

# DGT HOLDINGS CORP.

## FORM 11-K (Annual Report of Employee Stock Plans)

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS  
AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE  
SECURITIES AND EXCHANGE ACT OF 1934

(Mark One):

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

For the fiscal year ended December 31, 2002

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-3319

A. Full title of the plan and the address of the plan, if different from that  
of the issuer named below:

Del Global Technologies Corp. 401(k) Plan

B. Name of issuer of the securities held pursuant to the plan and the address  
of its principal executive office:

Del Global Technologies Corporation  
One Commerce Park  
Valhalla, NY 10595

REQUIRED INFORMATION

ITEM 4. FINANCIAL STATEMENTS AND EXHIBITS.  
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(a) Financial Statements

Financial statements prepared in accordance with the financial  
reporting requirements of ERISA are included herein in lieu of the  
requirements of Items 1 to 3.

(b) Exhibits:

23.1 Consent of Conroy, Smith & Co.

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INDEPENDENT AUDITORS' REPORT

To the Trustees and Participants of  
Del Global Technologies Corp. 401(k) Plan

We have audited the accompanying statement of net assets available for Plan participants of Del Global Technologies Corp. 401(k) Plan (the "Plan") as of December 31, 2002, and the related statements of changes in net assets available for Plan participants for the year ended December 31, 2002. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. The statement of net assets available for Plan participants as of December 31, 2001, was audited by other auditors whose report thereon, dated February 24, 2003 expressed an unqualified opinion.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for Plan participants of the Plan as of December 31, 2002, and the changes in net assets available for Plan participants for the year ended December 31, 2002 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held for investment purposes as of December 31, 2002 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan's management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic 2002 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ Conroy, Smith & Co  
 -----

Conroy, Smith & Co  
 August 21, 2003  
 Hackensack, NJ

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DEL GLOBAL TECHNOLOGIES CORP. 401(k) PLAN  
 STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
 DECEMBER 31, 2002 AND 2001

	2002 ----	2001 ----
Assets:		
Investments, at fair value	\$5,411,144	\$7,620,357
Cash	1,000	--
Accrued income	3,843	--
Contributions:		
Participants	54,561	55,960
	-----	-----
Total assets	\$5,470,548	\$7,676,317
	-----	-----
Liabilities:		
Accrued expenses and accounts payable	--	--
	-----	-----
Net assets available for benefits	\$5,470,548 =====	\$7,676,317 =====

See notes to financial statements.

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STATEMENT OF CHANGES IN NET ASSETS  
AVAILABLE FOR BENEFITS

YEAR ENDED DECEMBER 31, 2002

	2002
	----
Additions:	
Investment income (loss):	
Net depreciation in fair value of investments	(\$ 822,609)
Interest and dividends	214,675
Other income	--
	-----
Net investment loss	(\$ 607,934)
	-----
Contributions:	
Participant	\$ 658,106
Employer	--
	-----
Total contributions	\$ 658,106
	-----
Total additions	\$ 50,172
	-----
Deductions:	
Benefits paid to participants	\$ 2,255,181
Administrative expenses	760
	-----
Total deductions	\$ 2,255,941
	-----
Decrease in net assets available for benefits	(\$2,205,769)
Net assets available for benefits:	
Beginning of year	7,676,317
	-----
End of year	\$ 5,470,548
	=====

See notes to financial statements.

NOTE 1. DESCRIPTION OF THE PLAN  
-----

The following summary of certain provisions of the Del Global Technologies Corp. 401(k) Plan (the "Plan") is provided for general information purposes only. Participants should refer to the summary Plan description and the Plan document for complete information.

GENERAL - The Plan is a Merrill Lynch prototype defined contribution plan covering all employees of Del Global Technologies Corp. (the "Company") and participating subsidiaries (RFI Corporation, Dynarad Corp., Del Medical Systems Corp., Bertan High Voltage Corp., Del Medical Imaging Corp. and the Del Power Conversion Division) who have completed one-quarter year of service and are age twenty-one or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

On July 25, 2002, the Company's Board of Directors appointed Thomas Gilboy, Walter Schneider, Ken Gavey, Chuck Meyer and Merrill Lynch Trust Company ("Merrill Lynch") as Trustees of the Plan, replacing Leonard Trugman, Seymour Rubin, and David Engel. Merrill Lynch was also designated as Trustee. Merrill Lynch also serves as custodian of the Plan's assets and executes all investment transactions.

PARTICIPANT CONTRIBUTIONS - Employees may elect to contribute to the Plan from 1% to 15% (in full percentage points) of their "before-tax" earnings, and from 1% to 10% (in full percentage points) of their "after tax" earnings, up to a maximum in accordance with Section 415(c) of the Internal Revenue Code and adjusted annually for inflation thereafter.

EMPLOYEE CONTRIBUTIONS - Under the Plan's terms, the Company is not required to contribute to the Plan. The Company did not make a contribution to the plan for the 2002 plan year.

PARTICIPANT ACCOUNTS - Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings, and charged with an allocation of administrative expenses (see expenses). Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

WITHDRAWALS - Under the terms of the Plan, a participant may make a withdrawal for reasons of economic hardship before attaining age 59-1/2. Upon attaining age 59-1/2, participants may withdraw their entire account balance.

-----  
VESTING - Employee and rollover contributions are fully vested upon entering the Plan. Employer contributions vest at the following rates:

Years of Service -----	Vesting Percentage -----
Less than one	0%
One but less than two	20
Two but less than three	40
Three but less than four	60
Four but less than five	80
Five or more	100

PARTICIPANT LOANS - The Plan allows participants to borrow up to the lesser of \$50,000 or 50% of the vested portion of their account balances, subject to certain restrictions. Loan terms range from 1-5 years except for the purchase of a primary residence. The loans are secured by the balance in the participants' account and bear interest at market rates.

FORFEITURES - Forfeited balances of terminated participants' non-vested accounts are reallocated among remaining participants. At December 31, 2002, there were no forfeited non-vested accounts.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES  
-----

BASIS OF ACCOUNTING - The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

ACCOUNTING ESTIMATES - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for Plan participants and changes therein. Actual results could differ from those estimates.

DEL GLOBAL TECHNOLOGIES CORP. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS  
(Continued)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)  
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RISKS AND UNCERTAINTIES - The Plan provides various investment options. The Plan's mutual funds invest in various securities including U.S. Government securities, corporate debt instruments, and corporate common stocks. Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that

such changes could materially affect the amounts reported in the statement of net assets available for Plan participants.

VALUATION OF INVESTMENTS AND INCOME RECOGNITION - The Plan's investments are stated at fair value. The Merrill Lynch Retirement Preservation Trust which invests in benefit-responsive investment contracts is valued at contract value (cost plus accrued interest). For all other funds, quoted market prices are used to value investments. Purchases and sales of securities are recorded on the trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

BENEFIT PAYMENTS - Distributions to Plan participants are recorded when paid.

EXPENSES - Administrative expenses are either paid by the Plan and are allocated to each fund when paid or by the Plan Sponsor as provided in the Plan document.

NOTE 3. INVESTMENTS  
-----

The assets of the Plan, held by Merrill Lynch Trust, are invested in the following accounts: a guaranteed trust account, three diversified equity and fixed-income accounts, nine diversified common stock funds, and the Company's common stock, at the discretion of the participant. The accounts were credited with actual earnings on the underlying investments and charged for Plan withdrawals.

DEL GLOBAL TECHNOLOGIES CORP. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS  
(Continued)

NOTE 3. INVESTMENTS (CONTINUED)  
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The following investments represent five percent or more of the Plan's net assets available for benefits as of December 31, 2002 and 2001:

	2002	2001
	----	----
Merrill Lynch Retirement Preservation Trust	\$2,697,581	\$3,509,966
AIM Value Fund	-	1,886,217
Merrill Lynch Basic Value Fund	489,002	616,537
Merrill Lynch Balanced Capital Fund	-	622,753
Delaware Group Capital Fund	320,045	397,875
The Oakmark Equity & Income Fund	483,572	-
AIM Premier Equity Fund A	886,005	-
	-----	-----
	\$4,876,205	\$7,033,348
	=====	=====

During the year ended December 31, 2002, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by \$822,609 as follows:

	2002
	----
Diversified equity and fixed income	(\$844,087)
Common stocks	21,478
	-----
	(\$822,609)
	=====

The Merrill Lynch Retirement Preservation Trust primarily invests in investment contracts providing a guaranteed return on principal invested over a specified period. The crediting interest rate, which approximates the average yield as of December 31, 2002 was 5.89%. The investments are fully benefit responsive and are recorded at contract value, which equals principal plus accrued interest, and was determined to approximate fair value.

DEL GLOBAL TECHNOLOGIES CORP. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS  
(Continued)

NOTE 4. LITIGATION  
-----

Securities and Exchange Commission ("SEC") Investigation - On December 11, 2000, the Division of Enforcement of the SEC issued a formal Order Directing Private Investigation, designating SEC officers to take testimony and requiring the production of certain documents, in connection with matters giving rise to the need to restate the Company's previously issued financial statements. The Company has provided numerous documents to and continues to cooperate fully with the SEC staff.

The Company has reached an agreement in principle with the staff of the SEC to settle the SEC's claims against the Company. The settlement will include a penalty of up to \$400 and an injunction against future violations of the antifraud, periodic reporting, books and records and internal accounting control provisions of the federal securities law. The proposed settlement may be subject to, amongst other things, a future restatement of historical financial statements for the Company, or other material adjustments. However, management is not aware of any restatements or adjustments required with respect to financial statements filed with the SEC since April 2002. In addition, the proposed settlement will require approval by the Commission and by the Court. We can give no assurance that this settlement will be approved by either the Commission or the Court or that the terms will not be changed.

Although the Company has not reached a binding agreement with the SEC on this settlement proposal, management believes that this agreement in principle is a reasonable basis on which it can now estimate the financial impact of this SEC investigation. As a result, the Company recorded a charge of \$685 in the fourth quarter of fiscal 2002 related to this agreement in principle with the SEC Staff, which includes associated legal costs. The liability associated with this charge is included in Litigation settlement reserves on the accompanying balance sheet for both periods presented as adjusted for any associated legal costs paid during fiscal 2003.

Department of Defense ("DOD") Investigation - In June 2003, the Company was advised that the US Government is willing to enter into negotiations regarding a comprehensive settlement of the ongoing US DOD investigation of its RFI subsidiary. Management believes that a potential comprehensive settlement will include the Company's pleading guilty to certain criminal charges, and agreeing to pay certain fines and restitution to the Government in an amount which could be material to the Company. Since March 2002, the DOD has been investigating certain past practices at RFI which date back more than six years and pertain to RFI's Military Specification testing, record keeping and general operating procedures.

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DEL GLOBAL TECHNOLOGIES CORP. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS  
(Continued)

NOTE 4. LITIGATION (CONTINUED)

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Prior to the preliminary discussions with the US Government in June 2003, the Company had no basis to estimate the financial impact of this investigation. Based on preliminary settlement discussions with the US Government, discussions with the Company's legal advisors, consideration of settlements reached by other parties in investigations of this nature, and consideration of the Company's capital resources, management has now developed an estimate of the low end of the potential range of the financial impact. Accordingly, during the third quarter of fiscal 2003, the Company recorded a charge of \$2,347, which represents its estimate of the low end of a range of potential fines and legal and professional fees. The liability associated with this charge is included in Litigation settlement reserves on the accompanying balance sheet as of May 3, 2003.

There can be no assurance that such a potential settlement will be reached and, even if reached, that the ultimate fine required by any settlement will not vary significantly from the Company's estimate and expectations.

The Company believes that any settlement could cause the DOD to seek to limit the ability of the Company to do business with US Government entities. Such limitations could include seeking a "debarment" or exclusion from doing business with US Government entities for a period of time. Because management believes that it has been responsive in addressing the problems that affected RFI in the past, and RFI is the sole source provider of certain products,

the Company is hopeful that as a result of the potential settlement, its ability to service the governmental and defense sectors of its business will not be interrupted.

There can be no assurance that such a settlement will be reached and, even if reached that the ultimate fine and outcome of any settlement will not vary significantly from the Company's estimate and expectations. In addition, such a settlement, even on the most favorable terms, may have a material adverse impact on the Company's financial condition, liquidity and operations.

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DEL GLOBAL TECHNOLOGIES CORP. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS  
(Continued)

NOTE 5. PARTY-IN-INTEREST  
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A portion of the plan's investments are shares in funds managed by Merrill Lynch Trust Company ("Merrill Lynch"). Merrill Lynch is the custodian of these investments as defined by the Plan and, therefore, these transactions qualify as party-in-interest.

NOTE 6. TERMINATION OF THE PLAN  
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Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provision of ERISA. However, in the event of Plan termination, participants will become 100% vested in their accounts and the assets of the Plan shall be distributed to participants and beneficiaries based on their individual accounts as of the termination date.

NOTE 7. FEDERAL INCOME TAX STATUS  
-----

The Internal Revenue Service has determined and informed the Company by letter dated June 21, 1995 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (the "Code"). The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code.

NOTE 8. SUBSEQUENT EVENT  
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Effective January 15, 2003, the Plan changed its trustee and recordkeeper from Merrill Lynch Trust Company to ING National Trust.

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DEL GLOBAL TECHNOLOGIES CORP. 401(k) PLAN

SUPPLEMENTAL SCHEDULE

FORM 5500 SCHEDULE H, PART IV  
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

AT END OF YEAR AS OF DECEMBER 31, 2002

Description -----	Number of Units/Shares -----	Current Value -----
Common Trust:		
Merrill Lynch Retirement Preservation Trust**	2,697,581	2,697,581
Mutual Funds:		
AIM Premier Equity Fund	117,977	886,005
AIM Value Fund	21,005	489,002
Merrill Lynch Global Allocation Fund**	9,059	103,365
Merrill Lynch Fundamental Growth Fund**	2,976	37,795
Alger Capital Appreciation Retirement Portfolio	4,396	37,106
Delaware Group Capital Fund	22,860	320,045
ING Pilgrim Mid Cap Opportunity Fund	3,529	30,493
ING Pilgrim Worldwide Growth Fund	1,364	16,655
Oppenheimer Global Growth & Income Fund	4,404	71,689
John Hancock Small Cap Growth Fund	2,629	17,693
The Oakmark Equity & Income Fund Cl. II	26,910	483,572
Common Stock:		
Del Global Technologies Corp. Common Stock	28,926	91,118
**Participant Loan Funds*		
Other	129,025	129,025 -----
Total		\$5,411,144 =====

\* Maturing 2001 to 2006 at interest rates of 8.0% to 10.0%

\*\* Permitted Party-in Interest

SIGNATURES

THE PLAN. Pursuant to the requirement of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Del Global Technologies Corp. 401(k) Plan

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(Name of Plan)

Date: October 28, 2003

By: /s/ Thomas V. Gilboy

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Thomas V Gilboy  
Chief Financial Officer  
Plan Trustee, Del Global Technologies  
Corp. 401(k) Plan

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Exhibit 23.1

Consent of Conroy, Smith & Co.

Del Global Technologies Corp. 401(k) Plan

We consent to the incorporation by reference in the registration statements numbered 33-65439, 333-69723, and 333-38024 on Form S-8 of Del Global Technologies Corp. 401(k) Plan of our report dated August 21, 2003, with respect to the statements of assets available for benefits as of December 31, 2002 and 2001, and the related statements of changes of assets available for benefits for the year ended December 31, 2002, and the related supplemental schedule of assets held for investment purposes (held at end of year) which report appears in this annual report on Form 11-K of Del Global Technologies Corp. 401(k) Plan.

/s/ Conroy, Smith & Co

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Conroy, Smith & Co  
October 28, 2003  
Hackensack, NJ

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**End of Filing**

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