and the unaudited pro forma consolidated statements of income for the nine months ended September 30, 2006 and the year ended December 31, 2005 have been adjusted as discussed in the notes below: a) To eliminate assets and liabilities not acquired pursuant to the acquisition agreement. b) To eliminate SIVA's stockholders' deficit accounts. c) To record fair value adjustments, identifiable intangibles and goodwill resulting from the acquisition as detailed in Note 1. d) To record the debt and acquisition costs incurred in connection with the acquisition. e) To record the 125,549 shares of PAR Technology Corporation common stock issued in connection with the acquisition. The number of shares issued was determined based on a formula in the purchase agreement. For purposes of recording the acquisition, these shares were valued based upon the average value of the Company's common stock based on the average closing share price for the period of 2 days preceding through the 2 days following the announcement of the acquisition. f) To record pro forma amortization of the identifiable intangible assets with finite lives acquired over the estimated useful life of five years. g) To record pro forma interest expense on debt incurred for the year ended December 31, 2005. Interest expense assumes the entire amount of debt incurred of $5.6 million was outstanding for all of 2005 at a borrowing rate of 6.3%. h) To record pro forma tax benefit using statutory tax rates assuming results of SIVA combined with PAR Technology Corporation and after giving effect to the pro forma adjustments. i) To record pro forma amortization for identifiable intangible assets with finite lives acquired over the estimated useful life of five years. j) To record pro forma interest expense on debt incurred for the nine months ended September 30, 2006. Interest expense assumes the entire amount of debt incurred of $5.6 million was outstanding for the first nine months of 2006 at a borrowing rate for of 6.3%. k) To record FAS 123R expense for options issued in connection with an employment agreement relating to the acquisition.