MERCURY SYSTEMS INC
Form SC 13G/A
February 14, 2013

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934
(Amendment No. 01)*

Mercury Computer Systems, Inc.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

589378108

(CUSIP Number)

Calendar Year 2012

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

x Rule 13d-1(b)

o Rule 13d-1(c)

o Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 589378108

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) BAMCO INC /NY/ 042741391		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (a) o (b) x		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION New York		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:		**5**	SOLE VOTING POWER 0
		6	SHARED VOTING POWER 1,750,000
		7	SOLE DISPOSITIVE POWER 0
		8	SHARED DISPOSITIVE POWER 1,750,000
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 1,750,000		

10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 5.43%
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) IA , CO

FOOTNOTES

CUSIP No. 589378108

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Baron Capital Group, Inc. 042741391		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (a) o (b) x		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION New York		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:		**5**	SOLE VOTING POWER 0
		6	SHARED VOTING POWER 1,750,000
		7	SOLE DISPOSITIVE POWER 0
		8	SHARED DISPOSITIVE POWER 1,750,000
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 1,750,000		

10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 5.43%
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) HC , CO

FOOTNOTES

CUSIP No. 589378108

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Baron Small Cap Fund 042741391		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (a) o (b) x		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION New York		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	**5**	SOLE VOTING POWER 0	
	6	SHARED VOTING POWER 1,750,000	
	7	SOLE DISPOSITIVE POWER 0	
	8	SHARED DISPOSITIVE POWER 1,750,000	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 1,750,000		

10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 5.43%
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) IV FOOTNOTES

CUSIP No. 589378108

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Ronald Baron 042741391		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (a) o (b) x		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION New York		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	**5**	SOLE VOTING POWER 0	
	6	SHARED VOTING POWER 1,750,000	
	7	SOLE DISPOSITIVE POWER 0	
	8	SHARED DISPOSITIVE POWER 1,750,000	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 1,750,000		

10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 5.43%
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) HC , IN

FOOTNOTES

Item 1.

(a) Name of Issuer
Mercury Computer Systems, Inc.

(b) Address of Issuer's Principal Executive Offices
199 Riverneck Road
Chelmsford MA 01824

Item 2.

(a) Name of Person Filing
Baron Capital Group, Inc. ("BCG")
BAMCO, Inc. ("BAMCO")
Baron Capital Management, Inc. ("BCM")
Ronald Baron
Baron Small Cap Fund ("BSC")

(b) Address of Principal Business Office or, if none, Residence
767 Fifth Avenue, 49th Floor
New York, NY 10153

(c) Citizenship
BCG, BAMCO and BCM are New York corporations. Ronald Baron is a citizen of the United States. BSC is a series of a Massachusetts Business Trust.

(d) Title of Class of Securities
Common Stock

(e) CUSIP Number
589378108

Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

(a) o Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).

(b) o Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).

(c) o Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).

(d) x Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C 80a-8).

(e) x An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);

(f) o An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);

(g) x A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);

(h) o A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);

(i) o A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);

(j) o A non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J).

(k) o A group, in accordance with § 240.13d-1(b)(1)(ii)(K). If filing as a non-U.S. institution in accordance with § 240.13d-1(b)(1)(ii)(J), please specify the type of institution:

Item 4. Ownership.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a) Amount beneficially owned: 1,750,000

(b) Percent of class: 5.43

(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote: 0

(ii) Shared power to vote or to direct the vote: 1,750,000

(iii) Sole power to dispose or to direct the disposition of: 0

(iv) Shared power to dispose or to direct the disposition of: 1,750,000

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following o .

N/A

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

The advisory clients of BAMCO and BCM have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Issuer's common stock in their accounts. To the best of the Filing Persons' knowledge, no such person has such interest relating to more than 5% of the outstanding class of securities.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company

BAMCO and BCM are subsidiaries of BCG. BSC is an advisory client of BAMCO. Ronald Baron owns a controlling interest in BCG.

Item 8. Identification and Classification of Members of the Group

See Item 3.

Item 9. Notice of Dissolution of Group

Not applicable.

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

	BAMCO, Inc.	
Date: February 14, 2013	By:	/s/ Ronald Baron Name: Ronald Baron Title: Chairman and CEO
	Baron Capital Group, Inc.	
Date: February 14, 2013	By:	/s/ Ronald Baron Name: Ronald Baron Title: Chairman and CEO
	Baron Small Cap Fund	
Date: February 14, 2013	By:	/s/ Ronald Baron Name: Ronald Baron Title: CEO
	Ronald Baron	
Date: February 14, 2013	By:	/s/ Ronald Baron Name: Ronald Baron Title: Individually

Footnotes:

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (See 18 U.S.C. 1001)

Patrick T. Flynn

2006

Former Vice President, Finance[(2)]

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(1) The perquisites and personal benefits for each named executive officer do not exceed the greater of $25,000 or 10% of the total amount of perquisites or personal benefits received by such named executive officer.

(2) Prior to our acquisition of Manitex, Inc. (Manitex), Mr. Flynn served as our principal financial officer and was compensated by Manitex Inc. Manitex, Inc. was not reimbursed by the Company for amounts paid to Mr. Flynn.

Grants of Plan-Based Awards

We made no grants of plan-based awards to named executive officers in fiscal year 2006.

Outstanding Equity Awards at Fiscal Year-End

The Company had no outstanding equity awards at the end of fiscal year 2006.

Option Exercises and Stock Vested

The named executive officers of the Company had no outstanding stock options or restricted stock during fiscal year 2006.

Pension Benefits

None of our named executive officers had accumulated benefits under a Company-defined benefit plan during fiscal year 2006.

Nonqualified Deferred Compensation

The Company did not have any deferred compensation plans for named executive officers in fiscal year 2006.

Employment Agreements

David J. Langevin

We entered into an employment agreement with Mr. Langevin which expires on December 31, 2008. However, this agreement is automatically renewable for successive one year periods unless a non-renewal notice is given by either party. Mr. Langevin s employment agreement entitles him to an annual base salary of $300,000 as well as insurance and retirement benefits as are generally available to our employees. In accordance with his employment agreement, Mr. Langevin is also provided with a $1,500 per month car allowance and reimbursement for the dues of a private club membership. Please see Potential Payments upon Termination or Change of Control for a description of payments due Mr. Langevin upon the termination of his employment.

Mr. Langevin is subject to a non-competition covenant for one year following his employment with us. In addition, he is obligated to maintain the confidentiality of our proprietary information and trade secrets for a period of two years following the termination of his employment.

A special committee of independent members of the Board of Directors approved Mr. Langevin s employment agreement in connection with our acquisition of all of the outstanding membership interests of Quantum Value Management, LLC.

David H. Gransee

We entered into an employment agreement with Mr. Gransee which expires on September 30, 2007 but automatically renews for successive one year periods unless a non-renewal notice is delivered by either party. Mr. Gransee s employment agreement entitles him to an annual base salary of $180,000 and insurance and retirement benefits as are generally available to our employees. In accordance with his employment agreement, Mr. Gransee is also provided with a $750 per month car allowance. Please see Potential Payments upon Termination or Change of Control for a description of payments due Mr. Gransee upon the termination of his employment.

Mr. Gransee is subject to a non-competition covenant for one year following termination of his employment. Also, he is obligated to maintain the confidentiality of our proprietary information and trade secrets for a period of two years following termination of his employment.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL

David J. Langevin and David H. Gransee are the only named executive officers due compensation in the event of the termination of employment. The amount of compensation payable to such named executive officers upon voluntary termination, involuntary termination without Just Cause (as that term is defined in such executive s employment agreement), Just Cause termination, termination following a change of control and in the event of permanent disability of the executive is shown below.

The following assumptions were made in estimating the payments set forth below: (1) termination payment of accrued unpaid base salary is calculated assuming a full pay period (this payment may be less, depending upon where the termination date falls within the pay period); (2) the value of post-termination health, dental and life insurance is estimated to be $1,500 per month; and (3) with respect to Mr. Langevin, accrued and unused vacation is assumed to be the annual maximum of four weeks.

David J. Langevin

Executive Benefits and Payments Upon Termination	Voluntary Termination	Involuntary Termination without Just Cause	Just Cause Termination	Change of Control	Permanent Disability
Compensation:					
Continuation of Base Salary		$ 300,000		$ 150,000	$ 300,000
Termination Payment of Accrued Unpaid Base Salary	$ 12,500	$ 12,500	$ 12,500	$ 12,500	$ 12,500
Benefits:					
Post-termination Health, Dental & Life Insurance		$ 18,000		$ 9,000	$ 18,000
Private club dues reimbursement		$ 12,000		$ 6,000	$ 12,000
Termination Payment of Accrued Unpaid Car Allowance	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500
Accrued Unused Vacation	$ 25,000				
Total:	**$ 39,000**	**$ 344,000**	**$ 14,000**	**$ 179,000**	**$ 344,000**

David H. Gransee

Executive Benefits and Payments Upon Termination	Voluntary Termination	Involuntary Termination without Just Cause	Just Cause Termination	Change of Control	Permanent Disability
Compensation:					
Continuation of Base Salary		$ 180,000		$ 180,000	$ 180,000
Termination Payment of Accrued Unpaid Base Salary	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500
Benefits:					
Post-termination Health, Dental & Life Insurance		$ 18,000		$ 18,000	$ 18,000
Termination Payment of Accrued Unpaid Car Allowance	$ 750	$ 750	$ 750	$ 750	$ 750
Total:	**$ 8,250**	**$ 206,250**	**$ 8,250**	**$ 206,250**	**$ 206,250**

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our officers, directors and persons who beneficially own more than 10% of a registered class of our equity securities to file reports of securities ownership and changes in such ownership with the Securities and Exchange Commission (the SEC). Officers, directors and greater than 10% beneficial owners are also required by rules promulgated by the SEC to furnish us with copies of all Section 16(a) forms they file.

Based solely upon a review of the copies of such forms furnished to us or written representations that no Form 5 filings were required, we believe that during the period from January 1, 2006 through December 31, 2006, all Section 16(a) filing requirements applicable to its officers, directors and greater than 10% beneficial owners were complied with, except the initial Form 3 reporting requirement of Marvin B. Rosenberg and David H. Gransee and a Form 4 reporting the shares of the company received as a liquidating distribution by Robert J. Skandalaris, Michael Azar, and David J. Langevin. Each of these forms were subsequently filed.

Code of Ethics

We have adopted a code of ethics that applies to all of our employees, executive officers and Directors including our principal executive officer and principal financial officer. The code of ethics includes provisions covering compliance with laws and regulations, insider trading practices, conflicts of interest, confidentiality, protection and proper use of our assets, accounting and record keeping, fair competition and fair dealing and reporting of illegal or unethical behavior. The code of ethics is posted on our website at www.Veri-Tek.com. Waiver of any provision of the code of ethics granted to an executive officer or Director may only be made by our Board of Directors and will be promptly disclosed on our website.

Transactions with Related Persons

Discussed below are certain direct and indirect relationships and transactions involving the Company and any director, executive officer, director nominee, beneficial owner of more than five percent of our Common Stock and any member of the immediate family of the foregoing. We believe that the terms of the following transactions are comparable to terms that would have been reached by unrelated parties in arms-length transactions.

Robert J. Skandalaris

In April 2006, prior to its acquisition by the Company, one of our subsidiaries, Manitex, Inc. (Manitex), completed a sale and leaseback transaction of its Georgetown, Texas facility to an entity controlled by Robert J. Skandalaris, who was a significant stockholder of the Company during fiscal 2006. The sale price was $5 million and the proceeds of the transactions were used to reduce Manitex s debt under its credit facility. The lease has a 12-year term and provides for monthly rent of $67,000.

GT Distribution, Inc.

The Company, through its Manitex and Manitex Liftking subsidiaries, purchases and sells parts to GT Distribution, Inc. (GT Distribution). GT Distribution is owned in part by David H. Langevin, the Company s Chairman and Chief Executive Officer. In 2006, the Company made purchases from BGI USA, Inc., SL Industries, Ltd., Schaeff Lift Truck, Inc., three subsidiaries of GT Distribution, in the aggregate amounts of $367,000, $512,000 and $168,000, respectively. As of December 31, 2006, the Company had $37,000 in current accounts receivable from GT Distribution and $253,000 in accounts payable due to GT Distribution.

In 2006, GT Distribution, Inc. and its subsidiaries were covered under Manitex s general, product liability and umbrella insurance policies. In exchange for this coverage, GT Distribution paid Manitex $139,000 based on GT Distribution s annual sales.

As of December 31, 2006, we had a receivable of $4,722,000 from GT Distribution, which includes amounts owed by its subsidiary, Crane & Machinery, Inc. GT Distribution expects to settle this receivable within 12 months by transferring certain of its assets to the Company. On March 29, 2007, the Company and GT

Distribution entered into a non-binding letter of intent in which GT Distribution agreed to transfer to the Company all of its rights to an interests in the assets constituting its Noble forklift product line, including all inventory, contract rights and intellectual property. The consummation of this transaction is subject to our obtaining an opinion as to the fairness, from a financial point of view to the Company and our stockholders, of the consideration to be paid by the Company, the negotiation and execution of a definitive purchase agreement and approval of the transaction by the Audit Committee. Therefore, we cannot assure that this transaction will be completed on terms satisfactory to us or at all.

Other

We have a note payable to the former members of Quantum Value Management, LLC (QVM) for $1,072,000 issued in the connection with our acquisition of the membership interests of QVM. Immediately following the transaction, three of the members of QVM, Michael Azar, David Langevin and Robert J. Skandalaris held 6.1%, 12.1% and 12.1% of our outstanding Common Stock. At that time Michael Azar was also our Vice President and Secretary and David Langevin was our Chief Executive Officer of the Company.

Approval Process

Transactions involving related persons are approved, or ratified if pre-approval is not feasible, by our Audit Committee, which approves or ratifies the transaction only if our Audit Committee determines that it is in the best interests of our stockholders. In considering the transaction, our Audit Committee considers all relevant factors, including, as applicable (i) the business rationale for entering into the transaction; (ii) available alternatives to the transaction; (iii) whether the transaction is on terms no less favorable than terms generally available to an unrelated third party under the same or similar circumstances; (iv) the potential for the transaction to lead to an actual or apparent conflict of interest and any safeguards imposed to prevent such actual or apparent conflicts; and (v) the overall fairness of the transaction. Our Audit Committee also periodically monitors ongoing transactions involving related persons to ensure that there are no changed circumstances that would render it advisable to amend or terminate the transaction.

DIRECTOR COMPENSATION

Directors who are employees of the Company receive no compensation, as such, for their service as members of the Board. In calendar year 2007, pursuant to the Non-Employee Director Plan, Directors who were not employees of the Company will receive $6,250 per fiscal quarter. All Directors are reimbursed for expenses incurred in connection with attendance at meetings. In addition, non-employee Directors are eligible to participate in the Company s 2004 Equity Incentive Plan.

The following table sets forth information regarding the compensation received by each of the our non-employee Directors during the year ended December 31, 2006:

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Robert S. Gigliotti	$ 23,750						$ 23,750
Marvin B. Rosenberg[(1)]	$ 6,250						$ 6,250
Joseph B. Davies[(2)]	$ 23,750						$ 23,750
Christopher Morin[(3)]							
Diana E. Roggenbauer[(4)]	$ 23,750						$ 23,750

(1) Mr. Rosenberg was appointed to the Board on August 1, 2006.
(2) Mr. Davies resigned from the Board on March 29, 2007.
(3) Mr. Morin resigned from the Board on February 22, 2006
(4) Ms. Roggenbauer resigned from the Board on March 29, 2007.

THE COMMITTEE ON DIRECTORS AND BOARD GOVERNANCE

The Committee on Directors and Board Governance is currently composed of three directors, Robert S. Gigliotti, Terrence P. McKenna and Marvin B. Rosenberg. Messrs. Gigliotti, McKenna and Rosenberg meet the criteria for independence specified in the listing standards of the American Stock Exchange. The principal functions of the Committee on Directors and Board Governance is to:

- consider and recommend to the Board qualified candidates for election as directors of the Company;
- periodically prepare and submit to the Board for adoption the Committee s selection criteria for directors nominees;
- recommend to the Board and management a process for new Board member orientation;
- consider matters of corporate governance and Board practices and recommend improvements to the Board;
- review periodically our charter and bylaws in light of statutory changes and current best practices;
- review periodically the charter, responsibilities, membership and chairmanship of each committee of the Board and recommend appropriate changes;
- review Director independence, conflicts of interest, qualifications and conduct and recommend to the Board removal of a Director when appropriate; and
- annually assess the Committee s performance.

The Committee on Directors and Board Governance held one meeting in fiscal year 2006. See Nominating Procedures below for further information on the nominating process.

Nominating Procedures

As described above, we have a standing Committee on Directors and Board Governance. The Committee on Directors and Board Governance s charter is posted on our website, www.Veri-Tek.com in the investor relations section.

The Board has adopted membership guidelines that outline the desired composition of the Board and the criteria to be used in selecting directors. These guidelines provide that the Board should be composed of directors with a variety of experience and backgrounds, who have high-level managerial experience in a complex organization and who represent the balanced interests of shareowners as a whole rather than those of special interest groups. Other important factors in Board composition include diversity, age, international background and experience and specialized expertise. A significant majority of the Board should be directors who are not our past or present employees or a significant stockholder, customer or supplier.

In considering candidates for the Board, the Committee on Directors and Board Governance considers the entirety of each candidate s credentials and does not have any specific, minimum qualifications that must be met by a Board nominee. The Committee is guided by the composition guidelines set forth above and by the following basic selection criteria: highest character, integrity and experience.

Corporate Governance

The Board of Directors has determined that three of our directors are independent under the rules of the American Stock Exchange. The independent directors are: Robert S. Gigliotti, Terrence P. McKenna and Marvin B. Rosenberg. Each of the directors serving on the Audit

Committee, the Compensation Committee and the Corporate Governance Committee are independent under the standards of the American Stock Exchange.

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Meetings of Non-Employee Directors

The non-employee directors of the Board typically meet in executive session without management present either prior to or immediately following each scheduled Board Meeting, and as otherwise needed. When the non-employee directors of the Board or respective committees meet in executive session without management, a temporary chair is selected from among the directors to preside at the executive session.

Charters

We have adopted charters for our Audit, Compensation, Executive and Corporate Governance Committees. These charters are posted on our website: www.Veri-Tek.com. We will provide without charge a copy of the charters to any stockholder upon written request to the Corporate Secretary.

Communication with the Board of Directors

Correspondence for any member of Veri-Tek s Board of Directors may be sent to his attention: c/o Corporate Secretary, VERI-TEK INTERNATIONAL, CORP., 7402 W. 100th Place, Bridgeview, Illinois 60455 Any written communication will be forwarded to the Board for its consideration.

Director Attendance at Annual Meetings

Our Directors are expected to attend the Annual Meeting of Stockholders except where attendance is impractical due to illness or unavoidable scheduling conflicts.

AUDIT COMMITTEE

The Board of Directors has adopted a written charter for the Audit Committee. The three members of the Audit Committee are independent directors as that term is defined in Section 121 of the American Stock Exchange listing standards.

Change in Principal Accounting Firm. On August 28, 2006, Freedman & Goldberg, CPAs, P.C. (Freedman & Goldberg) was dismissed as our independent registered public accountant and simultaneously UHY LLP (UHY) was appointed as our independent registered public accountant.

The decision to change independent accountants was approved by our Board of Directors and did not result from any dissatisfaction with the quality of professional services rendered by Freedman & Goldberg.

Freedman & Goldberg s report on our financial statements for the fiscal year ended December 31, 2005 did not contain an adverse report or disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope or accounting principles. During the fiscal year ended December 31, 2005 and the subsequent interim period, there were no disagreements with Freedman & Goldberg on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

During the fiscal year ended December 31, 2005 and the subsequent interim period, there were no reportable events with respect to the Company, as that term is defined in Item 304(a)(1)(v) of Regulation S-K, and the Company did not consult with UHY with respect to the Company regarding any of the matters or events set forth in Item 304(a)(2)(i) and (ii) of Regulation S-K.

Principal Accounting Firm Fees. The aggregate amount of fees billed for professional services by UHY and UHY Advisors, Inc. (Advisors) for the fiscal year ended December 31, 2006 and Freedman & Goldberg, CPAs, P.C. (Freedman & Goldberg) for the fiscal year ended December 31, 2005, are as follows:

	2006	**2005**
Audit Fees	$ 248,422	$ 71,059
Audit-Related Fees	19,675	0
Total Audit and Audit-Related Fees	268,097	71,059
Tax Fees	111,725	5,500
All Other Fees	62,510	33,193
Total Fees	$ 442,332	$ 109,752

Audit Fees. These fees are for professional services rendered in connection with the audit of our annual financial statements for the fiscal years ended December 31, 2006 and December 31, 2005, and for the reviews of the financial statements included in the Company s Quarterly Reports on Form 10-Q for those fiscal years.

Audit Related Fees. These fees are fees billed in the fiscal year for assurance and related services that are related to the performance of the audit or review of our financial statements but are not Audit Related Fees.

Tax Fees. These fees relate to federal, state and foreign tax compliance services, including preparation, compliance, advice and planning.

All Other Fees. These fees are for professional services rendered other than Tax Fees or in connection with our audit.

The Audit Committee has adopted an Audit and Non-Audit Services Pre-Approval Policy which requires the Audit Committee s pre-approval of audit and non-audit services performed by the independent auditor to assure that the provisions of such services does not impair the auditor s independence. The Audit Committee approved all audit and non-audit services rendered by Freedman & Goldberg and UHY LLP for the fiscal years ended December 31, 2006 and December 31, 2005, respectively.

Leased Employees. UHY acts as our principal independent registered public accounting firm. Through December 31, 2006, UHY had a continuing relationship with Advisors from which it leased auditing staff who were full time, permanent employees of Advisors and through which UHY s partners provide non-audit services. UHY has only a few full time employees. Therefore, few, if any, of the audit services performed were provided by permanent full-time employees of UHY. UHY manages and supervises the audit services and audit staff, and is exclusively responsible for the opinion rendered in connection with its examination.

Freedman & Goldberg has informed us that none of the hours expended to audit our financial statements for the fiscal year ended December 31, 2005 were attributable to work performed by persons other than full time, permanent employees.

The Audit Committee report set forth below shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such acts.

Audit Committee Report. Management is responsible for the Company s internal controls, financial reporting process and compliance with laws and regulations and ethical business standards. The independent auditor is responsible for performing an independent audit of the Company s consolidated financial statements in accordance with generally accepted auditing standards and issuing a report thereon. The Audit Committee s responsibility is to monitor and oversee these processes on behalf of the Board of Directors. In this context, the Audit Committee has reviewed and discussed with management and the independent auditors the audited financial statements. The Audit Committee has discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees). In addition, the Audit Committee has received from the independent auditors the written disclosures required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and discussed with them their independence from the Company and its management. Moreover, the Audit Committee has considered whether the independent auditor s provision of other non-audit services to the Company is compatible with the auditor s independence. In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2006, for filing with the Securities and Exchange Commission. By recommending to the Board of Directors that the audited financial statements be so included, the Audit Committee is not opining on the accuracy, completeness or fairness of the audited financial statements.

Sincerely,

Robert S. Gigliotti

Terrence P. McKenna

Marvin B. Rosenberg

AUDIT COMMITTEE

ITEM 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors, upon recommendation of the Audit Committee, has appointed UHY LLP as independent public accountants, to audit our consolidated financial statements for the year ending December 31, 2007, and to perform other appropriate services as directed by our management and Board of Directors.

A proposal will be presented at the meeting to ratify the appointment of UHY LLP as the Company s independent public accountants. It is expected that a representative of UHY LLP will be present at the Annual Meeting to respond to appropriate questions or to make a statement if he or she so desires. Stockholder ratification of the selection of UHY LLP as our independent public accountants is not required by our bylaws or other applicable legal requirement. However, the Board of Directors is submitting the selection of UHY LLP to the Stockholders for ratification as a matter of good corporate practice. If the Stockholders fail to ratify this appointment other independent public accountants will be considered by the Board of Directors upon recommendation of the Audit Committee. Even if the appointment is ratified, the Board of Directors at its discretion may direct the appointment of a different independent accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and its Stockholders.

Vote Required

The ratification of UHY LLP as the Company s independent public accountants will require the affirmative vote of the holders of at least a majority of the outstanding shares of our Common Stock present or represented at the meeting. **THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF UHY LLP AS THE COMPANY S INDEPENDENT PUBLIC ACCOUNTANTS.**

ITEM 3: OTHER MATTERS

Except for the matters referred to in the accompanying Notice of Annual Meeting, management does not intend to present any matter for action at the Annual Meeting and knows of no matter to be presented at the meeting that is a proper subject for action by the Stockholders. However, if any other matters should properly come before the meeting, it is intended that votes will be cast pursuant to the authority granted by the enclosed Proxy in accordance with the recommendation of the Board of Directors.

ANNUAL REPORT

The Annual Report to Stockholders covering the Company s fiscal year ended December 31, 2006 is being mailed to Stockholders with this Proxy Statement. The Company s annual report on Form 10-K under the Securities Exchange Act of 1934 for the year ended December 31, 2006, including the financial statements and schedules thereto, which the Company has filed with the Securities and Exchange Commission will be made available to beneficial owners of the Company s securities without charge upon request by contacting David H. Gransee, 7402 W. 100th Place, Bridgeview, Illinois.

STOCKHOLDER PROPOSALS

Stockholders who intend to have a proposal considered for inclusion in the Company s proxy materials for presentation at the 2008 Annual Meeting of Stockholders must submit the written proposal to the Company no later than December 31, 2007. Stockholders who intend to present a proposal at the 2007 Annual Meeting of Stockholders without inclusion of such proposal in the Company s proxy materials are required to provide notice of such proposal to the Company no later than May 15, 2007. The persons named in the Company s proxies for its annual meeting of stockholders to be held in 2008, may exercise discretionary voting power with respect to any such proposal as to which the Company does not receive timely notice. We reserve the right to reject, rule out of order, or take other appropriate action with respect to any proposal that does not comply with these and other applicable requirements.

REQUEST TO RETURN PROXIES PROMPTLY

A Proxy is enclosed for your use. Please mark, date, sign and return the Proxy at your earliest convenience or vote through the telephone or Internet procedures set forth on the proxy card. The Proxy requires no postage if mailed in the United States in the postage-paid envelope provided. A prompt return of your Proxy will be appreciated.

By Order of the Board of Directors,

/s/ David H. Gransee

Bridgeview, Illinois

May 21, 2007

VERI-TEK INTERNATIONAL, CORP. PROXY - 2007 ANNUAL MEETING

Solicited on behalf of the Board of Directors for the Annual Meeting June 18, 2007

The undersigned, a Stockholder of VERI-TEK INTERNATIONAL, CORP., a Michigan corporation, appoints David J. Langevin and Andrew Rooke, or either of them individually and each with full power of substitution as his, her or its true and lawful agent and proxy, to vote all the shares of stock that the undersigned would be entitled to vote if personally present at the Annual Meeting of Stockholders of VERI-TEK INTERNATIONAL, CORP. to be held at 7402 W. 100th Place, Bridgeview, Illinois 60455, on Monday, June 18, 2007 at 11:00 a.m., and any adjournment(s) thereof, with respect to the following matters which are more fully explained in the Proxy Statement of the Company dated May 21, 2007, receipt of which is acknowledged by the undersigned:

VERI-TEK INTERNATIONAL, CORP.

_____________ __, 2007

Co. # __________ Acct. # __________

PROXY VOTING INSTRUCTIONS

TO VOTE BY MAIL. Please date, sign and mail your proxy card in the envelope provided as soon as possible.

TO VOTE BY TELEPHONE (TOUCH-TONE ONLY). Please call toll-free 1-800-PROXIES and follow the instructions. Have your control number and the proxy card available when you call.

TO VOTE BY INTERNET. Please access the web page at www.voteproxy.com and follow the on-screen instructions. Have your control number available when you access the web page.

YOUR CONTROL NUMBER IS →

ITEM 1: ELECTION OF DIRECTORS

______ **FOR** all nominees (Except as listed below) ______ **WITHHOLD AUTHORITY** (As to all nominees)

Nominees: **Robert S. Gigliotti, David J. Langevin, Terrence P. McKenna and Marvin B. Rosenberg**

Instruction: To withhold authority to vote for any individual nominee(s), write that nominee s name in the space provided below.

____

ITEM 2: RATIFICATION OF UHY LLP AS THE COMPANY S INDEPENDENT PUBLIC ACCOUNTANTS

______ FOR ______ AGAINST ______ ABSTAIN

ITEM 3: THE TRANSACTION OF SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE ANNUAL

MEETINGS

This proxy will be voted in accordance with the instructions given. If no direction is made, the shares represented by this proxy will be voted FOR the election of the directors nominated by the Board of Directors, for the ratification of UHY LLP as the Company s Independent Public Accountants and will be voted in accordance with the discretion of the proxies upon all other matters which may come before the Annual Meeting.

DATED: ______________________________, 2007

Signature of Stockholder

Signature of Stockholder

PLEASE SIGN AS YOUR NAME APPEARS ON THE PROXY

Trustees, Guardians, Personal and other Representatives, please indicate full titles.