

INDUSTRIAL SERVICES OF AMERICA INC /FL
Form 10-K/A
April 17, 2003

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K/A

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

For Fiscal Year Ended December 31, 2002

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

For the transition period from _____ to _____

Commission File No.: 0-20979

INDUSTRIAL SERVICES OF AMERICA, INC.

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction of
incorporation or organization)

59-0712746
(I.R.S. Employer
Identification No.)

7100 Grade Lane
P.O. Box 32428
Louisville, Kentucky 40232
(502) 368-1661

(Address, including zip code, and telephone number,
including area code, or registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act: None

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

Common Stock, \$.01 par value
(Title of class)

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

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

Indicate by check mark whether the registrant is an accelerated filer (as defined in rule 12b-2 of the Act).
Yes No X

Aggregate market value of the 698,796 shares of voting Common Stock held by non-affiliates of the registrant at the closing sales price on June 28, 2002: \$1,607,231.

Number of shares of Common Stock outstanding as of the close of business on March 28, 2003: 1,614,800.

DOCUMENT INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for the 2003 Annual Meeting of Shareholders are incorporated by reference into Item 10 through Item 13 of Part III of this report.

PART IV

Item 15. Exhibits, Consolidated Financial Statement Schedules, and Reports on Form 8-K.

(a)(3) List of Exhibits.

Exhibits filed with, or incorporated by reference herein, this report are identified in the Index to Exhibits appearing in this report. The Management Agreement and the Consulting Agreement required to be filed as exhibits to this Form 10-K/A pursuant to Item 14(c) are noted by an asterisk (*) in the Index to Exhibits.

(c) Exhibits.

The exhibits listed on the Index to Exhibits are filed as a part of this report.

SIGNATURES

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

INDUSTRIAL SERVICES OF AMERICA, INC.

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Dated: April 16, 2003

By : /s/ Harry Kletter

Harry Kletter, Chairman of the Board
and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this amendment to its annual report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Harry Kletter</u> Harry Kletter	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	April 16, 2003
<u>/s/ Alan L. Schroering</u> Alan L. Schroering	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	April 16, 2003
<u>/s/ David W. Lester</u> David W. Lester	Director	April 16, 2003
<u>/s/ Jim E. Vining</u> Jim E. Vining	Director	April 16, 2003
<u>/s/ Roman Epelbaum</u> Roman Epelbaum	Director	April 16, 2003

CERTIFICATIONS

Harry Kletter and Alan L. Schroering, being the Chief Executive Officer and Chief Financial Officer, respectively, of Industrial Services of America, Inc., hereby certify as of this 16th day of April, 2003, that the Form 10-K, as amended, for the Year ended December 31, 2002, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-K, as amended, fairly presents, in all material respects, the financial condition and results of operations of Industrial Services of America, Inc.

/s/ Harry Kletter

Harry Kletter, Chief Executive Officer

/s/ Alan L. Schroering

Alan L. Schroering, Chief Financial Officer

INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>Description of Exhibits</u>
3.1	** Certificate of Incorporation of the Registrant is incorporated by reference to Exhibit 3.1 of the Registrant's report of Form 10-KSB for the year ended December 31, 1995.
3.2	** Bylaws of the Registrant are incorporated by reference to Exhibit 3.2 of the Registrant's report on Form 10-KSB for the year ended December 31, 1995.
10.1	** Independent Consulting Services Agreement, dated as of March 31, 1995, and executed on June 25, 1996, by and between the Registrant and Douglas I. Maxwell, III ("Maxwell"), is incorporated by reference to Exhibit 4(a) of Registration Statement on Form S-8 of the Registration, filed on June 26, 1996 (File No. 333-06915).
10.2	** Confidential Information and Non-Competition Agreement Independent Contractor, dated as of March 31, 1995, and executed on June 26, 1996, by and between the Registrant and Maxwell, is incorporated by reference to Exhibit 10.1 of Registration Statement on Form S-8 of the Registrant, filed on June 26, 1996 (File No. 333-06915).
10.3	** Stock Option Agreement, dated as of March 31, 1995, and executed on June 26, 1996, by and between the Registrant and Maxwell, is incorporated by reference to Exhibit 4(b) of Registration Statement on Form S-8 of the Registrant, filed on June 26, 1996 (File No. 333-06915).
10.4	** Independent Consulting Services Agreement, dated as of March 31, 1995, and executed on June 26, 1996, by and between the Registrant and Neil C. Sullivan ("Sullivan"), is incorporated by reference to Exhibit 4(a) of Registration Statement on Form S-8 of the Registrant, filed on June 26, 1996 (File No. 333-06909).
10.5	** Confidential Information and Non-Competition Agreement Independent Contractor, dated as of March 31, 1995, and executed on June 26, 1996, by and between the Registrant and Sullivan, is incorporated by reference to Exhibit 10.1 of Registration Statement on Form S-8 of the Registrant, filed on June 26, 1996 (File No. 333-06909).
10.6	** Stock Option Agreement, dated as of March 31, 1995, and executed on June 26, 1996, by and between the Registrant and Sullivan, is incorporated by reference to Exhibit 4(b) of Registration Statement on Form S-8 of the Registrant, filed on June 26, 1996 (File No. 333-06909).

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- 10.7 ** Acquisition of Assets Agreement, dated as of July 1, 1997, by and between the Registrant and The Metal Center set forth in an Asset Purchase Agreement, is incorporated by reference, as the sole Exhibit on Form 8-K of the Registrant, filed July 15, 1997 (File No. 0-20979).
- 10.8 ** Assignment of Contracts, dated September 4, 1997, by and between the Registrant and MGM Services, Inc. is incorporated by reference to Exhibit 10.11 of the Registrant's report on Form 10-K for the year ended December 31, 1997.
- 10.9 ** Employment Agreement, dated as of October 15, 1997, by and between the Registrant and Garber is incorporated by reference to Exhibit 10.12 of the Registrant's report on Form 10-K for the year ended December 31, 1997.
- 10.10 ** Lease Agreement, dated January 1, 1998, by and between the Registrant and K&R, is incorporated by reference herein, to Exhibit 10.10 on Form 8-K of the Registrant, filed March 3, 1998 (File No. 0-20979).*
- 10.11 ** Consulting Agreement, dated as of January 2, 1998, by and between the Registrant and K&R, is incorporated by reference herein, to Exhibit 10.11 on Form 8-K of the Registrant, filed March 3, 1998 (File No. 0-20979).*
- 10.12 ** Amendment to Employment Agreement, dated as of February 5, 1998, by and between the Registrant and Garber, amending original agreement dated October 15, 1997 is incorporated by reference to Exhibit 10.15 of the Registrant's report on Form 10-K for the year ended December 31, 1997.
- 10.13 ** Stock Option Agreement, effective as of October 31, 1997, by and between the Registrant and Glenn Bierman is incorporated by reference herein to Exhibit 10.13 of the Registrant's report on Form 10-K for the year ended December 31, 1999, as filed on April 14, 2000.
- 10.14 ** Stock Option Agreement, effective as of October 27, 1997, by and between the Registrant and Sean Garber is incorporated by reference herein to Exhibit 10.14 of the Registrant's report on Form 10-K for the year ended December 31, 1999, as filed on April 14, 2000.
- 10.15 ** Stock Option Agreement, effective as of October 31, 1997, by and between the Registrant and Sean Garber is incorporated by reference herein to Exhibit 10.15 of the Registrant's report on Form 10-K for the year ended December 31, 1999, as filed on April 14, 2000.
- 10.16 ** Amendment No. 1 to Option Agreement, effective as of February 5, 1998, by and between the Registrant and Sean Garber is incorporated by reference herein to Exhibit 10.16 of the Registrant's report on Form 10-K for the year ended December 31, 1999, as filed on April 14, 2000.
- 10.17 ** Stock Option Agreement, effective as of February 16, 1998, by and between the Registrant and Harry Kletter is incorporated by reference herein to Exhibit 10.17 of the Registrant's report on Form 10-K for the year ended December 31, 1999, as filed on April 14, 2000.
- 10.18 ** Consulting Agreement, dated as of June 2, 1998, by and between the Registrant and Andrew M. Lassak is incorporated by reference herein to Exhibit 10.18 of the Registrant's report on Form 10-K for the year ended December 31, 1999, as filed on April 14, 2000.
- 10.19 ** Consulting Agreement, dated as of June 2, 1998, by and among the Registrant, Joseph Charles & Associates, Inc. and Andrew M. Lassak is incorporated by reference herein to Exhibit 10.19 of the Registrant's report on Form 10-K for the year ended December 31, 1999, as filed on April 14, 2000.
- 10.20 **

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Asset Purchase Agreement, effective as of June 1, 1998, by and among the Registrant, ISA Indiana, Inc., R.J. Fitzpatrick Smelters, Inc., and R.K. Fitzpatrick and Cheryl Fitzpatrick is incorporated by reference herein to Exhibit 10.20 of the Registrant's report on Form 10-K for the year ended December 31, 1999, as filed on April 14, 2000.

- 10.21 ** Lease Agreement, effective June 1, 1998, by and between R.K. Fitzpatrick and Cheryl Fitzpatrick, R.J. Fitzpatrick Smelters, Inc., and ISA Indiana, Inc. is incorporated by reference herein to Exhibit 10.21 of the Registrant's report on Form 10-K for the year ended December 31, 1999, as filed on April 14, 2000.
- 10.22 ** Environmental Indemnity Agreement, effective as of June 1, 1998, by and between R.K. Fitzpatrick and Cheryl Fitzpatrick, R.J. Fitzpatrick Smelters, Inc., and ISA Indiana, Inc. is incorporated by reference herein to Exhibit 10.22 of the Registrant's report on Form 10-K for the year ended December 31, 1999, as filed on April 14, 2000.
- 10.23 ** Promissory Note dated May 8, 1997, from Registrant to Bank of Louisville in the original principal amount of \$2,000,000.00 is incorporated by reference herein to Exhibit 10.23 of the Registrant's report on Form 10-K for the year ended December 31, 2000, as filed on March 30, 2001.
- 10.24 ** Loan Agreement dated November 30, 2000, by and between the Registrant and Bank of Louisville is incorporated by reference herein to Exhibit 10.24 of the Registrant's report on Form 10-K for the year ended December 31, 2000, as filed on March 30, 2001.
- 10.25 ** Change in Terms Agreement dated November 30, 2000, by and between the Registrant and Bank of Louisville is incorporated by reference herein to Exhibit 10.25 of the Registrant's report on Form 10-K for the year ended December 31, 2000, as filed on March 30, 2001.
- 10.26 ** Change in Terms Agreement dated March 26, 2001, by and between the Registrant and Bank of Louisville is incorporated by reference herein to Exhibit 10.26 of the Registrant's report on Form 10-K for the year ended December 31, 2000, as filed on March 30, 2001.
- 10.27 ** Penske Lease and Purchase Agreement effective July 8, 2002, for three years at a rental of \$3,000 per month with an option to purchase for \$425,000.
- 10.28 Promissory Note dated December 31, 2002 from Registrant to Branch Banking and Trust Company in the original principal amount of \$2,500,000.
- 99.1 Section 906 Certification of Harry Kletter
- 99.2 Section 906 Certificate of Alan L. Schroering
- 11 Statement of Computation of Earnings Per Share (See Note 11 to Notes to Consolidated Financial Statements).

*Denotes a management contract of the Registrant required to be filed as an exhibit pursuant to Item 601(10)(iii) of Regulation S-K under the Securities Act of 1933, as amended.

**Previously filed.