

# SECURITIES & EXCHANGE COMMISSION EDGAR FILING

## BIO KEY INTERNATIONAL INC

**Form: 8-K**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **July 22, 2005**

**BIO-key International, Inc.**

(Exact name of registrant as specified in its charter)

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

**1-13463**  
(Commission File Number)

**41-1741861**  
(I.R.S. Employer Identification No.)

**3349 Highway 138, Building D, Suite B  
Wall, NJ 07719**

(Address of principal executive offices)

**(732) 359-1100**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under Exchange Act (17 CFR 240.13e-4(c))

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**Item 2.02. Results of Operations and Financial Condition.**

On July 22, 2005, BIO-key International, Inc. (the "Registrant") issued a press release (the "Release") announcing, among other things, its revised guidance for the quarter ended June 30, 2005. A copy of the Release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference in its entirety.

The information, including the exhibit attached hereto, in this Current Report on Form 8-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as otherwise expressly stated in such filing.

**Item 5.02. Departures of Directors or Principal Executive Officers; Election of Directors; Appointment of Principal Officers.**

(b) On July 22, 2005, the Registrant announced in the Release that Randy Fodero has resigned from his position as the Registrant's Vice President of Sales, effective as of July 22, 2005.

(c) On July 22, 2005, the Registrant announced in the Release that Thomas J. Colatosti, the Registrant's current Chairman of the Board of Directors, has been appointed as Co-Chief Executive Officer of the Registrant. Mr. Colatosti and Michael DePasquale, who has been serving as the Registrant's Chief Executive Officer, will make up the newly formed Office of the Chief Executive Officer.

Mr. Colatosti has served as a Director of the Registrant since September 2002 and as Chairman of the Board since January 3, 2003. Mr. Colatosti currently serves as the Chief Executive Officer of American Security Ventures, a Lexington, Massachusetts based consulting firm he founded which specializes in providing strategic management consulting services to emerging and developing companies in the homeland security industry. From 1997 through June 2002, Mr. Colatosti served as the Chief Executive Officer of Viisage Technology, Inc., a publicly traded company focusing on the identification solutions sector. Mr. Colatosti is an active industry security spokesperson testifying before Congressional Committees and advising the White House and other Federal security agencies on homeland security issues.

Mr. Colatosti's appointment as Co-Chief Executive Officer will not result in a change in his compensation arrangement with the Registrant. Since November 1, 2004, Mr. Colatosti has been paid a monthly consulting fee of \$14,500, which represents an increase from the \$4,000 monthly consulting fee that he had been paid by the Registrant from September 2002 until that time. In addition, Mr. Colatosti has been issued options to purchase an aggregate of 550,000 shares of the Registrant's common stock at exercise prices ranging from \$0.31 to \$1.32 in connection with his service on the Registrant's Board of Directors.

On April 28, 2004, the Registrant issued 3,750 shares of its Series C 7% convertible preferred stock to Mr. Colatosti upon conversion of the \$375,000 secured convertible note then held by him that had previously been issued by the Registrant.

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**Item 9.01. Financial Statements, Pro Forma Financial Information and Exhibits.**

(c) Exhibits

99.1 Press Release, dated July 22, 2005, issued by the Registrant.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 26, 2005

BIO-KEY INTERNATIONAL, INC.

By: /s/ Francis J. Cusick

Francis J. Cusick

Chief Financial Officer

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**EXHIBIT INDEX**

**Exhibit No.**

**Description**

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99.1 Press Release, dated July 22, 2005, issued by BIO-key International, Inc.

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## BIO-Key Announces That Tom Colatosti, Former Viisage CEO, To Become Co-CEO and Comments on Fiscal 2005 Second Quarter Results

**Wall, N.J. – July 22, 2005** – BIO-key International, Inc. (OTC Bulletin Board: BKYI), the leader in finger-based biometric identification and wireless public safety solutions, said today that Tom Colatosti, BIO-key non-executive Chairman of the Board will become Co-CEO with Mike DePasquale in a newly formed Office of the CEO. Colatosti is a recognized leader in the security industry and has extensive strategic and operational experience and success in growing revenue, increasing shareholder value and having a proven record of bringing a biometric company to consistent profitability.

Colatosti will focus on day-to-day operations in finance, investor relations and lead the mobile wireless Public Sector business. DePasquale will focus on sales, marketing and lead the biometrics business. Commenting on the new structure, Colatosti said, "Our significant installed base of federal, state and local public service agencies; and important strategic events such as being selected for a pilot to provide biometrics to Indonesia with the potential to enroll 230 million people in a national ID system and the formation of a joint venture, called Identiphi, to provide electronic authentication and security for personal computing are important growth opportunities to position the company for substantial future growth. This structure will sharpen our execution focus and will enable us to drive the growing pipeline of sales activity in both the biometrics and wireless solutions business units."

The Company also announced that revenue and EBITDA for its fiscal 2005 second quarter ending June 30, 2005 will fall below the previously announced expectations provided by the company. Based on its preliminary and unaudited review of its fiscal 2005 second quarter results, the Company currently expects revenues to be at the same level as Q1, or \$3.9 million with an EBITDA loss of \$1.5 million. This compares to previous expectations of revenue being \$1.2 million higher with a break even EBITDA. The Company said the lower than expected results are largely related to delays in several anticipated contract awards that were extended beyond the close of its fiscal quarter. It is anticipated that these contracts will close during the current quarter.

DePasquale added, "Randy Fodero, Vice President of Sales has resigned. This will give us the opportunity to flatten out the organization and I look forward to getting closer to our customers and sales prospects. While our anticipated second quarter results are below expectations, I am heartened that the revenue shortfall is related to timing and not to the fundamental strength of the market or in our competitiveness. The precarious nature of national and world security underscores the large and urgent need for security solutions like our biometric and wireless technologies."

Colatosti concluded, "We have the biometric and wireless technology and solutions the market wants and needs. We have made great progress in building a strong and growing sales pipeline. By sharpening our execution, I believe we are positioned to be the industry leader in biometrics and wireless solutions while building a great and significant company."

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### About BIO-key

BIO-key develops and delivers advanced identification solutions and information services to law enforcement departments, public safety agencies, government and private sector customers. BIO-key's mobile wireless technology provides first responders with critical, reliable, real-time data and images from local, state and national databases. BIO-key's high-performance, scalable, cost-effective and easy-to-deploy biometric finger identification technology accurately identifies and authenticates users of wireless and enterprise data to improve security, convenience and privacy and to reduce identity theft. Over 2,500 police, fire and emergency services departments in North America use BIO-key solutions, making BIO-key the leading supplier of mobile and wireless solutions for public safety worldwide. (<http://www.bio-key.com>)

### BIO-key Safe Harbor Statement

This news release contains forward-looking statements that are subject to certain risks and uncertainties that may cause actual results to differ materially from those projected on the basis of these statements. The words "estimate," "project," "intends," "expects," "believes" and similar expressions are intended to identify forward-looking statements. Such forward-looking statements are made based on management's beliefs, as well as assumptions made by, and information currently available to, management pursuant to the "safe-harbor" provisions of the Private Securities Litigation Reform Act of 1995. For a more complete description of these and other risk factors that may affect the future performance of BIO-key International, see "Risk Factors" in the Company's Annual Report on Form 10-KSB and its other filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. The Company also undertakes no obligation to disclose any revision to these forward-looking statements to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events.

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