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BRIDGE TECHNOLOGY INC
Form DEF 14C
April 25, 2001

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

SCHEDULE 14C INFORMATION

Information Statement Pursuant to Section 14(C) of the Securities Exchange Act of 1934 as amended

Check the appropriate box:

- Preliminary Information Statement
 Confidential, for Use of the Commission Only
 Definitive Information Statement

Bridge Technology, Inc.

(Name of Registrant As Specified In Its Charter)

000-24767

(Commission file number)

Payment of Filing Fee (Check the appropriate box):

- No fee required
 Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11

1) Title of each class of securities to which transaction applies:

N/A

2) Aggregate number of securities to which transaction applies:

N/A

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

N/A

4) Proposed maximum aggregate value of transaction:

N/A

5) Total fee paid:

None

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[] Fee paid prviously with preliminary materials.

[] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

None

2) Form, Schedule or Registration Statement No.:

Schedule C

3) Filing Party:

Bridge Technology, Inc.

4) Date Filed:

April 24, 2001

BRIDGE TECHNOLOGY, INC.
12601 Monarch Street
Garden Grove, California 92841

INFORMATION STATEMENT
relating to
ANNUAL MEETING OF STOCKHOLDERS
to be held on May 14, 2001

WE ARE NOT ASKING YOU FOR A PROXY AND
YOU ARE REQUESTED NO TO SEND US A PROXY.

This information statement is furnished by the Board of Directors of Bridge Technology, Inc., a Nevada corporation, in connection with the Annual Meeting of Stockholders to be held on May 14, 2001 at 10:00 a.m., local time, at our principal executive offices located at 12601 Monarch Street, Monarch Street, Garden Grove, California 92841 for the purposes set forth in the accompanying Notice of Meeting.

The Board of Directors has fixed the close of business on April 20, 2001 as the record date of determination of the stockholders entitled to notice of ant to vote at the Annual Meeting. As of the record date, there were 10,863,186 issued and outstanding shares of our common stock held by approximately 2,800 holders of record. A majority of such shares will constitute a quorum for the transaction of business at the Annual Meeting. The holders of record on the record date of shares entitled to be voted at the Annual Meeting are entitled to cast one vote per share on each matter submitted to a vote at the Annual Meeting. The affirmative vote of a majority of the shares of common stock present, in persion or by proxy, at the Annual Meeting is required to approve each proposal. Votes will be

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counted by our representatives at the Annual Meeting. (STOCKHOLDERS DO NOT HAVE CUMULATIVE VOTING RIGHTS.)

This Information Statement is being mailed on or about April 24, 2001 to holders of record of common stock at the close of business on the record date. We will bear all costs and expenses relating to the preparation, printing and mailing of this Information Statement and accompanying materials to stockholders. Arrangements will be made with brokerage firms and other custodians, nominees and fiduciaries for forwarding the Information Statement to the beneficial owners of the shares of common stock held by such persons, and we will reimburse them for reasonable out-of-pocket expenses incurred in connection these mailings.

PROPOSAL 1 ELECTION OF DIRECTORS

Information About Nominees -----

Our board has nominated the following nine persons to serve as directors until the next Annual Meeting of our stockholders or until their respective successors are elected and qualified:

Winston Gu, age 50, has served as our Chairman and Chief Executive Officer since December 1999 and has been a director since 1997. He is also a member of our Executive Steering Committee, the Chief Executive Officer of our subsidiary, Autec Power Systems, Inc. and the President of Frontier Electronics Corporation for the past ten years.

John J. Harwer, age 54, has served as the President of our subsidiary, Pacific Bridge Net, since 1997 and has been a director since 1997. Mr. Harwer is also a member of our Executive Steering Committee. From January 1996 to May 1997, Mr. Harwer owned and managed a computer distribution company, Allied Web, Inc. From May 1994 to April 1996, he was a majority owner of Simpson, Inc., a supplier of computer memory and components to the domestic and international market. From January 1990 to May 1994, he was Vice President of Operations and New Product Development for CMS Enhancements, a \$200 million NYSE computer peripheral company. From 1971 through 1989, he held senior engineering, marketing and management positions with several companies in the computer industry including Hewlett-Packard, Raytheon, Gerber Scientific, Picker Nuclear, Genrad and Calcomp. Mr. Harwer also served as technology consultant to Burroughs (now UNISYS), Sharp USA, Graptec, Houston Instruments, Amtec and others. He received his Master of Computer Science degree from Charles University, Prague, Czech Republic in 1971. He has written, conducted and participated in numerous management and technology seminars and conferences.

John T. Gauthier, age 73, has served as our Chief Financial Officer, Secretary and Treasury since 1997. He has been a director since 1997 and is also a member of our Executive Steering Committee. He was the prior Chairman of the Company's Board of Directors from March 1997 to April 1998. He is also the Secretary-Treasurer, Chief Financial Officer, and a Director of the Exell Corporation since June 1995. For twelve years Mr. Gauthier was President and Chairman of the Board of Datronic Engineers Inc., a small capitalization public company engaged in the design, furnishing and installation of long-range telecommunications systems internationally. For six years he was Director of Finance and Administration for Northrop Corporation's subsidiary, Page Communications Engineers, a leading international telecommunications company. He was a former management

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consultant to the Executive Director of the International Monetary Fund of the World Bank. He was also a Founder, Director along with the former Comptroller of the U.S. Treasury, James Saxton of the Free State Bank and Trust Company in Potomac, Maryland. Mr. Gauthier received a Bachelor of Science Degree in Finance from Fordham University in 1953 and completed the MBA program at the Graduate School of Business, George Washington University in 1957. Mr. Gauthier also completed two years of legal training at the Georgetown University Law Center in 1959.

James Djen, age 47, has served in various capacities from President of PTI Enclosures, a Bridge subsidiary, to President of Bridge Technology, Inc. to currently Managing Director with responsibilities of overseeing the Asia-Pacific unit of the Corporation. He also serves as a member of our Executive Steering Committee and as a director since November 1998. He has also served as President and Chairman of the Board of PTI Enclosures, Inc. since 1993. From June 1985 to 1994 he was a director and Executive Vice President of CMS Enhancement, a New York, Stock Exchange firm. Mr. Djen was granted a Bachelor of Science Degree in Electrical Engineering from National Taiwan University in 1977 and a Master of Science Degree in Electrical Engineering from Connecticut's Bridgeport University in 1978 and a Master of Science Degree in Electrical Engineering in 1981 from California State University.

Peter Liu, age 50, has served as a director since 1997. He is the founder of the W.I. Harper Group, a San Francisco based venture capital and investment-banking firm, with offices in San Francisco, Taipei, Hong Kong, and Beijing where he has been the Chairman and Chief Executive Officer since 1995. W.I. Harper Group provides cross-border, financial and management services to companies in the international market.

Hideki Watanabe, age 55, has been a director and a member of our Executive Steering Committee since April 1998. Mr. Watanabe has also served as the President of Newcorp Technology Limited, our electronics technology R & D subsidiary based in Tokyo, Japan. He graduated from Nihon Physical Education College in 1972. From 1972 until 1982, he worked for Wakou-Shoji. From 1983 until 1984, he was the President of Seiei Corporation. In 1995, he co-founded Newcorp Technology Limited, where he is responsible for international sales and marketing of high technology products.

Joseph Gatti, Jr., age 72, has been employed as Managing Director of Corporate Finance for Spencer Trask Securities in New York since 1995. He has over 40 years experience in the securities industry, primarily in the funding of high technical organizations. He was a former Electronic Countermeasures Officer with the U.S. Air Force. He received a Bachelor of Science degree from New York State Maritime College in 1949.

Alan Hui-Tse Sheen, age 40, has served as a director since 1998. He has been the Chairman and Chief Executive Officer of American Computer and Digital Components, Inc., a privately held computer memory module company since 1992. Mr. Sheen has been actively involved in the computer memory module business since graduation from the University of Southern California in 1983 with a BS in Business Administration.

Fusahiko Hasegawa, age 58, has served as a director since 1998. He has been the President and Chief Executive Officer of Advanced Technology and Systems Co., Ltd., ADTX, an IBM Japan joint venture since 1994. Mr. Hasegawa has over 40 years of senior technical and management experience with IBM.

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OUR BOARD RECOMMENDS A VOTE FOR THE ELECTION OF THE ABOVE NOMINEES FOR DIRECTOR.

Additional Information About our Board and its Committees

Our Board of Directors has established an audit committee, but has not established a compensation committee or a standing nominating committee.

The audit committee provides assistance to our Board in satisfying its fiduciary responsibilities relating to accounting, auditing, operating and reporting practices and reviews the annual financial statements, the selection and work of our independent auditors and the adequacy of internal controls for compliance with corporate policies and directives. The audit committee, comprised of Peter Liu, Joseph Gatti and John T. Gauthier, met 4 times during fiscal 2000.

Our Board held 6 meetings during fiscal 2000 and each of the directors attended, either in person or by telephonic conference, 75% or more of the meetings of our Board and all such committees on which such director served during fiscal 2000.

Director Compensation

Directors who are employees receive no separate compensation for their service as directors. Our non-employee directors do not receive cash fees, however they receive 25,000 warrants annually to purchase common stock at a price set by the Board. The warrant price last year was at \$1.875 per share. In addition, directors are reimbursed for travel expenses for attending meetings of the board and any board or advisory committees.

Audit Committee Report

The audit committee consists of Peter Liu, Joseph Gatti, and John T. Gauthier, each of whom is a member of our Board of Directors, and qualifies as "independent" as defined under the National Association of Securities Dealers' listing standards except for John T. Gauthier, the Company's CFO, who is an interim member until the Board selects a qualified member to replace him. The audit committee operates under a written charter adopted by our Board of Directors which is included in this Information Statement as Appendix A.

The primary function of the audit committee is to provide advice with respect to our financial matters and to assist our Board of Directors in fulfilling its oversight responsibilities regarding finance, accounting and tax compliance. The audit committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor our financial reporting process and internal control systems;
- review and appraise the audit efforts of our independent accountants and internal audit department;
- evaluate our quarterly financial performance;
- oversee management's establishment and enforcement of financial policies and business practices; and

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- provide an open avenue of communication among the independent accountants, financial and senior management, counsel, the internal audit department and our Board of Directors.

The audit committee has reviewed and discussed our audited financial statements for the fiscal year ended December 31, 2000 with our management. The audit committee has discussed with BDO Seidman, LLP, our independent public accountants, the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees). The audit committee has also received the written disclosures and the letter form BDO Seidman, LLP required by Independence Standards Board Standard No. 1 (Independence Discussion with Audit Committees) and the audit committee has discussed the independence of BDO Seidman, LLP with them.

Based on the audit committee's review and discussions noted above, the audit committee recommended to our Board of Directors that our audited financial statements be included in our Annual Report on Form 10-KSB for the fiscal year ended December 31, 2000 for filing with the SEC.

Audit Committee

Peter Liu
Joseph Gatti
John T. Gauthier

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of our common stock by (a) each stockholder who is known by us to own beneficially more than 5% of the outstanding common stock, (b) each director and each nominee, (c) each executive officer named in the Summary Compensation Table on page 9 under the heading "Executive Compensation", and (d) all our executive officers and directors as a group. This ownership information is as of April 20, 2001, unless otherwise indicated in the footnotes.

Unless otherwise noted, each of the stockholders listed in the table possesses sole voting and investment power with respect to the shares indicated. Shares not outstanding but deemed beneficially owned by virtue of the right of a person or member of a group to acquire them within 60 days are treated as outstanding only when determining the amount and percent owned by such person or group. As of April 20, 2001, there were 10,863,186 shares of common stock outstanding.

| Name of Beneficial Owner | Shares of Common Stock Beneficially Owned | |
|--------------------------|--|------------------|
| | Amount | Percent of Class |
| Winston Gu | 2,773,334 | 25.5% |
| James Djen | 687,642 | 6.3% |
| John T. Gauthier | 33,334 | * |
| John J. Harwer | 200,000 | 1.8% |

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| | | |
|--|-----------|-------|
| Peter Liu | 60,000 | * |
| Joseph Gatti | 0 | |
| Alan Hui-Tse Sheen | 240,000 | 2.2% |
| Fusahiko Hasegawa | 20,000 | * |
| R. Fox | 33,000 | * |
| Cayman Computer Alliance Corporation 12601 Monarch Street Garden Grove, California 92841 | 373,206 | 3.4% |
| Hideki Watanabe 4-12-2 Nagatsuda, Midori-Ku Yokohama-Shi, Kanagawa-Ken, Japan | 300,000 | 2.8% |
| All directors and officers as a group (8 persons) | 4,214,310 | 38.8% |

* Less than 1%

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth the cash and non-cash compensation paid or earned during fiscal 1998, 1999 and 2000 by our Chief Executive Officer and our four other executive officers, all of whom received or earned cash and non-cash salary and bonus of more than \$100,000 for fiscal 2000.

| Name and Principal Position | Year | Annual Compensation | | | |
|--|------|---------------------|---------|------------------------------|------------------------------|
| | | Salary | Bonus | Other Annual Compensation | All Other Compensation(2) |
| Winston Gu Chairman and Chief Executive Officer | 2000 | 120,000 | - | - | 50,000 @ \$1.875 |
| | 1999 | 75,000 | 200,000 | - | 25,000 @ \$5.00 |
| | 1998 | 60,000 | 200,000 | - | - |
| James Djen Managing Director | 2000 | 120,000 | - | - | 50,000 @ \$1.875 |
| | 1999 | 120,000 | - | - | 25,000 @ \$5.00 |
| | 1998 | 159,000 | - | - | 45,000 @ \$3.50 |
| John J. Harwer President | 2000 | 120,000 | - | - | 50,000 @ \$1.875 |
| | 1999 | 120,000 | - | - | 25,000 @ \$5.00 |
| | 1998 | 158,333 | - | - | 100,000 @ \$1.75 |
| R. Fox General Manager PTI Enclosures | 2000 | 120,000 | - | - | 15,000 @ \$1.875 |
| | 1999 | 125,000 | - | - | 15,000 @ \$5.00 |
| | 1998 | 123,637 | - | - | - |
| John T. Gauthier Chief Financial Officer | 2000 | 120,000 | - | - | 50,000 @ \$1.875 |
| | 1999 | 60,000 | - | - | 25,000 @ \$5.00 |
| | 1998 | 36,000 | - | - | - |

Option Grants and Exercises

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 The following table summarizes option grants during the fiscal year ended December 31, 2000 to each of the executive officers named in the Summary Compensation Table above, and the potential realizable value of the options held by such persons as December 31, 2000.

| Name | Individual Grants(1) | | | | Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(3) | |
|------------------|---|--|------------------------------------|-----------------|---|---------|
| | Number of Securities Underlying Options Granted (#) | Percent of Total Options Granted to Employees in Fiscal Year | Exercise or Base Price (\$/Sh) (2) | Expiration Date | 5%(\$) | 10%(\$) |
| Winston Gu | 50,000 | 8.3% | 1.875 | _____ | _____ | _____ |
| James Djen | 50,000 | 8.3% | 1.875 | _____ | _____ | _____ |
| John J. Harwer | 50,000 | 8.3% | 1.875 | _____ | _____ | _____ |
| R. FOx | 15,000 | 2.5% | 1.875 | _____ | _____ | _____ |
| John T. Gauthier | 50,000 | 8.3% | 1.875 | _____ | _____ | _____ |