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RIDGEFIELD ACQUISITION CORP
Form 10KSB
March 29, 2004

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2003

OR

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

For the transition period from _____ to _____ .

Commission File Number 0-16335

RIDGEFIELD ACQUISITION CORP.

(Name of Small Business Issuer as Specified in its Charter)

Colorado

84-0922701

(State or other juris-
diction of incorpora-
tion or organization)

(IRS Employer
Identification No.)

100 Mill Plain Road, Danbury, Connecticut 06877

(Address of Principal Executive Offices)

Issuer's telephone number, including area code: (203) 791-3871

Securities registered under Section 12(g) of the Exchange Act:

\$0.10 Par Value Common Stock

(Title of Class)

10 South Street, Suite 202, Ridgefield, Connecticut 06877

(Former Address of Principal Executive Offices)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and, (2) has been subject to such filing requirements for the past 90 days.

YES NO

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-K is not contained in this form, and no disclosure will 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.

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The Issuer's revenues for fiscal year ended December 31, 2003, were \$3,077.

The aggregate market value of the Registrant's voting stock held, as of March 22, 2004, by non-affiliates of the Registrant was \$171,163.

As of March 22, 2004, Registrant had 813,028 shares of its \$0.10 par value common stock outstanding.

Transitional Small Business Disclosure Format (check one): Yes No

PART I

ITEM 1. DESCRIPTION OF BUSINESS.

Ridgefield Acquisition Corp. ("RAC" or the "Company") was incorporated as a Colorado corporation on October 13, 1983 under the name OZO Diversified Automation, Inc. In March 1999, in connection with the sale of substantially all of the Company's assets the Company changed its name to Bio-Medical Automation, Inc. On April 1, 2002, the Company was administratively dissolved by the Colorado Secretary of State for failing to timely file its bi-annual registration with the Colorado Secretary of State. On January 14, 2003 the Company filed an Application for Reinstatement pursuant to Section 7-114-203 of the Colorado Revised Statutes. In connection with the reinstatement, and in accordance with Colorado corporate law, the Company changed its name from Bio-Medical Automation, Inc. to Ridgefield Acquisition Corp. The reinstatement and name change became effective on January 14, 2003 when the Application for Reinstatement was filed with the Colorado Secretary of State. Neither the administrative dissolution nor reinstatement and name change has had or will have any material effect on the holders of the securities of the Company.

On March 9, 1999, the Company completed the sale of substantially all of its assets to JOT Automation, Inc. (the "JOT Transaction"). As a result of the JOT Transaction, the Company's historical business, the depaneling and routing business, is considered to be a "discontinued operation" and, consequently, provides no benefit to persons seeking to understand the Company's financial condition or results of operations.

Following the JOT Transaction the Company devoted its efforts to the development of a prototype micro-robotic device (the "micro-robotic device") to manipulate organic tissues on an extremely small scale. Due to the inability to complete the micro-robotic device, the Company determined that it would cease the development of the micro-robotic device and, as of June 30, 2000, the capitalized costs related to the patent underlying the micro-robotic device have been written off by the Company. The Company has never derived any revenues from the micro-robotic device.

Since July 2000, the Company has suspended all operations, except for necessary administrative matters relating to the timely filing of periodic reports as required by the Securities Exchange Act of 1934. Accordingly, during the period from January 1, 2003 through December 31, 2003 and the years ended December 31, 2002 and December 31, 2001, the Company has earned no revenues other than interest income from investments.

Acquisition Strategy -----

The Company is primarily engaged in seeking to arrange for a merger,

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acquisition, business combination or other arrangement by and between the Company and a viable operating entity. The Company has not identified a viable operating entity for a merger, acquisition, business combination or other arrangement, and there can be no assurance that the Company will ever successfully arrange for a merger, acquisition, business combination or other arrangement by and between the Company and a viable operating entity.

1

The Company anticipates that the selection of a business opportunity will be a complex process and will involve a number of risks, because potentially available business opportunities may occur in many different industries and may be in various stages of development. Due in part to depressed economic conditions in a number of geographic areas, rapid technological advances being made in some industries and shortages of available capital, management believes that there are numerous firms seeking either the limited additional capital which the Company will have or the benefits of a publicly traded corporation, or both. The perceived benefits of a publicly traded corporation may include facilitating or improving the terms upon which additional equity financing may be sought, providing liquidity for principal shareholders, creating a means for providing incentive stock options or similar benefits to key employees, providing liquidity for all shareholders and other factors.

In some cases, management of the Company will have the authority to effect acquisitions without submitting the proposal to the shareholders for their consideration. In some instances, however, the proposed participation in a business opportunity may be submitted to the shareholders for their consideration, either voluntarily by the Board of Directors to seek the shareholders' advice and consent, or because of a requirement of state law to do so.

In seeking to arrange a merger, acquisition, business combination or other arrangement by and between the Company and a viable operating entity, management's objective will be to obtain long-term capital appreciation for the Company's shareholders. There can be no assurance that the Company will be able to complete any merger, acquisition, business combination or other arrangement by and between the Company and a viable operating entity.

The Company may need additional funds in order to effectuate a merger, acquisition or other arrangement by and between the Company and a viable operating entity, although there is no assurance that the Company will be able to obtain such additional funds, if needed. Even if the Company is able to obtain additional funds there is no assurance that the Company will be able to effectuate a merger, acquisition or other arrangement by and between the Company and a viable operating entity.

The Company's U.S. Patent

Following the sale of substantially all of the Company's assets in 1999, the Company devoted its efforts to the development of a prototype micro-robotic device (the "micro-robotic device") to manipulate organic tissues on an extremely small scale for microdissection. The Company filed a patent application in February 1998, to protect certain features of the system and method of the micro-robotic device. However, due to the inability of the Company to complete the micro-robotic device, the Company determined that it would cease development of the micro-robotic device and, as of June 30, 2000, the capitalized costs related to the patent underlying the micro-robotic device have been written off by the Company.

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On March 19, 2002, the Company was awarded United States Patent No. US 6,358,749 B1 for the "Automated System for Chromosome Microdissection and Method of Using Same" (the "Patent").

2

The Patent covers an automated system and method for microdissection of samples such as chromosomes or other biological material, and in particular, it relates to a robotic assisted microdissection system and method that significantly reduces the time and skill needed for cellular and sub-cellular dissections. Microdissection is defined as dissection under the microscope; specifically: dissection of cells and tissues by means of fine needles that are precisely manipulated by levers. The system and method covered by the Patent attempts to provide reliability and ease of operation thereby making microdissection widely available to laboratories. While the Company has never derived any revenues from the micro-robotic device, the Company plans to attempt to license or sell the technology covered by the Patent. There can be no assurances that the Company will be able to successfully market the technology covered by the Patent or that the Company will ever derive any revenues from the Patent or the technology covered by the Patent.

During the first quarter of 2003, the Board of Directors of the Company authorized the formation of a wholly owned subsidiary of the Company for the purposes of owning, developing and exploiting the Patent. On March 3, 2003, the Company filed Articles of Incorporation with the Secretary of State of the State of Nevada to form Bio-Medical Automation, Inc., a Nevada corporation wholly owned by the Company (the "Subsidiary"). A copy of the Articles of Incorporation of Bio-Medical Automation, Inc. a Nevada corporation are attached as an Exhibit to the Company's Current Report on Form 8-K filed on March 7, 2003 which is incorporated herein by reference. The Board of Directors of the Company has authorized management of the Company to transfer the Patent to the Subsidiary in exchange for 5,000,000 shares of the common stock of the Subsidiary. The transfer of the Patent to the Subsidiary became effective in the quarter ended June 30, 2003. The Company plans to develop and exploit the Patent through the Subsidiary. There can be no assurances that the Subsidiary will successfully develop and/or exploit the technology covered by the Patent.

Investment Strategy

On August 25, 2003, the Board of Directors of the Company authorized the Company to invest a portion of the Company's cash in marketable securities in an effort to realize a greater rate of return than the Company is currently earning in light of historically low interest rates. The Board directed that management maintain at least \$40,000 of the Company's cash in a federally insured bank or money market account.

In furtherance of the Company's investment strategy the Company opened a brokerage account with Catalyst Financial LLC ("Catalyst"), a broker-dealer registered with the U.S. Securities and Exchange Commission and a member in good standing with the National Association of Securities Dealers, Inc. Catalyst is owned and controlled by Steven N. Bronson, the Company's President. Catalyst has agreed to charge the Company commissions of no more than \$.02 per share with a minimum of \$75 per trade on securities transactions. The Board approved the commission structure to be charged by Catalyst. Mr. Bronson abstained from voting on all Board resolutions concerning the Company's investment strategy and the Company's arrangements with Catalyst.

On October 14, 2003, the Company deposited \$250,000 in a brokerage account

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with Catalyst. As of December 31, 2003, the Company owned securities value at \$49,580 and an unrealized loss of \$2,095). The Company's investment in securities is subject to all of the risks associated with equity investing, including a loss of monies invested. There can be no assurance that the Company will be able to obtain a profitable return on its investments.

3

Employees

As of March 22, 2004, the Company had 1 employee, Steven N. Bronson, who serves as the Company's President. The Company does not have any employees that are represented by a union or other collective bargaining group.

Risk Factors Affecting Operating Results and Market Price of Stock

Potential investors should carefully consider the risks described below before making an investment decision concerning the common stock of the Company. The risks and uncertainties described below are not the only ones we face. If any of the following risks actually occur, our business, financial condition or results of operations could be materially and adversely affected. In that case, the trading price of our common stock could decline, and investors may lose all or part of their investment.

The Company Has Limited Resources

The Company has limited resources and has had no revenues from operations for the fiscal years ended December 31, 2003 and December 31, 2002. On March 9, 1999, the Company sold substantially all of its assets and essentially ceased all operations. Currently, the primary source of revenue for the Company is interest income. The Company will only earn revenues through the acquisition of or merger with a target company (an "Acquisition") or through the Subsidiary's successful exploitation of the Patent. There can be no assurance that any target company (a "Target"), at the time of the Company's consummation of an Acquisition of the Target, or at any time thereafter, will derive any material revenues from its operations or operate on a profitable basis, or that the Subsidiary will derive any revenues from the Patent. The current revenues of the Company may not be sufficient to fund further Acquisitions or the successful development and exploitation of the Patent. Based on the Company's limited resources, the Company may not be able to effectuate its business plan and consummate an Acquisition or exploit the Patent. There can be no assurance that determinations ultimately made by the Company will permit the Company to achieve its business objectives.

The Company Will Need Additional Financing in Order to Execute Its Business Plan

The Company has had only nominal revenues to date and will be entirely dependent upon its limited available financial resources to implement its business plan to complete an Acquisition or to derive any revenues from the Patent. The Company cannot ascertain with any degree of certainty the capital requirements for the execution of its business plan. In the event that the Company's limited financial resources prove to be insufficient to implement its business plan, the Company will be required to seek additional financing. In addition, in the event of the consummation of an Acquisition, the Company may

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require additional financing to fund the operations or growth of the Target. The Company may also require additional financing to develop and exploit the Patent.

4

Additional Financing May Not Be Available to the Company

There can be no assurance that additional financing will be available to the Company on acceptable terms, or at all. To the extent that additional financing proves to be unavailable when needed, the Company would be limited in its attempts to complete Acquisitions and to successfully develop and exploit the Patent. The inability of the Company to secure additional financing, if needed, could also have a material adverse effect on the continued existence of RAC. The Company has no arrangements with any bank or financial institution to secure financing and there can be no assurance that any such arrangement, if required or otherwise sought, would be available on terms deemed to be commercially acceptable and in the best interests of the Company.

The Company May Not Be Able to Borrow Funds

While there currently are no limitations on the Company's ability to borrow funds, the limited resources of the Company and limited operating history will make it difficult to borrow funds. The amount and nature of any borrowings by the Company will depend on numerous considerations, including the Company's capital requirements, the Company's perceived ability to meet debt service on any such borrowings and the then prevailing conditions in the financial markets, as well as general economic conditions. There can be no assurance that debt financing, if required or sought, would be available on terms deemed to be commercially acceptable by and in the best interests of the Company. The inability of the Company to borrow funds required to effect or facilitate an Acquisition may have a material adverse effect on the Company's financial condition and future prospects. Additionally, to the extent that debt financing ultimately proves to be available, any borrowings may subject the Company to various risks traditionally associated with indebtedness, including the risks of interest rate fluctuations and insufficiency of cash flow to pay principal and interest. Furthermore, a Target may have already incurred borrowings and, therefore, the Company will be subjected to all the risks inherent thereto.

Competition for Acquisitions

The Company expects to encounter intense competition from other entities having business objectives similar to those of the Company. Many of these entities, including venture capital partnerships and corporations, blind pool companies, large industrial and financial institutions, small business investment companies and wealthy individuals, are well-established and have extensive experience in connection with identifying and effecting Acquisitions directly or through affiliates. Many of these competitors possess greater financial, technical, human and other resources than the Company and there can be no assurance that the Company will have the ability to compete successfully. The Company's financial resources will be limited in comparison to those of many of its competitors. This inherent competitive limitation may compel the Company to select certain less attractive acquisition prospects. There can be no assurance that such prospects will permit the Company to achieve its stated business objectives.

5

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The Company May Be Subject to Uncertainty in the Competitive Environment of a Target

In the event that the Company succeeds in effecting an Acquisition, the Company will, in all likelihood, become subject to intense competition from competitors of the Target. In particular, certain industries which experience rapid growth frequently attract an increasingly large number of competitors, including competitors with greater financial, marketing, technical, human and other resources than the initial competitors in the industry. The degree of competition characterizing the industry of any prospective Target cannot presently be ascertained. There can be no assurance that, subsequent to a consummation of an Acquisition, the Company will have the resources to compete effectively in the industry of the Target, especially to the extent that the Target is in a high growth industry.

The Company May Pursue an Acquisition With a Target Operating Outside the United States: Special Additional Risks Relating to Doing Business in a Foreign Country

The Company may effectuate an Acquisition with a Target whose business operations or even headquarters, place of formation or primary place of business are located outside the United States. In such event, the Company may face the significant additional risks associated with doing business in that country. In addition to the language barriers, different presentations of financial information, different business practices, and other cultural differences and barriers that may make it difficult to evaluate such a Target, ongoing business risks may result from the internal political situation, uncertain legal systems and applications of law, prejudice against foreigners, corrupt practices, uncertain economic policies and potential political and economic instability that may be exacerbated in various foreign countries.

Uncertain Prospects of Technology Covered by Patent

The Company has never derived any revenues from the technology covered by the Patent and there can be no assurances that the Company or the Subsidiary will be able to derive any revenues from the exploitation of the Patent. The Company through the Subsidiary will attempt to research and develop a commercial application for the technology covered by the Patent. However there can be no assurances that the Subsidiary will be able to find a commercial application for the technology covered by the Patent. Even if the Subsidiary is able to develop a commercial application for the technology covered by the Patent, there can be no assurances that the Subsidiary will be able to successfully market such application.

6

Competition for the Patent

The Company expects to encounter competition from other entities in the medical device business with technology similar to that covered by the Patent. Many of these entities, including large drug and medical companies, bio-technology companies, venture capital partnerships and corporations, blind pool companies, large industrial and financial institutions, small business investment companies and wealthy individuals, are well-established and have

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extensive experience in connection with developing and exploiting medical technology and devices. Many of these competitors possess greater financial, technical, human and other resources than the Company and there can be no assurance that the Company will have the ability to compete successfully. The Company's financial resources will be limited in comparison to those of many of its competitors. There can be no assurance that such prospects will permit the Company to achieve its stated business objectives.

Risks Associated with the Company's Investment Strategy

The Company's decision to invest a portion of its cash in marketable securities exposes the Company to potential losses. The Company's investments in marketable securities carry a risk of loss. While the Company will endeavor to invest in securities that have a potential for gain, there can be no assurances that the Company will not suffer losses based on its Investment Strategy.

Steven N. Bronson is Critical to the Future Success of the Company

Steven N. Bronson is the Chairman, C.E.O. and President of the Company. The ability of the Company to successfully carry out its business plan and to consummate additional Acquisitions will be dependent upon the efforts of Mr. Bronson and the Company's directors. Notwithstanding the significance of Mr. Bronson, the Company has not obtained any "key man" life insurance on his life. The loss of the services of Mr. Bronson could have a material adverse effect on the Company's ability to successfully achieve its business objectives. If additional personnel are required, there can be no assurance that the Company will be able to retain such necessary additional personnel.

Mr. Bronson Has Effective Control of the Company's Affairs

Mr. Bronson beneficially owns and controls 734,160 shares of common stock of the Company, including options to purchase 150,000 shares of common stock, representing approximately 76.2% of the issued and outstanding shares of common stock and approximately 76.2% of the voting power of the issued and outstanding shares of common stock of the Company. In the election of directors, stockholders are not entitled to cumulate their votes for nominees. Accordingly, as a practical matter, Mr. Bronson may be able to elect all of the Company's directors and otherwise direct the affairs of the Company.

7

There Exist Conflicts of Interest Relating to Mr. Bronson's Time Commitment to the Company

Mr. Bronson is not required to commit his full time to the affairs of the Company. Mr. Bronson will have conflicts of interest in allocating management time among various business activities. As a result, the consummation of an Acquisition may require a greater period of time than if Mr. Bronson devoted his full time to the Company's affairs. However, Mr. Bronson will devote such time as he deems reasonably necessary to carry out the business and affairs of the Company, including the evaluation of potential Targets and the negotiation and consummation of Acquisitions and, as a result, the amount of time devoted to the business and affairs of the Company may vary significantly depending upon, among other things, whether the Company has identified a Target or is engaged in

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active negotiation and consummation of an Acquisition.

There Exist Risks to Stockholders Relating to Dilution:
Authorization of Additional Securities and
Reduction of Percentage Share Ownership Following Merger

The Company's Certificate of Incorporation authorizes the issuance of 5,000,000 shares of common stock. As of March 22, 2004, the Company had 813,028 shares of common stock issued and outstanding and 4,186,972 authorized but unissued shares of common stock available for issuance. Although the Company has no commitments as of this date to issue its securities, the Company will, in all likelihood, issue a substantial number of additional shares in connection with or following an Acquisition. To the extent that additional shares of common stock are issued, the Company's stockholders would experience dilution of their ownership interests in the Company. Additionally, if the Company issues a substantial number of shares of common stock in connection with or following an Acquisition, a change in control of the Company may occur which may affect, among other things, the Company's ability to utilize net operating loss carry forwards, if any. Furthermore, the issuance of a substantial number of shares of common stock may adversely affect prevailing market prices, if any, for the common stock and could impair the Company's ability to raise additional capital through the sale of its equity securities. The Company may use consultants and other third parties providing goods and services. These consultants or third parties may be paid in cash, stock, options or other securities of the Company. The Company may in the future need to raise additional funds by selling securities of the Company which may involve substantial additional dilution to the investors.

The Company is Authorized to Issue Preferred Stock

RAC's Articles of Incorporation authorizes the designation and issuance of 1,000,000 shares of preferred stock (the "Preferred Stock"), with such designations, powers, preferences, rights, qualifications, limitations and restrictions of such series as the Board, subject to the laws of the State of Colorado, may determine from time to time. Accordingly, the Board is empowered, without stockholder approval, to designate and issue Preferred Stock with dividend, liquidation, conversion, voting or other rights which could adversely affect the voting power or other rights of the holders of Common Stock. In addition, the Preferred Stock could be utilized, under certain circumstances, as a method of discouraging, delaying or preventing a change in control. Although we do not currently intend to designate or issue any shares of Preferred Stock,

8

there can be no assurance that we will not do so in the future. It is likely however, that following a merger, new management may issue such preferred stock, and it is possible that one or more series of preferred stock will be designated and/or issued in order to effectuate a merger or financing. As of this date, we have no outstanding shares of Preferred Stock and we have not designated the rights or preferences of any series of preferred stock.

The Uncertain Structure of an Acquisition May
Result in Risks Relating to the Market for the Company's Common Stock

The Company may form one or more subsidiary entities to effect an

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Acquisition and may under certain circumstances, distribute the securities of subsidiaries to the stockholders of the Company. There cannot be any assurance that a market would develop for the securities of any subsidiary distributed to stockholders or, if it did, any assurance as to the prices at which such securities might trade.

The Company Expects to Pay No Cash Dividends

The Company presently does not expect to pay dividends. The payment of dividends, if any, will be contingent upon the Company's revenues and earnings, if any, capital requirements, and general financial condition. The payment of any dividends will be within the discretion of the Company's then Board of Directors. The Company presently intends to retain all earnings, if any, to implement its business plan, accordingly, the Board does not anticipate declaring any dividends in the foreseeable future.

Indemnification of Officers and Directors

The Company's Certificate of Incorporation provides for the indemnification of its officers and directors to the fullest extent permitted by the laws of the State of Colorado. It is possible that the indemnification obligations imposed under these provisions could result in a charge against the Company's earnings and thereby affect the availability of funds for other uses by the Company.

Taxation Considerations May Impact the Structure of an Acquisition and Post-merger Liabilities

Federal and state tax consequences will, in all likelihood, be major considerations for the Company in consummating an Acquisition. The structure of an Acquisition or the distribution of securities to stockholders may result in taxation of the Company, the Target or stockholders. Typically, these transactions may be structured to result in tax-free treatment to both companies, pursuant to various federal and state tax provisions. The Company intends to structure any Acquisition so as to minimize the federal and state tax consequences to both the Company and the Target. Management cannot assure that an Acquisition will meet the statutory requirements for a tax-free reorganization, or that the parties will obtain the intended tax-free treatment upon a transfer of stock or assets. A non-qualifying reorganization could result in the imposition of both federal and state taxes, which may have an adverse effect on both parties to the transaction.

9

The Company May Be Deemed an Investment Company and Subjected to Related Restrictions

The regulatory scope of the Investment Company Act of 1940, as amended (the "Investment Company Act"), which was enacted principally for the purpose of regulating vehicles for pooled investments in securities, extends generally to companies engaged primarily in the business of investing, reinvesting, owning, holding or trading in securities. The Investment Company Act may, however, also be deemed to be applicable to a company which does not intend to be characterized as an investment company but which, nevertheless, engages in activities which may be deemed to be within the definitional scope of certain

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provisions of the Investment Company Act. The Company believes that its Investment Strategy may subject the Company to regulation under the Investment Company Act. If the Company is deemed to be an investment company, the Company may be forced to divest its investments or become subject to certain restrictions relating to the Company's activities, including restrictions on the nature of its investments and the issuance of securities. In addition, the Investment Company Act imposes certain requirements on companies deemed to be within its regulatory scope, including registration as an investment company, adoption of a specific form of corporate structure and compliance with certain burdensome reporting, record keeping, voting, proxy, disclosure and other rules and regulations. In the event of the characterization of the Company as an investment company, the failure by the Company to satisfy such regulatory requirements, whether on a timely basis or at all, would, under certain circumstances, have a material adverse effect on the Company.

Investors Should Not Rely on Forward-Looking Statements Because They Are Inherently Uncertain

This document contains certain forward looking statements that involve risks and uncertainties. We use words such as "anticipate," "believe," "expect," "future," "intend," "plan," and similar expressions to identify forward-looking statements. These statements are only predictions. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this document. Our actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including the risks faced by us and described on the preceding pages and elsewhere in this document.

We believe it is important to communicate our expectations to our investors. However, there may be events in the future that we are not able to predict accurately or over which we have no control. The risk factors listed above, as well as any cautionary language in this document, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. Before you invest in our common stock, you should be aware that the occurrence of the events described in these risk factors and elsewhere in this document could have a material adverse effect on our business, operating results, financial condition and stock price.

10

ITEM 2. PROPERTIES

On January 5, 2004, the Company relocated its offices from 10 South Street, Suite 202, Ridgefield, Connecticut, 06877 to 100 Mill Plain Road, Danbury, Connecticut 06811. Additionally, the Company's telephone has been changed to (203) 791-3871. The Company is using a portion of the premises occupied by Catalyst Financial LLC, a full service brokerage, investment banking and consulting firm, located at 100 Mill Plain Road, Danbury, Connecticut 06811. Steven N. Bronson, the President of the Company, is the principal and owner of Catalyst Financial LLC. Catalyst Financial LLC has agreed to waive the payment of any rent by the Company for use of the offices.

Prior to January 5, 2004, the Company used a portion of the premises located at 10 South Street, Suite 202, Ridgefield, Connecticut 06877, occupied by Catalyst Financial LLC. The Company did not pay any rent to Catalyst Financial LLC for the use of the offices located at 10 South Street, Suite 202,

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Ridgefield, Connecticut 06877.

ITEM 3. LEGAL PROCEEDINGS

There are no pending legal proceedings to which the Company is a party or of which any of its property is the subject as of the date of this report and there were no such proceedings during the fiscal years ended December 31, 2003 and December 31, 2002.

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

No matter was submitted to a vote of the Company's security holders during the fourth quarter of the year ended December 31, 2003.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(a) MARKET INFORMATION. The Company's common stock is quoted on the OTC (Over-The-Counter) Bulletin Board and traded under the symbol ("RDGA"). The following table sets forth the range of high and low closing bid prices for the Company's common stock for the periods indicated. These prices represent reported transactions between dealers that do not include retail markups, markdowns or commissions, and do not necessarily represent actual transactions.

COMMON STOCK		
Year/Fiscal Period	High Bid (\$)	Low Bid (\$)
2003		
First Quarter	1.50	1.50
Second Quarter	1.50	1.50
Third Quarter	1.50	.75
Fourth Quarter	.75	.52
2002		
First Quarter	3.50	2.05
Second Quarter	2.50	2.00
Third Quarter	2.05	1.25
Fourth Quarter	2.00	1.25

As of March 22, 2003, the bid and ask price of the Company's common stock was \$.85.

11

(b) HOLDERS. As of March 22, 2004, the Company had approximately 659 shareholders of record of its common stock, \$0.10 par value.

(c) DIVIDENDS. The Company has not declared cash dividends on its common stock since its inception, and the Company does not anticipate paying any dividends in the foreseeable future. There are no contractual restrictions on the Company's ability to pay dividends.

Recent Sales of Unregistered Securities

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During the fiscal year ended December 31, 2003, the Company did not issue any shares of common stock

The following information relates to sales of unregistered securities by the Company during the fiscal year ended December 31, 2003. All of these sales of securities were made in reliance upon an exemption from the registration provisions of the Securities Act of 1933 set forth in Sections 4(2), 4(6) and/or 3(b) thereof and the rules and regulations under the Securities Act of 1933, including Regulation D, as transactions by an issuer not involving any public offering and/or sales to a limited number of purchasers who were acquiring such securities for their own account for investment purposes and not with a view to the resale or distribution thereof.

On March 21, 2003, the Board of Directors issued an option to Steven N. Bronson to purchase 150,000 shares of common stock of the Company at a purchase price of \$1.65, which was equal to 110% of the closing bid price on March 21, 2003 (the "Option"), and is exercisable for a period of 5 years. The Option was issued to Mr. Bronson as consideration for the services he rendered to the Company as the Chairman and President. The Option was issued to Mr. Bronson pursuant to Section 4 (2) of the Securities Act of 1933.

Section 15(g) of the Exchange Act

The Company's shares are covered by Section 15(g) of the Securities Exchange Act of 1934, as amended, and Rules 15g-1 through 15g-6 promulgated thereunder, which impose additional sales practice requirements on broker-dealers who sell our securities to persons other than established customers and accredited investors.

Rule 15g-2 declares unlawful any broker-dealer transactions in penny stocks unless the broker-dealer has first provided to the customer a standardized disclosure document.

Rule 15g-3 provides that it is unlawful for a broker-dealer to engage in a penny stock transaction unless the broker-dealer first discloses and subsequently confirms to the customer the current quotation prices or similar market information concerning the penny stock in question.

Rule 15g-4 prohibits broker-dealers from completing penny stock transactions for a customer unless the broker-dealer first discloses to the customer the amount of compensation or other remuneration received as a result of the penny stock transaction.

Rule 15g-5 requires that a broker-dealer executing a penny stock transaction, other than one exempt under Rule 15g-1, disclose to its customer, at the time of or prior to the transaction, information about the sales person's compensation.

The Company's common stock may be subject to the foregoing rules. The application of the penny stock rules may affect our stockholder's ability to sell their shares because some broker-dealers may not be willing to make a market in our common stock because of the burdens imposed upon them by the penny stock rules.

ITEM 6. PLAN OF OPERATION

The following plan of operation provides information which the Company's management believes to be relevant to an assessment and understanding of the

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Company's results of operations and financial condition. This discussion should be read together with the Company's financial statements and the notes to financial statements, which are included in this report.

Disclosure Regarding Forward Looking Statements

Except for historical information contained herein, the statements in this report are forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements when you see words such as "expect," "anticipate," "estimate," "may," "believe," and other similar expressions. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Actual results could differ materially from those projected in the forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties, which may cause the Company's actual results in future periods to differ materially from forecasted results. These and other risks are described elsewhere herein and in the Company's other filings with the Securities and Exchange Commission.

Acquisition Strategy

The Company's plan of operation is to arrange for a merger, acquisition, business combination or other arrangement by and between the Company and a viable operating entity. The Company has not identified a viable operating entity for a merger, acquisition, business combination or other arrangement, and there can be no assurance that the Company will ever successfully arrange for a merger, acquisition, business combination or other arrangement by and between the Company and a viable operating entity.

The Company anticipates that the selection of a business opportunity will be a complex process and will involve a number of risks, because potentially available business opportunities may occur in many different industries and may be in various stages of development. Due in part to depressed economic conditions in a number of geographic areas, rapid technological advances being made in some industries and shortages of available capital, management believes that there are numerous firms seeking either the limited additional capital which the Company will have or the benefits of a publicly traded corporation, or both. The perceived benefits of a publicly traded corporation may include facilitating or improving the terms upon which additional equity financing may be sought, providing liquidity for principal shareholders, creating a means for providing incentive stock options or similar benefits to key employees, providing liquidity for all shareholders and other factors.

In some cases, management of the Company will have the authority to effect acquisitions without submitting the proposal to the shareholders for their consideration. In some instances, however, the proposed participation in a business opportunity may be submitted to the shareholders for their consideration, either voluntarily by the Board of Directors to seek the shareholders' advice and consent, or because of a requirement of state law to do so.

In seeking to arrange a merger, acquisition, business combination or other arrangement by and between the Company and a viable operating entity,

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management's objective will be to obtain long-term capital appreciation for the Company's shareholders. There can be no assurance that the Company will be able to complete any merger, acquisition, business combination or other arrangement by and between the Company and a viable operating entity.

The Company may need additional funds in order to effectuate a merger, acquisition or other arrangement by and between the Company and a viable operating entity, although there is no assurance that the Company will be able to obtain such additional funds, if needed. Even if the Company is able to obtain additional funds there is no assurance that the Company will be able to effectuate a merger, acquisition or other arrangement by and between the Company and a viable operating entity.

Competition of RAC's Acquisition Strategy

In connection with its Acquisition Strategy, the Company expects to encounter intense competition from other entities having business objectives similar to those of the Company. Many of these entities, including venture capital firms, blind pool companies, large industrial and financial institutions, small business investment companies and wealthy individuals, are well-established and have extensive experience in connection with identifying and effecting acquisitions directly or through affiliates. Many of these competitors possess greater financial, technical, human and other resources than the Company and there can be no assurance that the Company will have the ability to compete successfully with such entities. The Company's financial resources will be limited in comparison to those of many of its competitors. The Company's limited financial resources may compel the Company to select certain less attractive acquisition prospects.

Investment Strategy

On August 25, 2003, the Board of Directors of the Company authorized the Company to invest a portion of the Company's cash in marketable securities in an effort to realize a greater rate of return than the Company is currently earning in light of historically low interest rates. The Board directed that management maintain at least \$40,000 of the Company's cash in a federally insured bank or money market account.

In furtherance of the Company's investment strategy the Company opened a brokerage account with Catalyst Financial LLC ("Catalyst"), a broker-dealer registered with the U.S. Securities and Exchange Commission and a member in good standing with the National Association of Securities Dealers, Inc. Catalyst is owned and controlled by Steven N. Bronson, the Company's Chairman and Chief Executive Officer. Catalyst has agreed to charge the Company commissions of no more than \$.02 per share with a minimum of \$75 per trade on securities transactions. The Board approved the commission structure to be charged by Catalyst. Mr. Bronson abstained from voting on all Board resolutions concerning the Company's investment strategy and the Company's arrangements with Catalyst.

On October 14, 2003, the Company deposited \$250,000 in a brokerage account with Catalyst. As of December 31, 2003, the Company owned securities value at \$49,580 and an unrealized loss of \$2,095). The Company's investment in securities is subject to all of the risks associated with equity investing, including a loss of monies invested. There can be no assurance that the Company will be able to obtain a profitable return on its investments.

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Results of Operations

During the year ended December 31, 2003 ("Fiscal 03"), the Company earned no revenues from operation and generated interest income of \$3,077, compared to no revenues from continuing operations and interest income in the amount of \$7,705 for the year ended December 31, 2002 ("Fiscal 02").

During Fiscal 03, the Company incurred expenses of \$89,616, a decrease of \$122,225 compared to expenses of \$211,841 for Fiscal 02. On December 31, 2003, the Company had invested \$49,580 in accordance with its Investment Strategy, and as of that date the Company had an unrealized loss of \$2,095 based on its investment in securities.

For Fiscal 03 the Company incurred a net loss of \$86,787 compared to a net loss of \$204,136 for Fiscal 02.

Liquidity and Capital Resources

During Fiscal 03, the Company satisfied its working capital needs from cash on hand at the beginning of the year and cash generated from interest income during the year. As of December 31, 2003, the Company had working capital of \$185,221. While this working capital will satisfy the Company's immediate financial needs, it may not be sufficient to provide the Company with sufficient capital to finance a merger, acquisition or business combination between the Company and a viable operating entity or the development and the exploitation of the Patent. The Company may need additional funds in order to complete a merger, acquisition or business combination between the Company and a viable operating entity. The Company or the Subsidiary may also need additional funds to finance the development and exploitation of the Patent. There can be no assurances that the Company will be able to obtain additional funds if and when needed.

The Company's future financial condition will be subject to: (1) its ability to arrange for a merger, acquisition or a business combination with an operating business on favorable terms that will result in profitability, or (2) its ability to successfully develop and exploit the Patent. There can be no assurance that the Company will be able to do so or, if it is able to do so, that the transaction will be on favorable terms not resulting in an unreasonable amount of dilution to the Company's existing shareholders.

The Company may need additional funds in order to effectuate a merger, acquisition or other arrangement by and between the Company and a viable operating entity, although there is no assurance that the Company will be able to obtain such additional funds, if needed. Even if the Company is able to obtain additional funds there is no assurance that the Company will be able to effectuate a merger, acquisition or other arrangement by and between the Company and a viable operating entity.

The Company may need additional funds in order to develop and commercially exploit the Patent, although there is no assurance that the Company will be able to obtain such additional funds, if needed. Even if the Company is able to obtain additional funds there is no assurance that the Company will be able to develop and commercially exploit the Patent.

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The financial statements and related notes are included as part of this report as indexed in the appendix on pages F-1 through F-16.

ITEM 8. CHANGE IN ACCOUNTANTS

On October 16, 2003, the Company dismissed Wheeler Wasoff, P.C. as its independent accountants. The reports of Wheeler Wasoff, P.C. on the financial statements for the fiscal years ended December 31, 2002 and December 31, 2001 contained no adverse opinion or disclaimer of opinion and were not modified as to audit scope or accounting principles. The report of Wheeler Wasoff, P.C. on the financial statements for the fiscal year ended December 31, 2002 contained an explanatory paragraph relating to the uncertainty of the Company's ability to continue as a going concern.

On October 16, 2003, the Company engaged Kostin, Ruffkess & Company, LLC as its new independent accountants. During the two most recent fiscal years and through October 16, 2003 the Company has not consulted Kostin, Ruffkess & Company, LLC regarding the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the financial statements of the registrant, and neither a written report was provided to the Company or oral advice was provided that Kostin, Ruffkess & Company, LLC concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing, or financial reporting issue.

The Board of Directors of the Company, participated in and approved the decision to change independent accountants. The Company filed a current report on Form 8-K on October 20, 2003, disclosing the change of independent auditors, and such report is incorporated herein by reference.

Item 8A. CONTROLS AND PROCEDURES

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive and financial officer, as appropriate to allow timely decisions regarding required disclosure.

Evaluation of disclosure and controls and procedures.

Based on their evaluation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this annual report on Form 10-KSB the Company's chief executive officer has concluded that the Company's disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and are operating in an effective manner.

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Changes in internal controls over financial reporting.

There were no changes in the Company's internal controls over financial reporting or in other factors that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT.

The following table sets forth the name, age and position of each of our directors, executive officers and significant employees as of December 31, 2000. Each director will hold office until the next annual meeting of our stockholders or until his or her successor has been elected and qualified. Our executive officers are appointed by, and serve at the discretion of, the Board of Directors.

Name	Age	Position
-----	----	-----
Steven N. Bronson	38	Chairman, Chief Executive Officer and President
Leonard Hagan	52	Director
Kenneth Schwartz	48	Director

Steven N. Bronson has served as a director of the Company since June 1996. From September 1998 to August 11, 2000, Mr. Bronson was the sole officer of the Company. From September 1998 to March 17, 2000, Mr. Bronson was also the sole director of the Company. In September 1996, Mr. Bronson became the Chief Executive Officer and President of the Company. Mr. Bronson is also the President of Catalyst Financial LLC, a privately held full service securities brokerage and investment banking firm. Mr. Bronson has held that position since September 24, 1998. During the period of 1991 through September 23, 1998, Mr. Bronson was President of Barber & Bronson Incorporated, a full service securities brokerage and investment banking firm. In addition, Mr. Bronson is an officer and director of 4net Software, Inc., a publicly traded corporation.

Leonard Hagan has served as a director of the Company since March 17, 2000. Mr. Hagan is a certified public accountant and for the past eight years has been a partner at Hagan & Burns CPA's, PC in New York. Mr. Hagan received a Bachelors of Arts degree in Economics from Ithaca College in 1974, and earned his Masters of Business Administration degree from Cornell University in 1976. Mr. Hagan is registered as the Financial and Operations Principal for the following broker-dealers registered with the Securities and Exchange Commission: Adelpia Capital LLC, Mallory Capital Group, LLC, Avalon Partners, Inc., Stacey Braun Financial Services, Inc. and Danske Securities (US), Inc. Mr. Hagan is also a director of 4net Software, Inc., a publicly traded corporation.

Dr. Kenneth Schwartz has served as a director of the Company since March 25, 2000. Dr. Schwartz has been self-employed as a dentist in New York, New York. Dr. Schwartz received his Bachelor of Sciences from Brooklyn College in 1977 and earned his D.D.S. from New York University College of Dentistry in 1982.

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No director, executive officer, promoter or control person of the Company has, within the last five years: (i) had a bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (ii) been convicted in a criminal proceeding or is currently subject to a pending criminal proceeding (excluding traffic violations or similar misdemeanors); (iii) been subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; (iv) been found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission (the "Commission") or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended or vacated. There are no family relationships among any directors and executive officers of the Company.

Meetings and Committees of the Board of Directors

During the fiscal year ended December 31, 2003, the Board of Directors held 4 meetings. In view of the Company's lack of operations, during the year ended December 31, 2003, the Board of Directors did not have any Committees. During the fiscal year ended December 31, 2003, all of the directors then in office attended 100% of the total number of meetings of the Board of Directors and the Committees of the Board of Directors on which they served.

Audit Committee

The Audit Committee of the Company consists of Steven N. Bronson and Leonard Hagan. The functions of the Audit Committee are to recommend to the Board of Directors the appointment of independent auditors for the Company and to analyze the reports and recommendations of such auditors. The committee also monitors the adequacy and effectiveness of the Company's financial controls and reporting procedures. The Audit Committee does not meet on a regular basis, but only as circumstances require.

Code of Ethics

At a meeting of the Board of Directors of the Company held on March 25, 2004, Company adopted a Code of Ethics. A copy of the Code of Ethics is attached hereto as Exhibit 14.

Section 16(a) Beneficial Ownership Compliance

Section 16(a) of the Exchange Act requires the Company's directors and executive officers, and persons who own more than 10% of a registered class of the Company's equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. Officers, directors and greater than 10% shareholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file.

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To the Company's knowledge, based solely upon a review of the copies of such reports furnished to the Company and written representations that no other reports were required, during the year ended December 31, 2003, all Section 16(a) filing requirements applicable to its officers, directors and greater than 10% beneficial owners were complied with.

ITEM 10. EXECUTIVE COMPENSATION.

Summary Compensation Table(1)

The following summary compensation table sets forth information concerning the annual and long-term compensation earned by the Company's chief executive officer and each of the other most highly compensated executive officers (collectively, the "Named Executive Officers").

Name/Position	Fiscal year	Annual Salary	Stock Grants	Option Grants
Steven N. Bronson CEO and President	2003	\$48,000	0	150,000 (2)
	2002	\$48,000	0	0
	2001	\$48,000 (3)	0	0

(1) The Columns designated by the SEC for the reporting of certain bonuses, long term compensation, including awards of restricted stock, long term incentive plan payouts, and all other compensation have been eliminated as no such bonuses, awards, payouts, grants or compensation were awarded during any fiscal year covered by the table.

(2) On March 21, 2003, the Company issued an option to Steven N. Bronson to purchase 150,000 shares of the Company's common stock at the purchase price of \$1.65, which was 110% percent of the closing bid price on March 21, 2003 and such option is exercisable for a period of 5 years.

(3) On March 30, 2001, the Company issued Mr. Bronson 38,400 shares of common stock (valued at \$1.25 per share on the date of issuance) in lieu of his annual salary of forty-eight thousand dollars (\$48,000) for the period of March 25, 2001 through March 24, 2002.

Other Plans. The Company does not currently have any bonus, profit sharing, pension, retirement, stock option, stock purchase, or other remuneration or incentive plans in effect.

Long Term Incentive Plan. The Company has no long-term incentive plan.

Aggregate Option Exercises in Fiscal 2003 and Fiscal Year End Option Values

The following table contains certain information regarding stock options exercised during and options to purchase common stock held as of September 30, 2003, by each of the Named Executive Officers. The stock options listed below were granted without tandem stock appreciation rights. We have no freestanding

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stock appreciation rights outstanding.

Name/ Position	Number Of Shares Acquired On Exercise	(1) Value Realized	Number of Securities Underlying Unexercised Options at Fiscal Year End Exercised/Unexercised	Value of Unexe In-the-Money O at Fiscal Year Exercised/Unex
----- Steven N. Bronson Chairman, CEO and President -----	0	0	150,000	\$0

(1) Calculated on the basis of \$.52 per share, the closing price of the common stock on the over-the-counter market on December 31, 2003, less exercise price payable for such shares.

(2) Calculated on the basis of the closing share price of the common stock on the over-the-counter market on the date exercised, less the exercise price payable for such shares.

Compensation of Directors

In fiscal year ended December 31, 2002, no cash compensation was paid to our directors for their services as directors. However, on March 21, 2003, the Company issued an option to Steven N. Bronson to purchase 150,000 shares of the Company's common stock at the purchase price of \$1.65, which was 110% percent of the closing bid price on March 21, 2003 and such option is exercisable for a period of 5 years.

Employment Contracts

On March 24, 2001, the Company entered into an Employment Agreement with Steven N. Bronson, the President of the Company. The terms of such Employment Agreement include the following:

Name	Title	Salary/Year	Term
----- Steven N. Bronson	CEO & President	\$48,000	1 year

A copy of Mr. Bronson's Employment Agreement is attached as an Exhibit to the Company's Form 10-QSB for the quarter ended March 31, 2001 and is incorporated by reference. On March 21, 2003, the Board of Directors authorized the renewal of Mr. Bronson's employment agreement with the Company for another 1 year term. Additionally, on March 21, 2003, the Company issued an option to Steven N. Bronson to purchase 150,000 shares of the Company's common stock at the purchase price of \$1.65, which was 110% percent of the closing bid price on March 21, 2003 and such option is exercisable for a period of 5 years.

On March 25, 2004, the Board of Directors authorized the renewal of Mr. Bronson's employment agreement with the Company for another 1 year term.

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BENEFICIAL OWNERS AND MANAGEMENT.

The following table sets forth as of March 25, 2003, certain information regarding the beneficial ownership of the common stock outstanding by (i) each person who is known to the Company to own 5% or more of the common stock, (ii) each director of the Company, (iii) certain executive officers of the Company and (iv) all executive officers and directors of the Company as a group. Unless otherwise indicated, each of the stockholders shown in the table below has sole voting and investment power with respect to the shares beneficially owned. Unless otherwise indicated, the address of each person named in the table below is c/o Ridgefield Acquisition Corp., 100 Mill Plain Road, Danbury, Connecticut 06811.

Name and Address -----	Company Position -----	Number of Shares owned -----	Percent of class -----
Steven N. Bronson	Chairman, CEO and President	734,160 (2) (3)	76.2%
Kenneth Schwartz	Director	22,500 (4)	*
Leonard Hagan	Director	5,000	*
All directors and executive officers as a group (3 persons)		761,660	79.1%

* Owns less than 1%

(1) As used in this table, a beneficial owner of a security includes any person who, directly or indirectly, through contract, arrangement, understanding, relationship or otherwise has or shares (a) the power to vote, or direct the voting of, such security or (b) investment power which includes the power to dispose, or to direct the disposition of, such security. In addition, a person is deemed to be the beneficial owner of a security if that person has the right to acquire beneficial ownership of such security within 60 days.

(2) Includes options to purchase 150,000 shares of RAC common stock at an exercise price of \$1.65 per share, and such options are set to expire on March 21, 2008.

(3) This amount does not include 33,500 shares of RAC common stock owned by Mr. Bronson's spouse. Mr. Bronson expressly disclaims beneficial ownership of the shares owned by his spouse.

(4) This amount includes 17,500 shares of common stock owned by Dr. Schwartz's spouse, and Dr. Schwartz expressly disclaims beneficial ownership of the shares owned by his spouse.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Steven N. Bronson is the President of Catalyst Financial LLC f/k/a Catalyst Financial Corp. ("Catalyst"), a full service securities brokerage and investment banking firm. Since March 25, 1999, the Company has utilized a portion of the premises occupied by Catalyst as its executive offices. Due to the reduced level of the Company's operations, Catalyst has, until further notice, waived the payment of rent by the Company. No rent was paid by the Company to Catalyst during the fiscal year ended December 31, 2003.

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Steven N. Bronson is the owner and principal of Catalyst Financial LLC ("Catalyst Financial"), a full service securities brokerage, investment banking and consulting firm. The Company entered into a Mergers and Acquisitions Advisory Agreement, dated as of November 13, 2001, with Catalyst Financial (the "M&A Advisory Agreement"). Pursuant to the M&A Advisory Agreement, Catalyst Financial agreed to provide consulting services to 4net Software in connection with the Company's search for prospective target companies for mergers, acquisitions, business combinations and similar transactions, and, if investigation warrants, advising the Company concerning the negotiation of terms and the financial structure of such transactions. For the services rendered pursuant to the M&A Advisory Agreement, Catalyst Financial is entitled to receive a fee in the amount of five percent (5%) of the total consideration of the specific transaction (the "M&A Fee"). The maximum amount of the M&A Fee is \$500,000 for any single transaction. The term of the Mergers and Acquisitions Advisory Agreement is three years. A copy of the M&A Advisory Agreement is attached as an exhibit hereto and is incorporated herein by reference.

During the fiscal year ended December 31, 2003, the Company paid Hagan & Burns CPAs P.C. approximately \$270 for accounting services. Leonard Hagan, a director of the Company, is a fifty percent (50%) owner of Hagan & Burns CPAs P.C.

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K.

a. Exhibits

The following exhibits are hereby filed as part of this Annual Report on Form 10-KSB or incorporated by reference.

- 3.1 Articles of Incorporation, incorporated by reference to Registration Statement No. 33-13074-D as Exhibit 3.1.
- 3.2 Amended Bylaws adopted June 1, 1987, incorporated by reference to Annual Report on Form 10-K for the fiscal year ended December 31, 1987 as Exhibit 3.2.
- 34 Articles of Amendment to Restated Articles of Incorporation dated March 7, 1991. Incorporated by reference to Annual Report on Form 10-K for fiscal year ended December 31, 1990 as Exhibit 3.4.
- 3.5 Articles of Amendment to Restated Articles of Incorporation dated March 17, 1999, incorporated by reference to Form 8-K reporting an event of March 9, 1999.
- 10.1 OEM Purchase Agreement dated January 15, 1990, between the Company and Ariel Electronics, Inc. incorporated by reference to Annual Report on Form 10-K for the fiscal year ended December 31, 1989 as Exhibit 10.1.
- 10.2 Form of Convertible Promissory Note, 12/30/93 Private Placement incorporated by reference to Annual Report on Form 10-KSB for the fiscal year ended December 31, 1993 as Exhibit 10.2.
- 10.3 Form of Non-Convertible Promissory Note, 12/30/93 Private Placement incorporated by reference to Annual Report on Form 10-KSB for the fiscal year ended December 31, 1993 as Exhibit 10.3.
- 10.4 Form of Note Purchaser Warrant Agreement and Warrant, 12/30/93 Private Placement incorporated by reference to Annual Report on Form 10-KSB for the fiscal year ended December 31, 1993 as Exhibit 10.4.

- 10.5 Form of Promissory Note, 4/1/96.
- 10.6 Form of Security Agreement, 4/1/96.
- 10.7 Form of Common Stock Purchase Warrant, 4/1/96.
- 10.8 Form of Promissory Note, 7/1/96.
- 10.9 Form of 4/1/96 Promissory Note Extension, 10/17/96.
- 10.10 Form of Common Stock Purchase Warrant, 10/10/96.
- 10.11 Asset Purchase Agreement with JOT incorporated by reference to Form 8-K reporting an event of November 4, 1998, and amendment thereto incorporated by reference to Form 8-K reporting an event of December 15, 1998.
- 10.12 Stock Purchase Agreement, between Bio-Medical Automation, Inc. and Steven N. Bronson, incorporated by reference to the Current Report on Form 8-K filed on April 6, 2000.
- 10.13 Employment Agreement between Bio-Medical Automation, Inc. and Steven N. Bronson, dated as of March 24, 2001, incorporated by reference to Quarterly Report on Form 10-QSB for the quarter ended March 31, 2001.
- 10.14 Mergers and Acquisitions Advisory Agreement, dated as of November 13, 2001, between Bio-Medical Automation, Inc. and Catalyst Financial LLC incorporated by reference to the Annual Report on Form 10-KSB for the year ended December 31, 2001.

- 14* Code of Ethics

- 31* President's Written Certification Of Financial Statements Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

- 32* President's Written Certification Of Financial Statements Pursuant to 18 U.S.C. Statute 1350

* Filed herewith

b Reports on Form 8-K.

On October 20, 2003, the Company filed a current report on Form 8-K, disclosing the change of independent auditors, and such report is incorporated herein by reference.

On February 5, 2004, the Company filed a current report on Form 8-K, disclosing a change of address and telephone number, and such report is incorporated herein by reference.

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Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees.

The aggregate fees billed to the Company for professional services rendered by our current and former principal accountants for the audit of our annual financial statements and review of our quarterly financial statements was \$7,321 and \$7,052, for fiscal years 2003 and 2002, respectively.

Audit-Related Fees.

None.

Tax Fees.

The aggregate fees billed to the Company for professional services rendered by accountants for tax related services is \$1,750 for fiscal year 2003, and \$500, for fiscal year 2002.

All Other Fees.

None.

The audit committee approved the engagement of Kostin Rufkess & Company, LLC in the preparation of the Company's tax returns for fiscal year 2003.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 29, 2004

RIDGEFIELD ACQUISITION CORP.,
a Colorado corporation

By: /s/ Steven N. Bronson

Steven N. Bronson, CEO and President
Principle Executive Officer as
Registrant's duly authorized officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the

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registrant and in the capacities and on the dates indicated:

/s/ Steven N. Bronson

Steven N. Bronson
President, Chief Executive
Officer and Chairman
of the Board of Directors
Principal Executive Officer
March 29, 2004

/s/ Kenneth Schwartz

Kenneth Schwartz
Director
March 29, 2004

/s/ Leonard Hagan

Leonard Hagan
Director
March 29, 2004

25

EXHIBIT INDEX

The following Exhibits are filed herewith:

Exhibit Number	Description of Document
-----	-----
14*	Code of Ethics
31*	President's Written Certification Of Financial Statements Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32*	President's Written Certification Of Financial Statements Pursuant to 18 U.S.C. Statute 1350

26

RIDGEFIELD ACQUISITION CORP. AND SUBSIDIARY
(Formerly Bio-Medical Automation, Inc.)
(A Development Stage Company)
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Page

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Independent Auditor's Report for 2003	F - 2
Independent Auditor's Report for 2002	F - 3
Consolidated Balance Sheet December 31, 2003	F - 4
Consolidated Statements of Operations and Comprehensive Loss Years Ended December 31, 2003 and 2002 and Cumulative Amounts from January 1, 2000 to December 31, 2003	F - 5
Consolidated Statements of Stockholders' Equity Years Ended December 31, 2003 and 2002	F - 6
Consolidated Statements of Cash Flows Years Ended December 31, 2003 and 2002 and Cumulative Amounts from January 1, 2000 to December 31, 2003	F - 7 - F - 8
Notes to Consolidated Financial Statements	F - 9 -- F - 16

F-1

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
Ridgefield Acquisition Corp. and Subsidiary

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying consolidated balance sheet of Ridgefield Acquisition Corp. and Subsidiary (the "Company") as of December 31, 2003 and the related consolidated statements of operations and comprehensive loss, stockholders' equity, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2003 and the results of its operations, changes in stockholders' equity, and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the

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consolidated financial statements, the Company has no principal operations or significant revenue producing activities which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Kostin, Ruffkess & Company, LLC

Kostin, Ruffkess & Company, LLC
Farmington, Connecticut
March 16, 2004

F-2

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders RIDGEFIELD ACQUISITION CORP.

We have audited the statements of operations, stockholders' equity, and cash flows of Ridgefield Acquisition Corp. (a development stage company) for the year ended December 31, 2002. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of Ridgefield Acquisition Corp. (a development stage company) for the year ended December 31, 2002 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2, the Company sold substantively all of the assets and related operations of its operating segment in 1999. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Wheeler Wasoff, P.C.

Denver, Colorado
March 24, 2003

F-3

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RIDGEFIELD ACQUISITION CORP. AND SUBSIDIARY
 (Formerly Bio-Medical Automation, Inc.)
 (A Development Stage Company)
 CONSOLIDATED BALANCE SHEET
 DECEMBER 31, 2003

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	\$ 246,418 -----
Total Current Assets	246,418 -----
OTHER ASSETS	
Investments	49,580 -----
Total Assets	\$ 295,998 =====

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 61,197 -----
Total Current Liabilities	61,197 -----
STOCKHOLDERS' EQUITY	
Preferred stock - \$.10 par value; authorized - 1,000,000 shares Issued - none	--
Common stock - \$.10 par value; authorized - 5,000,000 shares Issued and outstanding - 813,028 shares	81,303
Capital in excess of par value	1,595,509
Accumulated deficit	(947,820)
Deficit accumulated during the development stage	(492,096)
Accumulated other comprehensive loss	(2,095) -----
	234,801 -----
Total Liabilities and Stockholders' Equity	\$ 295,998 =====

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

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(A Development Stage Company)
 CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Years Ended December 31,		Cumulative Amounts from January 1, 2000 to December 31, 2003
	2003	2002	
REVENUES			
Interest income	\$ 3,077	\$ 7,705	\$ 24,675
Realized loss on sale of investments	(248)	--	(248)
	-----	-----	-----
Total Revenues	2,829	7,705	24,427
	-----	-----	-----
OPERATING EXPENSES			
General and administrative	89,616	81,216	367,174
Employee stock options	--	130,625	130,625
Write-off of patent	--	--	18,724
	-----	-----	-----
Total Expenses	89,616	211,841	516,523
	-----	-----	-----
NET LOSS	(86,787)	(204,136)	(492,096)
	-----	-----	-----
OTHER COMPREHENSIVE LOSS			
Unrealized losses on securities	(2,343)	--	(2,343)
Reclassification adjustment for realized loss	248	--	248
	-----	-----	-----
Net unrealized losses on securities	(2,095)	--	(2,095)
	-----	-----	-----
OTHER COMPREHENSIVE LOSS	\$ (88,882)	\$ (204,136)	\$ (494,191)
	=====	=====	=====
NET LOSS PER COMMON SHARE			
Basic	\$ (0.11)	\$ (0.25)	\$ (0.64)
	=====	=====	=====
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING -			
Basic	813,028	813,028	772,221
	=====	=====	=====

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

F-5

RIDGEFIELD ACQUISITION CORP. AND SUBSIDIARY
 (Formerly Bio-Medical Automation, Inc.)
 (A Development Stage Company)
 CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
 YEARS ENDED DECEMBER 31, 2003 AND 2002

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	Common Stock		Capital in Excess of Par Value	Note Receivable	Deferred Compensation	Accumulated (Deficit)
	Shares	Amount				
Balance, December 31, 2001	813,028	\$81,303	\$1,464,884	\$ (50,000)	\$ (11,000)	\$ (947,820)
Deferred compensation earned	--	--	--	--	11,000	--
Repayment of note receivable	--	--	--	50,000	--	--
Stock options issued	--	--	130,625	--	--	--
Net loss	--	--	--	--	--	--
Balance, December 31, 2002	813,028	81,303	1,595,509	--	--	(947,820)
Unrealized loss of Comprehensive Income	--	--	--	--	--	--
Net Loss	--	--	--	--	--	--
Balance, December 31, 2003	813,028	\$81,303	\$1,595,509	\$ --	\$ --	\$ (947,820)

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

F-6

RIDGEFIELD ACQUISITION CORP. AND SUBSIDIARY
(Formerly Bio-Medical Automation, Inc.)
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31, 2003	Jan 2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (86,787)	\$ (204,136)
Adjustments to reconcile net loss to net cash used by operating activities:		
Stock issuance for salary	--	11,000
Stock issuance for professional services	--	--
Stock options compensation	--	130,625
Realized loss on investment	248	--
Write-off of patent	--	--
Changes in assets and liabilities		
Decrease (increase) in note and interest receivable	--	52,262
Increase (decrease) in accounts payable and accrued expenses	38,715	14,803
Net cash provided by (used) in operating activities	(47,824)	4,554
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(111,955)	--

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Proceeds from sales of investments	60,032	--
	-----	-----
Net cash used in investing activities	(51,923)	--
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Exercise of common stock warrants	--	--
	-----	-----
Net cash provided by financing activities	--	--
	-----	-----
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(99,747)	4,554
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIODS	346,165	341,611
	-----	-----
CASH AND CASH EQUIVALENTS, END OF PERIODS	\$ 246,418	\$ 346,165
	=====	=====

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

F- 7

RIDGEFIELD ACQUISITION CORP. AND SUBSIDIARY
(Formerly Bio-Medical Automation, Inc.)
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2003 AND 2002 AND
CUMULATIVE AMOUNTS FROM JANUARY 1, 2000 TO DECEMBER 31, 2003

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES

During the year ended December 31, 2002, the Company charged to equity the \$130,625 value of employee stock options issued to the Company's President.

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

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F- 8

RIDGEFIELD ACQUISITION CORP. AND SUBSIDIARY
(Formerly Bio-Medical Automation, Inc.)
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Ridgefield Acquisition Corp. (formerly Bio-Medical Automation, Inc.) (the "Company") was incorporated under the laws of the State of Colorado on October 13, 1983. The Company had been engaged in the design, manufacture and marketing of robotic workstations for the electronics industry, including routing and depaneling workstations predominately to entities in North America and the Pacific Rim. In November 1998 the Company entered into an Asset Purchase Agreement (the "JOT Agreement") with JOT Automation, Inc. (JOT) a wholly owned Texas subsidiary of JOT Automation Group OYJ, a Finnish corporation. Pursuant to the agreement, the Company sold JOT all of its assets relating to its depaneling and routing business in exchange for \$920,000 and the assumption of the operating liabilities related to the Company's business assets. The sale was completed on March 9, 1999.

Subsequent to the sale to JOT, the Company's sole continuing operation was the continuation of research and development activities on a prototype micro-robotic device to manipulate organ tissues on an extremely small scale. The Company had filed for a patent application for the device. As of December 31, 1999, the Company's research and development activities for the device were suspended, pending assessment of the economic benefit of continuing research and development activities or sale of the patent, as well as assessment of other corporate opportunities. In June 2000, the Company determined not to pursue further development or sale of the proto-type device and has written-off the associated patent costs.

On January 14, 2003, in connection with its reinstatement as an active corporation in the State of Colorado, the Company changed its name from Bio-Medical Automation, Inc. to Ridgefield Acquisition Corp. On February 27, 2003, the Board of Directors of the Company authorized the formation of a Nevada corporation named Bio-Medical Automation, Inc. and authorized the management of the Company to transfer the Company's right title and interest in its patent to Bio-Medical Automation, Inc. On March 3, 2003, the Company filed Articles of Incorporation with the Secretary of State of the State of Nevada to form Bio-Medical Automation, Inc., a Nevada corporation wholly owned by the Company.

Commencing January 1, 2000, the Company is considered a development stage company as defined by Statement of Financial Accounting Standards (SFAS) No.7, as it has no principal operations nor revenue from any source.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of Ridgefield Acquisition Corp. include the accounts of Bio-Medical Automation, Inc., its wholly owned subsidiary. All intercompany transactions have been eliminated in consolidation.

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INCOME TAXES

The Company has adopted the provisions of SFAS 109, "Accounting for Income Taxes". SFAS 109 requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, the deferred tax liabilities and assets are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

F-9

RIDGEFIELD ACQUISITION CORP. AND SUBSIDIARY
(Formerly Bio-Medical Automation, Inc.)
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LOSS PER COMMON SHARE

Basic loss per common share is calculated by dividing net loss by the weighted average number of common shares outstanding during the year. Diluted income per common share is calculated by adjusting outstanding shares, assuming conversion of all potentially dilutive convertible equity instruments consisting of options. There is no difference in the calculation of basic and diluted loss per share for any period presented because there are no common stock equivalents. Convertible equity instruments are not considered in the calculation of loss per share, as their inclusion would be antidilutive.

CASH EQUIVALENTS

For purposes of reporting cash flows, the Company considers as cash equivalents all highly liquid investments with a maturity of three months or less at the time of purchase.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

STOCK BASED COMPENSATION

The company accounts for its stock-based compensation using Accounting Principles Board's Opinion No. 25 ("APB 25"). Under APB 25, compensation expense is recognized for stock options with an exercise price that is less than the market price on the grant date of the option. For stock options with exercise prices at or above the market value of the stock on the grant date, the Company adopted the disclosure-only provisions of SFAS 123, "Accounting for Stock-Based Compensation." The Company has adopted the disclosure-only provisions of SFAS 123, for the stock options granted to the employees and

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directors of the Company. In 2003, the Company issued an option to Steven N. Bronson to purchase 150,000 shares of the Company's common stock at the purchase price of \$1.65, which was 110% percent of the closing bid price on March 21, 2003 and such option is exercisable for a period of 5 years. In 2002, the Company recognized compensation expense of \$130,625 for options granted to its President below the market price, based on the difference

F-10

RIDGEFIELD ACQUISITION CORP. AND SUBSIDIARY
(Formerly Bio-Medical Automation, Inc.)
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

between the exercise price and market price on the date of grant. Had compensation expense for the options granted been determined based on the fair value at the grant date for the options, consistent with the provisions of SFAS 123, the Company's net loss and net loss per share for the years ended December 31, 2003 and 2002 would have been increased to the pro forma amounts indicated below:

	2003	2002
Net loss		
As reported	\$ (86,787)	\$ (204,136)
Pro forma	(230,097)	(220,126)
Net loss per share		
As reported	(.11)	(.25)
Pro forma	(.28)	(.27)

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions used for grants in fiscal 2003 and 2002: no dividend yield; expected volatility of 90%; risk-free interest rate of 3%; and expected life of five years for 2003 and one year for 2002.

PATENT COSTS

The Company had applied for a patent from the U.S. Patent Office for a micro-robotic device under development. The costs associated with obtaining this patent were capitalized and were to be amortized over the life of the patent of seventeen years upon issuance of the patent.

The patent was the Company's sole asset of continuing operations. In 1999, the Company incurred research and development costs associated with development of the micro-robotic device underlying the patent and had, as of December 31, 1999, continued to assess the economic benefit of continuing research and development activities or sale of the patent.

In February 2000, the Company entered into an agreement with a shareholder which resulted in a change in control of the Company. The agreement specified that the Company owns certain intellectual property consisting of the patent application and a related Technology License Agreement. In June 2000, the Company decided not pursue further research and development or sale of the patent and has written-off the

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capitalized costs.

In 2002, the Company received its patent for the micro-robotic device from the U.S. Patent Office.

F-11

RIDGEFIELD ACQUISITION CORP. AND SUBSIDIARY
(Formerly Bio-Medical Automation, Inc.)
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FAIR VALUE

The carrying amount reported in the balance sheet for cash, investments, accounts payable and accrued liabilities approximates fair value because of the immediate or short-term maturity of these financial instruments.

CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. The Company maintains cash and cash equivalents accounts at two financial institutions. The Company periodically evaluates the credit worthiness of financial institutions, and maintains cash accounts only in large high quality financial institutions, thereby minimizing exposure for deposits in excess of federally insured amounts. At December 31, 2003 cash in excess of federally insured amounts was approximately \$98,198.

RECENT ACCOUNTING PRONOUNCEMENTS

In December 2002, the FASB approved SFAS 148, "Accounting for Stock-Based Compensation - Transition and Disclosure - an amendment of FASB Statement No. 123." SFAS 148 amends SFAS 123, "Accounting for Stock-Based Compensation" to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, SFAS 148 amends the disclosure requirements of SFAS 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. SFAS 148 is effective for financial statements for fiscal years ending after December 15, 2002. The Company will continue to account for stock-based compensation using the methods detailed in the stock-based compensation accounting policy.

SFAS 149, "Amendment to Statement 133 on Derivative Instruments and Hedging Activities" ("SFAS 149"), addresses certain decisions made by the Financial Accounting Standards Board as part of the Derivatives Implementation Group process. In general, SFAS 149 is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003.

SFAS 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity" ("SFAS 150"), addresses how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. The provisions of

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SFAS 150 are effective for financial instruments entered into or modified after May 31, 2003, and otherwise are effective July 1, 2003.

The adoption of SFAS 149 and SFAS 150 did not have a material impact on the financial position, results of operations or cash flows.

F- 12

RIDGEFIELD ACQUISITION CORP. AND SUBSIDIARY
(Formerly Bio-Medical Automation, Inc.)
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the basis of accounting principles applicable to a going concern which contemplates the realization of assets and extinguishment of liabilities in the normal course of business. As shown in the accompanying financial statements, the Company has accumulated a deficit of \$947,820 through December 31, 1999 and has incurred a deficit since reentering the development stage, effective January 1, 2000, of \$492,096. As discussed in Note 1, the Company, in 1999, sold all of its assets relating to its historical line of business and abandoned, in 2000, its efforts in the research and development of a micro-robotic device. As of December 31, 2003, the Company has no principal operations or revenue producing activities.

These factors indicate that the Company may be unable to continue in existence. The Company's financial statements do not include any adjustments related to the carrying value of assets or the amount and classification of liabilities that might be necessary should the Company be unable to continue in existence. The Company's ability to establish itself as a going concern is dependent on its ability to merge with another entity or acquire revenue producing activities.

NOTE 3 - INVESTMENTS

Investments are classified as available for sale according to the provisions of Financial Accounting Standards Board Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Realized gains and losses are calculated using the original cost. Investments at December 31, 2003, are comprised of common stocks which had an aggregate cost of \$51,675 and a fair market value of \$49,580. Those investments had net unrealized losses of \$2,095 for the year ended December 31, 2003. During 2003, the Company sold investments that had an aggregate cost of \$60,280 and an aggregate sales price of \$60,032 which resulted in a realized loss of \$248. No investments were held during 2002.

NOTE 4 - STOCKHOLDERS' EQUITY

COMMON STOCK

Common shares issued for non-cash consideration are valued at the trading price of the Company's common stock as of the date the shares were approved for issuance.

F-13

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RIDGEFIELD ACQUISITION CORP. AND SUBSIDIARY
 (Formerly Bio-Medical Automation, Inc.)
 (A Development Stage Company)
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 - STOCKHOLDERS' EQUITY (CONTINUED)

OPTIONS

The status of outstanding options granted by the Company is as follows:

	No. of Shares	Weighted Avg Exercise Price
Options Outstanding - January 1, 2001 (145,000 exercisable)	145,000	\$ 1.15
Granted	--	

Options Outstanding - December 31, 2001 (145,000 exercisable)	145,000	1.15
Expired	(120,000)	1.13
Granted	95,000	1.13

Options Outstanding - December 31, 2002 (120,000) exercisable)	120,000	1.15

Expired	(120,000)	1.15
Granted	150,000	1.65

Options Outstanding - December 31, 2003 (150,000) exercisable)	150,000	1.65

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in 2003: dividend yield of 0%; expected volatility of 90%; discount rate of 3.0%; and expected life of five years for 2003 and one year for 2002. No options were exercised or forfeited during 2001.

At December 31, 2003, the number of options exercisable was 150,000, the weighted average exercise price of these options was \$1.65, the weighted average remaining contractual life of the options was 4.3 years and the exercise price was \$1.65 per share.

At December 31, 2002, the number of options exercisable was 120,000, the weighted average exercise price of these options was \$1.15, the weighted average remaining contractual life of the options was .4 years and the exercise price was \$1.13 to \$1.25 per share.

NOTE 5 - INCOME TAXES

At December 31, 2003 and 2002, the Company has net operating loss carryforwards totaling approximately \$1,030,000 and \$944,000, respectively, that may be offset against future taxable income through 2022. Due to the change in control of the Company in March 2000, the Company's ability to realize the tax benefits from the net operating

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losses and research and development credits prior to that date may be significantly limited.

F-14

RIDGEFIELD ACQUISITION CORP. AND SUBSIDIARY
(Formerly Bio-Medical Automation, Inc.)
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 - INCOME TAXES (CONTINUED)

The Company has fully reserved the tax benefits of these operating losses and credits because the likelihood of realization of the tax benefits cannot be determined. These carryforwards and credits are subject to review by the Internal Revenue Service. The approximately \$450,000 tax benefit of the loss carryforward has been offset by a valuation allowance of the same amount. Of the total tax benefit of the loss carryforward, \$38,000 and \$90,000 is applicable to 2003 and 2002, respectively.

Temporary differences between the time of reporting certain items for financial and tax reporting purposes are not considered significant by management of the Company.

There is no current or deferred tax expense for the years ended December 31, 2003 and 2002.

NOTE 6 - RELATED PARTY TRANSACTIONS

In March 2001, the Company issued 38,400 shares of common stock (valued at \$1.25 per share) to the President of the Company in lieu of a salary of \$48,000. At December 31, 2001, the President had earned \$37,000 and the balance of \$11,000 was earned in 2002.

In March 2001, the Company loaned the President \$50,000 at 6.0%, uncollateralized, due March 30, 2003, to exercise warrants to purchase 50,000 shares of the Company's common stock at \$1.00 per share. In December 2002, the President of the Company repaid the loan of \$50,000 and accrued interest of \$5,153.

During 2003 and 2002 the Company incurred approximately \$270 and \$5,000, respectively, in professional fees to a firm managed by a member of the Board of Directors.

In November 2001, the Company entered into a Mergers and Acquisitions Advisory Agreement with Catalyst Financial LLC ("Catalyst"), an entity whose owner and principal is the President of the Company. Under the terms of the agreement, Catalyst will earn a fee, as outlined in the agreement, in the event the Company completes a merger. The agreement is for a three year period, terminating November, 2004. As of December 31, 2003, no merger had been completed under the agreement.

The President's employment agreement is renewable annually for one year at an annual salary of \$48,000. During 2003, the President was granted an option to purchase 150,000 shares of the Company's common stock at an exercise price of 110% of the closing market price as of the date of grant, for a period of five years.

F-15

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RIDGEFIELD ACQUISITION CORP. AND SUBSIDIARY
(Formerly Bio-Medical Automation, Inc.)
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 - RELATED PARTY TRANSACTIONS (CONTINUED)

For the period February 2001 through January 5, 2004, the Company used a portion of the premises located at 10 South Street, Suite 202, Ridgefield, Connecticut 06877, occupied by Catalyst Financial LLC, a full service brokerage, investment banking and consulting firm, as its principal office. Steven N. Bronson, the President of the Company, is the principal and owner of Catalyst Financial LLC. The Company did not pay any rent to Catalyst Financial LLC for the use of the offices located at 10 South Street, Suite 202, Ridgefield, Connecticut 06877. Since January 5, 2004, for its principal office the Company is using a portion of the premises occupied by Catalyst Financial LLC, located at 100 Mill Plain Road, Danbury, Connecticut 06811. Catalyst Financial LLC has agreed to waive the payment of any rent by the Company for use of the offices. The Company has not paid any rent for its principal office for the years ended December 31, 2003 and 2002.

NOTE 7 - SEGMENT REPORTING

In June 1997, SFAS 131, "Disclosure about Segments of an Enterprise and Related Information" was issued, which amends the requirements for a public enterprise to report financial and descriptive information about its reportable operating segments. Operating segments, as defined in the pronouncement, are components of an enterprise about which separate financial information is available that is evaluated regularly by the Company in deciding how to allocate resources and in assessing performance. The financial information is required to be reported on the basis that is used internally for evaluating segment performance and deciding how to allocate resources to segments. The Company has no reportable segments at December 31, 2003 and 2002.