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FORM 10-K/A

SUNRISE TELECOM INC - SRTI

Filed: October 22, 2008 (period: December 31, 2007)

Amendment to a previously filed 10-K

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United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A

Amendment No. 1

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

For the fiscal year ended December 31, 2007

**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: 000-30757

Sunrise Telecom Incorporated

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

77-0291197
(IRS Employer Identification No.)

302 Enzo Drive, San Jose, California 95138
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (408) 363-8000

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

None

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

Common Stock, par value \$0.001 per share
(Title of class)

Indicate by check mark whether the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark whether 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 ("Exchange Act") 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, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check One):

Large Accelerated Filer Accelerated Filer Non-accelerated Filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

As of June 29, 2007, the aggregate market value of the Common Stock of the Registrant held by non-affiliates was \$65,218,009 based upon the closing sale price for that date as reported in the "pink sheets" published by The Pink Sheets LLC.

As of September 30, 2008, there were 51,349,058 shares of the Registrant's Common Stock outstanding, par value \$0.001 per share.

Explanatory Note

This Amendment No. 1 to Annual Report on Form 10-K is being filed for the sole purpose of correcting a typographical error in Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Except as described above, no other amendments are being made to our Annual Report on Form 10-K filed on October 2, 2008.

Part II.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

INFORMATION ABOUT OUR COMMON STOCK

Our common stock was traded on the NASDAQ Stock Market under the symbol "SRTI" since our initial public offering on July 13, 2000 through December 15, 2005, when our common stock was delisted and began trading on the Pink Sheets under the symbol "SRTI.PK". Since December 15, 2005 there has been no established public trading market for our common stock.

The following table sets forth, for the periods indicated, the highest and lowest sale prices for our common stock, as reported by the Pink Sheets.

<u>2007</u>	<u>High</u>	<u>Low</u>	<u>2006</u>	<u>High</u>	<u>Low</u>
First Quarter	\$ 3.31	\$ 1.98	First Quarter	\$ 2.25	\$ 1.30
Second Quarter	\$ 3.35	\$ 2.75	Second Quarter	\$ 2.35	\$ 1.85
Third Quarter	\$ 3.50	\$ 1.88	Third Quarter	\$ 2.35	\$ 1.80
Fourth Quarter	\$ 2.50	\$ 1.65	Fourth Quarter	\$ 2.35	\$ 1.85

Number of Holders

As of September 18, 2008, we had approximately 60 stockholders of record of our common stock. We estimate that as of August 31, 2008, there were approximately 1,406 beneficial owners of our common stock.

Dividend Policy

We did not declare or pay any cash dividend in 2007 and 2006. In February 2005, our board of directors declared a cash dividend for 2005 in the aggregate amount of approximately \$2.5 million. We paid this dividend in March 2005. Our Board of Directors will determine the amount of any future dividends based on our future financial condition and results of operations. Our secured revolving credit arrangement with Silicon Valley Bank limits our ability to pay future dividends. See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

Unregistered Sales of Equity Securities

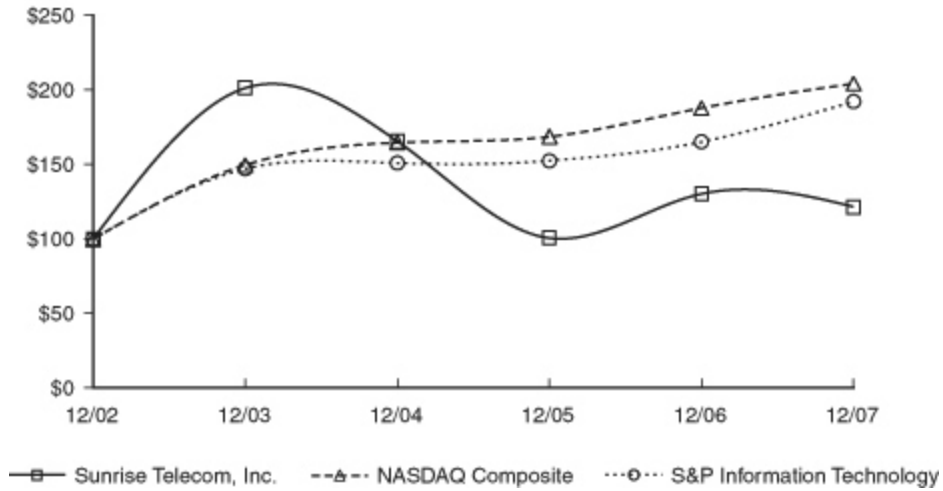
We did not sell any unregistered shares of our common stock during 2007, 2006, or 2005.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Neither we nor any affiliated purchaser repurchased any of our equity securities in the fourth quarter of 2007.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN

Among Sunrise Telecom, Inc., The NASDAQ Composite Index
And The S&P Information Technology Index



	12/02	12/03	12/04	12/05	12/06	12/07
Sunrise Telecom, Incorporated	100.00	201.49	165.59	100.77	130.40	121.51
NASDAQ Composite Index	100.00	149.73	164.79	168.78	187.90	204.34
S&P Information Technology Index	100.00	147.23	150.99	152.49	165.32	192.28

Part IV.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this report:

(1) Our Consolidated Financial Statements are included in Part II, Item 8:

Report on Independent Registered Public Accounting Firm

Consolidated Balance Sheets as of December 31, 2007 and December 31, 2006

Consolidated Statements of Operations for the years ended December 31, 2007, 2006 and 2005

Consolidated Statements of Stockholders' Equity and Comprehensive Income (Loss) for the years ended December 31, 2007, 2006 and 2005

Consolidated Statements of Cash Flows for the years ended December 31, 2007, 2006 and 2005

Notes to Consolidated Financial Statements

(2) Supplementary Consolidated Financial Statement Schedule as of and for the years ended December 31, 2007, 2006, and 2005:

None.

All schedules are omitted because of the absence of conditions under which they are required or because the required information is included in the consolidated financial statements or notes thereto.

(3) Exhibits:
(a) Exhibit Index.

<u>Exhibit Number</u>	<u>Description</u>	<u>Incorporated by Reference</u>		
		<u>Form</u>	<u>Date</u>	<u>Exhibit Number</u> <u>Filed Herewith</u>
3.1	Amended and Restated Certificate of Incorporation	10-K	March 16, 2001	3.1
3.2	Amended and Restated Bylaws.	10-K	November 2, 2007	3.2
4.1	Specimen Stock Certificate.	S-1/A	April 13, 2000	4.1
10.1	Purchase and Sale Agreement and Escrow Instructions dated November 5, 1999 between Sunrise and Enzo Drive, LLC.	S-1	March 9, 2000	10.2
10.2	Form of Indemnification Agreement between Sunrise and each of its Officers and Directors. †	S-1	March 9, 2000	10.6
10.3	2000 Stock Option Plan. †	S-1/A	April 13, 2000	10.7
10.4	2000 Employee Stock Purchase Plan. †	S-1/A	April 13, 2000	10.8
10.5	Form of Nonstatutory Stock Option Agreement. †	S-8	August 8, 2000	99.3
10.6	Form of Incentive Stock Option Agreement. †	S-8	August 8, 2000	99.4
10.7	Amended and Restated Employment Terms signed by the Company and Richard Kent dated February 9, 2005. †	8-K	February 8, 2005	10.01
10.8	Employment Offer Letter Supplement signed by the Company and Richard Kent dated February 4, 2005. †	8-K	February 8, 2005	10.02
10.9	Employment Offer Letter signed by the Company and Richard Kent dated January 27, 2005. †	8-K	February 8, 2005	10.03
10.10	Form of Nonstatutory Stock Option Agreement Addendum between the Company and Richard Kent dated February 8, 2005. †	8-K	February 8, 2005	10.04
10.11	Confidential Settlement Agreement made and entered into as of August 30, 2005 by and among Sunrise Telecom Incorporated, Acterna LLC and JDS Uniphase Corp. †	10-Q	November 2, 2007	10.01
10.12	Employment Offer Letter between Sunrise Telecom Incorporated and Robert Chris Pfeiffer, dated April 5, 2006. †	8-K	April 7, 2006	10.01

<u>Exhibit Number</u>	<u>Description</u>	<u>Incorporated by Reference</u>			<u>Filed Herewith</u>
		<u>Form</u>	<u>Date</u>	<u>Exhibit Number</u>	
10.13	Memorandum dated April 27, 2006 from Paul Marshall, Chief Executive Officer and President of Sunrise Telecom Incorporated announcing the retention incentive bonus program. †	8-K	May 3, 2006	10.01	
10.14	Change of Control Severance Plan, effective June 21, 2006. †	8-K	June 26, 2006	10.01	
10.15	Employment Offer Letter between the Company and Gerhard Beenen. †	8-K	November 3, 2006	99.1	
10.16	Separation Agreement between Sunrise Telecom Incorporated and Gerhard Beenen dated July 16, 2008. †	8-K	July 21, 2008	99.1	
10.17	Management By Objective Plan (effective January 1, 2007). †	10-K	November 2, 2007	10.22	
10.18	Loan and Security Agreement dated as of August 13, 2007 among Silicon Valley Bank, Sunrise Telecom Incorporated and Sunrise Telecom Broadband, Inc.	8-K	August 13, 2007	10.01	
10.19	Amendment No. 1 to Loan and Security Agreement by and among Silicon Valley Bank, Sunrise Telecom Incorporated and Sunrise Telecom Broadband, Inc. dated as of December 28, 2007.	8-K	January 3, 2008	10.01	
10.20	Amendment No. 2 and Limited Waiver to Loan and Security Agreement by and among Silicon Valley Bank, Sunrise Telecom Incorporated and Sunrise Telecom Broadband, Inc., dated August 12, 2008.	8-K	August 14, 2008	99.1	
10.21	Incentive Stock Option Agreement between the Company and Robert Heintz dated July 21, 2004. †	10-K	November 2, 2007	10.24	
10.22	Addendum to 2000 Stock Plan Incentive Stock Option Agreement between the Company and Robert G. Heintz. †	10-K	November 2, 2007	10.25	
10.23	Paul Marshall Letter to Compensation Committee Regarding Voluntary Surrender of Options dated April 29, 2008.†	10-K	October 2, 2008	10.23	
14.1	Sunrise Telecom Code of Business Ethics and Conduct.	8-K	August 14, 2008	14.1	
21.1	List of Subsidiaries.	10-K	October 2, 2008	21.1	
23.1	Consent of Independent Registered Public Accounting Firm.	10-K	October 2, 2008	23.1	
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350.				X

† Indicates management contract or compensatory plan, contract or arrangement.

Signatures

Pursuant to the requirements of Section 13 or 15(d) the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Jose, State of California on October 22, 2008.

SUNRISE TELECOM INCORPORATED

By: /s/ RICHARD D. KENT
 RICHARD D. KENT
 Chief Financial Officer

Exhibit Index

Set forth below is a list of exhibits that are being filed or incorporated by reference into this Amendment No. 1 to the Annual Report on Form 10-K:

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31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350.				X

† Indicates management contract or compensatory plan, contract or arrangement.

Certification

I, Paul A. Marshall, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K of Sunrise Telecom Incorporated.
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 22, 2008

/s/ PAUL A. MARSHALL

PAUL A. MARSHALL
President and Chief Executive Officer
(Principal Executive Officer)

Certification

I, Richard D. Kent, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K of Sunrise Telecom Incorporated.
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 22, 2008

/s/ RICHARD D. KENT

RICHARD D. KENT
Chief Financial Officer
(Principal Financial Officer)

**Certification of Principal Executive Officer
and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the accompanying Amendment No. 1 to the Annual Report on Form 10-K of Sunrise Telecom Incorporated for the year ended December 31, 2007, we, Paul A. Marshall, President and Chief Executive Officer and Richard D. Kent, Chief Financial Officer, respectively, of Sunrise Telecom Incorporated, hereby certify to the best of our knowledge, that:

- (1) such Amendment No. 1 to the Annual Report on Form 10-K for the year ended December 31, 2007, as filed with the Securities and Exchange Commission, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in such Amendment No. 1 to the Annual Report on Form 10-K for the year ended December 31, 2007, as filed with the Securities and Exchange Commission, fairly presents, in all material respects, the financial condition and results of operations of Sunrise Telecom Incorporated.

October 22, 2008

Date

/s/ PAUL A. MARSHALL

PAUL A. MARSHALL
President and Chief Executive Officer
(Principal Executive Officer)

October 22, 2008

Date

/s/ RICHARD D. KENT

RICHARD D. KENT
Chief Financial Officer
(Principal Financial Officer)

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