

SCIOS INC  
Form 10-Q/A  
January 09, 2003

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

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**FORM 10-Q/A**  
(Amendment No. 1)

(Mark One)

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

**For the quarterly period ended September 30, 2002**

**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: 0-11749**

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**Scios Inc.**

(Exact name of Registrant as specified in its charter)

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

**95-3701481**  
(I.R.S. Employer  
Identification No.)

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**Scios Inc.**  
**820 W. Maude Ave.**  
**Sunnyvale, CA 94085**  
(Address of principal executive offices) (Zip code)

**(408) 616-8200**  
(Registrant's telephone number including area code)

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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

Number of shares outstanding of the issuer's common stock, par value \$.001 per share, as of November 6, 2002: 46,659,442.

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## EXPLANATORY NOTE

This Amendment No. 1 to our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2002 is being filed solely to file revised Exhibits 10.57 and 10.58.

### PART I. FINANCIAL INFORMATION

#### Item 4. 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. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Within 90 days prior to the date of this amended report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective.

There have been no significant changes in our internal controls or in other factors that could significantly affect our internal controls subsequent to the date we completed our evaluation.

### PART II. OTHER INFORMATION

#### Item 6. Exhibits and reports on Form 8-K

##### (a) Exhibits

- 10.55\* Lease agreement dated August 16, 2002 for premises located at 6500 Paseo Padre Parkway, Fremont, California (portions of the exhibit have been omitted pursuant to a request for confidential treatment).
- 10.56\* Lease agreement dated August 16, 2002 for premises located at 6422 Commerce Drive, Fremont, California (portions of the exhibit have been omitted pursuant to a request for confidential treatment).
- 10.57 Processing and Supply Agreement Natrecor BNP between Abbott Laboratories and Scios Inc., made effective as of December 1, 1997 (portions of the exhibit have been omitted pursuant to a request for confidential treatment).
- 10.58 Cross-License Agreement, made and entered into as of May 13, 1998, by and between Shionogi & Co., Ltd. and Scios Inc., as modified on March 5, 2002 (portions of the exhibit have been omitted pursuant to a request for confidential treatment).

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\* Filed as an exhibit to the Quarterly Report of Form 10-Q filed on November 11, 2002 and incorporated herein by reference.

##### (b) Reports on Form 8-K

Report on Form 8-K Filed on July 26, 2002. On July 25, 2002, Scios Inc. announced its financial results for the second quarter and six months ended June 30, 2002.

Report on Form 8-K Filed on August 6, 2002. On August 5, 2002, Scios Inc. closed a private offering of \$150 million aggregate principal amount of its 5.50% Convertible Subordinated Notes due 2009.

Report on Form 8-K Filed on August 14, 2002. On August 14, 2002, Scios Inc. filed a certification for its Quarterly Report on Form 10-Q for the quarter ended June 30, 2002 by the chief executive officer and chief financial officer, as required by 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002.

**SIGNATURES**

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

SCIOS INC.

January 9, 2003

By:

/s/ Richard B. Brewer

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Richard B. Brewer, President and CEO

January 9, 2003

By:

/s/ David W. Gyska

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David W. Gyska, Senior Vice President and CFO

**Certifications**

I, Richard B. Brewer, President and Chief Executive Officer of Scios Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Scios Inc.;
2. Based on my knowledge, this quarterly 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 quarterly 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-14 and 15d-14) for the registrant and we have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: January 9, 2003

/s/ Richard B. Brewer

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Richard B. Brewer  
President and Chief Executive Officer

**Certifications**

I, David W. Gryska, Senior Vice President and Chief Financial Officer of Scios Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Scios Inc.;
2. Based on my knowledge, this quarterly 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 quarterly 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-14 and 15d-14) for the registrant and we have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: January 9, 2003

/s/ David W. Gryska

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David W. Gryska  
Senior Vice President and Chief Financial Officer