

# ANGIODYNAMICS INC

## **FORM 10-Q/A** (Amended Quarterly Report)

Filed 07/25/17 for the Period Ending 08/31/16

Address	14 PLAZA DRIVE LATHAM, NY 12110
Telephone	5187981215
CIK	0001275187
Symbol	ANGO
SIC Code	3841 - Surgical and Medical Instruments and Apparatus
Industry	Medical Equipment, Supplies & Distribution
Sector	Healthcare
Fiscal Year	05/31

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

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**FORM 10-Q/A**

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

For the quarterly period ended August 31, 2016

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 0-50761

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**AngioDynamics, Inc.**  
(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**14 Plaza Drive Latham, New York**  
(Address of principal executive offices)

**11-3146460**  
(I.R.S. Employer  
Identification No.)

**12110**  
(Zip Code)

**(518) 795-1400**  
Registrant's telephone number, including area code

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

Title of each class	Name of each exchange on which registered
Common stock, par value \$.01	NASDAQ Global Select Market
Preferred Stock Purchase Rights	NASDAQ Global Select Market

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

None  
(Title of Class)

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the Issuer's classes of common stock, as of the latest practicable date.

<u>Class</u>	<u>Outstanding as of October 3, 2016</u>
<b>Common Stock, par value \$.01</b>	<b>36,884,124</b>

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## EXPLANATORY NOTE

*For convenience purposes in this filing on Form 10-Q/A, AngioDynamics, Inc. together with its subsidiaries, is referred to as "AngioDynamics," the "Company," "we," "our" or "us".*

We are filing this Amendment No. 1 (this "Amendment" or "Form 10-Q/A") to our Form 10-Q for the first quarter ended August 31, 2016 to amend our conclusion on the effectiveness on our disclosure controls and procedures following an inspection by the Public Company Accounting Oversight Board of PricewaterhouseCoopers LLP's ("PwC") audit of our May 31, 2016 financial statements and internal controls over financial reporting, as discussed below. Our Annual Report on Form 10-K for the year ended May 31, 2016 (the "Form 10-K" or the "Original Form 10-K") was originally filed with the Securities and Exchange Commission (the "SEC") on August 1, 2016. At the time of filing our Form 10-K, we determined that our disclosure controls and procedures ("DC&P") and our internal controls over financial reporting ("ICFR") were each effective as of May 31, 2016. Subsequent to that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our DC&P and ICFR were not effective as of May 31, 2016.

Management of the Company, after discussions with PwC and the Audit Committee, determined that Management's Report on Internal Control over Financial Reporting included in the Form 10-K should no longer be relied upon due to a material weakness specifically related to the goodwill impairment test as further discussed in Item 4, *Controls and Procedures*. The material weakness was not remediated as of August 31, 2016.

The material weakness did not result in a misstatement of the consolidated financial statements for the quarter ended August 31, 2016.

See "Items Amended by this Filing" below for a description of the items of the Form 10-Q originally filed with the SEC on October 5, 2016 (the "Original Form 10-Q") that are being amended pursuant to this Amendment.

### ***Items Amended by this Filing***

The following items of the Original Form 10-Q are being amended:

#### **Item 4: Controls and Procedures**

Other than as described above and the inclusion with this Amendment of new certifications by management, and related amendments to the List of Exhibits, this Amendment speaks only as of the date of the Original Form 10-Q and does not amend, supplement or update any information contained in the Original Form 10-Q to give effect to any subsequent events. Accordingly, this Amendment should be read in conjunction with the Original Form 10-Q and our reports filed with the SEC subsequent to the Original Form 10-Q.

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AngioDynamics, Inc. and Subsidiaries

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#### **Item 4. Controls and Procedures (as amended).**

##### **Evaluation of disclosure controls and procedures**

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based solely on the definition of "disclosure controls and procedures" in Rule 13a-15(e) promulgated under the Exchange Act. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision of our Company's Chief Executive Officer and Chief Financial Officer, we carried out an evaluation of our disclosure controls and procedures as of August 31, 2016. At the time our Quarterly Report on Form 10-Q for the quarter ended August 31, 2016 was filed on October 5, 2016, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of August 31, 2016. Subsequent to that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of August 31, 2016 because of the material weakness in our internal control over financial reporting described below.

*We did not design and maintain effective internal controls over the accounting for the annual goodwill impairment test. Specifically, we did not design and maintain effective controls to review in sufficient detail the cash flow projections and significant valuation model assumptions used in the goodwill impairment test as of December 31, 2015.*

A material weakness is a deficiency, or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis. This material weakness did not result in a misstatement to the consolidated financial statements. However, this material weakness could result in misstatements that would result in a material misstatement of the consolidated financial statements that would not be prevented or detected.

In response to this material weakness, our management performed additional analysis and procedures, in order to conclude that despite the material weakness reported above, the consolidated financial statements included in this report fairly present in all material respects the Company's financial condition, results of operations and cash flows for the periods presented and that this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

##### **Remediation Plan**

We developed a plan to enhance our internal controls over financial reporting for the goodwill impairment test, which we believe also will address the material weakness discussed above, including the specific remediation initiatives described below:

- Update the goodwill impairment control to ensure that it is designed appropriately.
- Ensure sufficient documentation is retained if the discounted cash flow method is required for performing the goodwill impairment test including detailed procedures over the cash flow projections and valuation model assumptions.

##### **Changes in Internal Control over Financial Reporting**

There was no change in our internal control over financial reporting for the fiscal quarter ended August 31, 2016 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**Item 6. Exhibits.**

**EXHIBIT INDEX**

<b><u>No.</u></b>	<b><u>Description</u></b>
10.1	AngioDynamics 2016 Total Shareholder Return Performance Unit Agreement Program (incorporated by reference to Exhibit 10.1 of the Company's quarterly report filed with the Commission on October 5, 2016).
10.2	Form of 2015 Performance Share Award Agreement pursuant to the AngioDynamics, Inc. 2004 Stock and Incentive Award Plan (incorporated by reference to Exhibit 10.4.3 of the Company's annual report on Form 10-K filed with the Commission on August 10, 2015).
10.3	Change in Control Agreement, effective August 18, 2016, between AngioDynamics, Inc. and Michael C. Greiner (incorporated by reference to Exhibit 10.3 of the Company's quarterly report filed with the Commission on October 5, 2016).
31.1	Certification pursuant to Rule 13a-14(a) or 15d-14 under the Securities Exchange Act of 1934.
31.2	Certification pursuant to Rule 13a-14(a) or 15d-14 under the Securities Exchange Act of 1934.
32.1	Certification of Chief Executive Officer pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document (incorporated by reference as part of the Company's quarterly report on Form 10-Q filed with the Commission on October 5, 2016).
101.SCH	XBRL Schema Document (incorporated by reference as part of the Company's quarterly report on Form 10-Q filed with the Commission on October 5, 2016).
101.CAL	XBRL Calculation Linkbase Documents (incorporated by reference as part of the Company's quarterly report on Form 10-Q filed with the Commission on October 5, 2016).
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (incorporated by reference as part of the Company's quarterly report on Form 10-Q filed with the Commission on October 5, 2016).
101.LAB	XBRL Labels Linkbase Documents (incorporated by reference as part of the Company's quarterly report on Form 10-Q filed with the Commission on October 5, 2016).
101.PRE	XBRL Presentation Linkbase Documents (incorporated by reference as part of the Company's quarterly report on Form 10-Q filed with the Commission on October 5, 2016).





**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: July 25, 2017

**ANGIODYNAMICS, INC.**

By: \_\_\_\_\_ / s / JAMES C. CLEMMER

**James C. Clemmer,  
President, Chief Executive Officer  
(Principal Executive Officer)**

## CERTIFICATION

I, James C. Clemmer, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of AngioDynamics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 25, 2017

/S / JAMES C. CLEMMER

James C. Clemmer, President,  
Chief Executive Officer

## CERTIFICATION

I, Michael C. Greiner, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of AngioDynamics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 25, 2017

/S / MICHAEL C. GREINER

Michael C. Greiner Executive Vice President,  
Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO TITLE 18,  
UNITED STATES CODE, SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, James C. Clemmer, President, Chief Executive Officer and Director of ANGIODYNAMICS, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

1. the quarterly report on Form 10-Q/A of the Company for the fiscal quarter ended August 31, 2016 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 25, 2017

/ s / James C. Clemmer

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James C. Clemmer, President,  
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO TITLE 18,  
UNITED STATES CODE, SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael C. Greiner, Executive Vice President and Chief Financial Officer of ANGIODYNAMICS, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

1. the quarterly report on Form 10-Q/A of the Company for the fiscal quarter ended August 31, 2016 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 25, 2017

/s/ Michael C. Greiner

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Michael C. Greiner, Executive Vice President and  
Chief Financial Officer