

# U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## Form 10-K/A

(Amendment No. 1)

(Mark One)

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

For the fiscal year ended **March 31, 2015**

**TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. **0-28034**

### **AdvanSource Biomaterials Corporation**

(Name of small business issuer in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**04-3186647**

(I.R.S. Employer Identification No.)

**229 Andover Street, Wilmington, Massachusetts**  
(Address of principal executive offices)

**01887**  
(Zip Code)

Issuer's telephone number **(978) 657-0075**

Securities registered under Section 12(b) of the Exchange Act:

Title of each class	Name of each exchange on which registered
<b>Common Stock, \$.001 par value per share</b>	<b>None</b>

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained in this 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. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

- |  |   |
|--|---|
| <input type="checkbox"/> Large Accelerated Filer | <input type="checkbox"/> Accelerated Filer                    |
| <input type="checkbox"/> Non-accelerated Filer   | <input checked="" type="checkbox"/> Smaller reporting company |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of June 30, 2015, 21,490,621 shares of the registrant's Common Stock were outstanding. As of September 30, 2014, the aggregate market value of the registrant's Common Stock held by non-affiliates of the registrant (without admitting that such person whose shares are not included in such calculation is an affiliate) was \$840,000 based on the last sale price as quoted on the OTC Markets quoting system on such date.

### **EXPLANATORY PARAGRAPH**

This Amendment No. 1 on Form 10-K/A (“Amendment No. 1”) amends our Annual Report on Form 10-K for the fiscal year ended March 31, 2015, originally filed on July 13, 2015 (the “Original Filing”). We are filing this Amendment No. 1 to include the information required by Part III and not included in the Original Filing as we will not file a definitive proxy statement within 120 days of our fiscal year ended March 31, 2015. We are also filing currently dated certifications of our Chief Executive Officer (Exhibits 31.1, 31.2, and 32.1), as required under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.

No changes have been made to the Original Filing other than the furnishing of the exhibits as set forth in Item 15 herein. This Amendment No. 1 continues to speak as of the Original Filing date of the Form 10-K, does not reflect events that may have occurred subsequent to the Original Filing date, and does not modify or update in any way disclosures made in the Form 10-K.

### PART III

#### Item 10. Directors, Executive Officers and Corporate Governance

AdvanSource Biomaterials Corporation (“AdvanSource”) is currently comprised of four directors. Our directors and named executive officer, their ages and positions, as well as certain biographical information of these individuals, are set forth below. The ages of the individuals are provided as of July 15, 2015.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Michael F. Adams	59	Director, President and Chief Executive Officer
William J. O'Neill, Jr.	73	Director, Chairman of the Board
Michael L. Barretti	70	Director
Mark R. Tauscher	63	Director

There are no family relationships between any director, executive officer, or person nominated or chosen to become a director or executive officer.

##### *Michael F. Adams*

Mr. Adams has been our director since May 1999. Mr. Adams was appointed as our President and Chief Executive Officer on August 7, 2006. From April 1, 2006 until August 7, 2006, Mr. Adams was our Vice President of Regulatory Affairs and Business Development. Prior to April 2006, Mr. Adams was the Vice President of PLC Systems, Inc. Prior to joining PLC Systems in September 2000, Mr. Adams was Vice President of Assurance Medical, Inc. Prior to joining Assurance Medical in June 1999, Mr. Adams was the Chief Operating Officer and Vice President of Regulatory Affairs and Quality Assurance of CardioTech from June 1998 to May 1999. From November 1994 through June 1998, Mr. Adams served as the Vice President of Cytoc Corporation. Mr. Adams received a BS from the University of Massachusetts.

Our Board has concluded that Mr. Adams is an appropriate person to represent management on our Board of Directors given his position as our Chief Executive Officer, his tenure with us, which dates back to June 1998, his professional credentials, and his standing in the medical community, including expertise in regulatory and operational matters as they relate to the development, production, marketing and sales of medical devices.

##### *William J. O'Neill, Jr.*

Mr. O'Neill has been our director since May 2004 and was appointed as Chairman on August 7, 2006. Mr. O'Neill is currently the Dean of the Frank Sawyer School of Management at Suffolk University in Boston, Massachusetts. From 1969 through 1999, Mr. O'Neill held the positions of Executive Vice President of the Corporation, President of Corporate Business Development, and Chief Financial Officer for Polaroid Corporation. He was also Senior Financial Analyst at Ford Motor Company. Mr. O'Neill was a Trustee at the Dana Farber Cancer Institute, and is a former member of the Massachusetts Bar Association, a member of the Board of Directors of the Greater Boston Chamber of Commerce, and serves on the Board of Directors of Concord Camera. He earned a BA at Boston College in mathematics, a MBA in finance from Wayne State University, and a JD from Suffolk University Law School.

Our Board of Directors has concluded that Mr. O'Neill is uniquely qualified to serve as a director and Chairman of our Board based on his past and current leadership and executive roles, financial skills and overall business judgment.

*Michael L. Barretti*

Mr. Barretti has been our director since January 1998. On June 30, 2013, Mr. Barretti retired as the Director of Executive Education and professor of marketing at Suffolk University in Boston, however he continues to act as a professor at Suffolk University on a part-time basis. Mr. Barretti has been the President of Cool Laser Optics, Inc., a company which commercializes optical technology specific to the medical laser industry, since July 1996. From September 1994 to July 1996, Mr. Barretti was Vice President of Marketing for Cynosure, Inc., a manufacturer of medical and scientific lasers. From June 1987 to September 1994, Mr. Barretti was a principal and served as Chief Executive Officer of NorthFleet Management Group, a marketing management firm serving the international medical device industry. From January 1991 to May 1994, Mr. Barretti also acted as President of Derma-Lase, Inc., the U.S. subsidiary of a Glasgow, Scotland supplier of solid-state laser technologies to the medical field. Mr. Barretti received his BA from St. Johns University and an MBA from Suffolk University. Mr. Barretti is retired as a United States Marine Corps officer.

Our Board of Directors has concluded that Mr. Barretti is uniquely qualified to serve as a director based on his experience and leadership roles with medical device companies; his tenure with us, which dates back to January 1998; and marketing expertise at both the corporate and academic levels.

*Mark R. Tauscher*

Mr. Tauscher has been our director since October 2010. Since December 1999, Mr. Tauscher has been the President, Chief Executive Officer and director of PLC Systems Inc., and was appointed as its current Chairman of the Board on June 2013. Mr. Tauscher has also served as President, Chief Executive Officer and a director of PLC Medical Systems, Inc. since January 2001. Prior to joining PLC Systems Inc. and PLC Medical Systems, Inc., from November 1988 to December 1999, Mr. Tauscher served as Executive Vice President of Sales and Marketing at Quinton Instrument Company, a developer, manufacturer and marketer of cardiology products, medical devices and fitness equipment. From November 1996 to November 1998, Mr. Tauscher served as Division President of Marquette Medical Systems, Medical Supplies. From May 1994 to November 1996, Mr. Tauscher served as General Manager of Hewlett-Packard, Medical Supplies. Mr. Tauscher earned a BS from Southern Illinois University.

Our Board of Directors has concluded that Mr. Tauscher is uniquely qualified to serve as a director based on his 30 years of medical industry experience, inside perspective of the day-to-day operations of a medical device company, and his past and current leadership and executive roles.

**Board Leadership Structure**

The Board appointed Mr. William J. O'Neill, Jr., an independent director, to serve as the Chairman of the Board of Directors. The Board has elected to separate the Chairman function from that of the Chief Executive Officer, who serves as our principal executive officer, due to a belief that separating these functions, and empowering an independent director to chair the Board meetings, will result in increased Board oversight of management activities.

**Stockholder Communications with the Board of Directors**

Pursuant to procedures set forth in our bylaws, our nominating committee will consider stockholder nominations for directors if we receive timely written notice, in proper form, of the intent to make a nomination at a meeting of stockholders. To be timely, the notice must be received within the time frame identified in our bylaws. To be in proper form, the notice must, among other matters, include each nominee's written consent to serve as a director if elected, a description of all arrangements or understandings between the nominating stockholder and each nominee and information about the nominating stockholder and each nominee. These requirements are detailed in our bylaws, which were filed as Appendix D to our definitive proxy statement on Schedule 14A as filed with the SEC on August 30, 2007. A copy of our bylaws will be provided upon written request to the Chief Executive Officer at AdvanSource Biomaterials Corporation, 229 Andover Street, Wilmington, MA 01887.

**Code of Conduct and Ethics**

We have adopted a code of ethics that applies to our chief executive officer and chief financial officer. The code of ethics is posted on our website at [www.advbiomaterials.com](http://www.advbiomaterials.com). We intend to include on our website any amendments to, or waivers from, a provision of our code of ethics that applies to our chief executive officer or chief financial officer that relates to any element of the code of ethics definition enumerated in Item 406 of Regulation S-K.

## **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers, directors and persons who beneficially own more than 10% of a registered class of our securities to file reports of ownership and changes in ownership with the SEC. Based solely on a review of copies of such forms submitted to us, we believe that all persons subject to the requirements of Section 16(a) filed such reports on a timely basis in fiscal 2015.

### **Corporate Governance and Guidelines**

Our Board of Directors has long believed that good corporate governance is important to ensure that AdvanSource is managed for the long-term benefit of stockholders. During the past year, our Board of Directors has continued to review our governance practices in light of the Sarbanes-Oxley Act of 2002 and recently revised SEC rules and regulations. This section describes key corporate governance guidelines and practices that we have adopted. Complete copies of the corporate governance guidelines, committee charters and code of ethics described below are available on our website at [www.advbiomaterials.com](http://www.advbiomaterials.com), and any amendments to any of the foregoing corporate governance documents or any waivers of our code of ethics will be posted on our website. Alternatively, you can request a copy of any of these documents by writing to the Chief Executive Officer, AdvanSource Biomaterials Corporation, 229 Andover Street, Wilmington, MA 01887.

The Board has adopted corporate governance guidelines to assist the Board in the exercise of its duties and responsibilities and to serve in our best interests and those of our stockholders. These guidelines, which provide a framework for the conduct of the Board's business, include that:

- the principal responsibility of the directors is to oversee our management;
- a majority of the members of the Board shall be independent directors;
- the non-management directors meet regularly in executive session; and
- directors have full and free access to management and, as necessary and appropriate, independent advisors.

### **Committees of the Board of Directors**

#### *Audit Committee*

The Audit Committee was established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Board has designated, from among its members, Mr. William J. O'Neill, Jr. as the member of the Audit Committee. The primary functions of the Audit Committee are to represent and assist the Board of Directors with the oversight of:

- appointing, approving the compensation of, and assessing the independence of our independent auditors;
- overseeing the work of our independent auditors, including through the receipt and consideration of certain reports from the independent auditors;
- reviewing and discussing with management and the independent auditors our annual and quarterly financial statements and related disclosures;
- coordinating the Board of Director's oversight of our internal control over financial reporting, disclosure controls and procedures and code of conduct and ethics;
- establishing procedures for the receipt and retention of accounting related complaints and concerns;
- meeting independently with our internal accounting staff, independent auditors and management; and
- preparing the audit committee report required by SEC rules.

The Board of Directors has determined that Mr. O'Neill is an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K.

During the fiscal year ended March 31, 2015, the Audit Committee met four (4) times. The responsibilities of the Audit Committee are set forth in its written charter, which is posted on our website at [www.advbiomaterials.com](http://www.advbiomaterials.com) under the "Investor Relations – Corporate Governance" section.

### *Compensation Committee*

The Compensation Committee consists of Mr. Michael L. Barretti. The Compensation Committee is responsible for implementing our compensation philosophies and objectives, establishing remuneration levels for our executive officers and implementing our incentive programs, including our equity compensation plans. The Board of Directors has determined that Mr. Barretti is a “Non-Employee” director as defined in Rule 16b-3 of the Exchange Act, and an “Outside” director as defined in Section 162(m) of the Internal Revenue Code, as amended. The Compensation Committee met one time in fiscal 2014.

Compensation is paid to our executive officers in both fixed and discretionary amounts which are established by the Board of Directors based on existing contractual agreements and the determinations of the Compensation Committee. Pursuant to its charter, the responsibilities of the Compensation Committee are (i) to assist the Board of Directors in discharging its responsibilities in respect of compensation of our senior executive officers; (ii) review and analyze the appropriateness and adequacy of our annual, periodic or long-term incentive compensation programs and other benefit plans and administer those compensation programs and benefit plans; and (iii) review and recommend compensation for directors, consultants and advisors. Except for the delegation of authority to the Chief Executive Officer to grant certain de minimus equity compensation awards to our non-executive employees, the Compensation Committee has not delegated any of its responsibilities to any other person.

### *Nominating/Corporate Governance Committee*

The Nominating/Corporate Governance Committee consists of Mr. Mark R. Tauscher. The Nominating/Corporate Governance Committee’s responsibilities include identifying individuals qualified to become Board members; recommending to the Board the persons to be nominated for election as directors and to each of the Board’s committees; and reviewing and making recommendations to the Board with respect to management succession planning. The Nominating/Corporate Governance Committee did not meet independently during the fiscal year ended March 31, 2015. The responsibilities of the Nominating/Corporate Governance Committee are set forth in its written charter, which is posted on our website at [www.advbiomaterials.com](http://www.advbiomaterials.com) under the “Investors – Corporate Governance” section.

## Item 11. Executive Compensation

### Summary Compensation Table

The following table provides information concerning compensation for services rendered to us in all capacities for the fiscal years ended March 31, 2015 and 2014 by our named executive officer and former named executive officer.

<u>Named Executive Officer</u>	<u>Fiscal Year</u>	<u>Salary (\$)</u>	<u>Bonus (\$)</u>	<u>Option Awards (\$) (1)</u>	<u>All Other Compensation (\$) (2)</u>	<u>Total (\$)</u>
Michael F. Adams <i>President &amp; Chief Executive Officer</i>	2015	\$ 316,000	\$ -	\$ -	\$ 13,000 (4)	\$ 327,000
	2014	\$ 315,000	\$ -	\$ 18,000 (3)	\$ 8,000 (4)	\$ 341,000
<b>Former Named Executive Officer</b>						
David Volpe <i>Former Chief Financial Officer</i>	2015	\$ 141,000	\$ -	\$ -	\$ 39,000x (6)	\$ 180,000
	2014	\$ 197,000	\$ -	\$ 7,000 (5)	\$ 6,000 (6)	\$ 210,000

- (1) The amount reported in this column for the named executive officers represents the grant date fair value of equity awards determined in accordance with the accounting standards for stock-based compensation.
- (2) All other compensation includes, but is not limited to, premiums paid by us for medical, dental, disability and group term life insurance for the named executive officer and former named executive officer.
- (3) During the fiscal year ended March 31, 2014, Mr. Adams received an option award exercisable into 300,000 shares of our common stock, pursuant to our 2003 Stock Option Plan, on September 4, 2013. The September 4, 2013 option award was valued using the Black-Scholes model with the following assumptions: volatility of 180.9%; risk-free interest rate of 1.27%; expected life of 10.0 years; and expected dividend yield of 0.00%. There were no options granted to Mr. Adams during the fiscal year ended March 31, 2015.
- (4) All other compensation of Mr. Adams is composed of approximately i) \$10,000 and \$5,000 for premiums paid by us for medical and dental insurance, and ii) \$3,000 and \$3,000 in premiums paid by us for disability and life insurance during the fiscal years ended March 31, 2015 and 2014, respectively.
- (5) During the fiscal year ended March 31, 2014, Mr. Volpe received an option award exercisable into 300,000 shares of our common stock, pursuant to our 2003 Stock Option Plan, on September 4, 2013. The September 4, 2013 option award was valued using the Black-Scholes model with the following assumptions: volatility of 180.9%; risk-free interest rate of 1.27%; expected life of 10.0 years; and expected dividend yield of 0.00%. There were no options granted to Mr. Volpe during the fiscal year ended March 31, 2015.
- (6) All other compensation of Mr. Volpe is composed of approximately i) \$8,000 and \$4,000 for premiums paid by us for medical and dental insurance, ii) \$1,000 and \$2,000 in premiums paid by us for disability and life insurance; and iii) \$4,000 and \$0 for employer contribution to 401k plan during the fiscal years ended March 31, 2015 and 2014, respectively. Additionally, Mr. Volpe received a cash payment of approximately \$26,000 on December 27, 2014, the termination date of his employment.

## **Employment Agreements; Change in Control and Severance Provisions**

### *Terms of Employment Agreement with Chief Executive Officer*

We entered into an employment agreement with Michael F. Adams on September 13, 2006, effective August 7, 2006 (the “Adams Agreement”).

The Adams Agreement provides for Mr. Adams to serve as our President & Chief Executive Officer. Pursuant to the terms of the Adams Agreement, as amended on July 10, 2007, Mr. Adams’ annual base salary was initially set at \$290,000, effective April 1, 2007. The Adams Agreement provides for Mr. Adams’ salary to be reviewed annually by the Board. Additionally, Mr. Adams may also be entitled to receive an annual bonus payment in an amount, if any, to be determined by the Compensation Committee of the Board. In May 2010, the Compensation Committee of the Board of Directors approved an increase in Mr. Adams’ annual base salary to \$320,000, retroactive to April 1, 2010. During the fiscal year ended March 31, 2014, Mr. Adams voluntarily reduced his annual base salary to \$315,000. There was no bonus awarded to Mr. Adams during the fiscal years ended March 31, 2015 and 2014.

The term of the Adams Agreement expired on August 6, 2008. The Company did not renew the Adams Agreement at the end of the initial term; however, the Adams agreement provides that lacking any express agreement between the parties at the end of the Employment Period, the Adams Agreement shall be deemed to continue on a month-to-month basis. As a result, the Adams Agreement currently continues on a month-to-month basis and is subject to all of the terms and conditions of the Adams Agreement. We and Mr. Adams each have the right to terminate the Adams Agreement at any time, with or without cause, as defined below, upon 30 days prior written notice. In the event that we terminate the applicable Adams Agreement without cause, or Mr. Adams terminates his employment for good reason following a change in control, as defined below, or we fail to renew the Adams Agreement within two years following the occurrence of a change in control, Mr. Adams will be entitled to receive severance equal to 2.0 times his annual base salary at termination. In such event, Mr. Adams will be bound by a non-compete covenant for one year following termination of his employment.

### *Employment Agreement Definitions*

*Good Reason.* “Good Reason” shall mean, during the nine month period following a Change in Control, (1) a good faith determination by the chief executive officer that as a result of such Change in Control he is not able to discharge his duties effectively or (2) without the chief executive officer’s express written consent, the occurrence of any of the following circumstances: (a) the assignment to the chief executive officer of any duties inconsistent (except in the nature of a promotion) with the position in the Company that he held immediately prior to the Change in Control or a substantial adverse alteration in the nature or status of his position or responsibilities or the conditions of his employment from those in effect immediately prior to the Change in Control; (b) a reduction by the Company in the Base Salary as in effect on the date of the Change in Control; (c) the Company’s requiring the chief executive officer to be based more than 25 miles from the Company’s offices at which he was principally employed immediately prior to the date of the Change in Control except for required travel on the Company’s business to an extent substantially consistent with his present business travel obligations; or (d) the failure by the Company to continue in effect any material compensation or benefit plan in which the chief executive officer participates immediately prior to the Change in Control unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by the Company to continue the chief executive officer’s participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of his participation relative to other participants, than existed at the time of the Change in Control. The chief executive officer’s continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstance constituting Good Reason hereunder.



*Change in Control.* A “Change in Control” shall occur or be deemed to have occurred only if any of the following events occur: (i) any “person,” as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), (other than any majority owned subsidiary thereof, the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, any trustee or other fiduciary of a trust treated for federal income tax purposes as a grantor trust of which the Company is the grantor, or any corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportion as their ownership of stock of the Company) is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company’s then outstanding securities on any matter which could come before its stockholders for approval; (ii) individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A under the Exchange Act) shall be, for purposes of this Agreement, considered as though such person were a member of the Incumbent Board; (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation, other than (A) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 80% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no “person” (as hereinabove defined) acquires more than 50% of the combined voting power of the Company’s then outstanding securities; or (iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company’s assets.

*Cause.* “Cause” shall mean any of the following:

- misconduct of the chief executive officer during the course of his employment which is materially injurious to the Company and which is brought to the attention of the chief executive officer promptly after discovery by the Company, including but not limited to, theft or embezzlement from the Company, the intentional provision of services to competitors of the Company, or improper disclosure of proprietary information, but not including any act or failure to act by the chief executive officer that he believed in good faith to be proper conduct not adverse to his duties hereunder;
- willful disregard or neglect by the chief executive officer of his duties or of the Company’s interests that continues after being brought to the attention of the chief executive officer;
- unavailability, except as provided for in Section 3.5 of the Employment Agreement (Disability or Death), of the chief executive officer to substantially perform the duties provided for herein;
- conviction of a fraud or felony or any criminal offense involving dishonesty, breach of trust or moral turpitude during the chief executive officer’s employment;
- the chief executive officer’s breach of any of the material terms of the Employment Agreement (including the failure of the chief executive officer to discharge his duties in a highly competent manner) or any other agreements executed in connection with the Employment Agreement.

*Potential Payments Upon Termination or Change in Control*

The following table describes the estimated incremental compensation upon (i) termination by us of the Chief Executive Officer without Cause, (ii) termination for Good Reason by the Chief Executive Officer following a Change in Control, or (iii) failure by us to renew the Employment Agreement within two years following the occurrence of a Change in Control. The estimated incremental compensation assumes the triggering event had occurred on March 31, 2015. Benefits generally available to all employees are not included in the table. The actual amount of compensation can only be determined at the time of termination or change in control. No other named executive officer in fiscal 2015 is entitled to receive any payments upon termination or a change of control.

<u>Named Executive Officer</u>	<u>Salary (\$)</u>	<u>COBRA Premiums (2)</u>	<u>Life Insurance Premiums (3)</u>	<u>Other</u>
Michael F. Adams	\$ 630,000 (1)	\$ -	\$ 1,000	\$ -

- (1) Lump-sum payment equal to 2.0 times Mr. Adams' base salary of \$315,000 per annum, the base salary then in effect as of March 31, 2015.
- (2) Represents estimated out-of-pocket COBRA health insurance premium expenses incurred by the Chief Executive Officer over the six month period following termination to be reimbursed by us.
- (3) Represents estimated life insurance premiums to be paid by us on behalf of the Chief Executive Officer after termination. We shall continue in full force and effect, at our expense, the life insurance benefits provided in the Employment Agreement for a period of 12 months after termination of the Chief Executive Officer's employment or until the Chief Executive Officer becomes employed, whichever occurs first.

**Outstanding Equity Awards at 2015 Fiscal Year-End**

The following table provides information regarding outstanding stock options held by the named executive officer as of the fiscal year ended March 31, 2015.

<u>Named Executive Officers</u>	<u>Number of Securities Underlying Unexercised Options Exercisable</u>	<u>Number of Securities Underlying Unexercised Options Unexercisable</u>	<u>Option Exercise Price</u>	<u>Option Expiration Date</u>
Michael F. Adams <i>President and Chief Executive Officer</i>	100,000	-	\$1.23	10/16/2017
	100,000	-	\$1.23	10/16/2017
	200,000	-	\$0.31	5/8/2019
	250,000	-	\$0.29	7/1/2020
	150,000	150,000 (1)	\$0.06	9/3/2023
	<u>800,000</u>	<u>150,000</u>		

- (1) Options vested at the rate of 25% on September 4, 2013, the date of grant, and continue to vest 25% on each annual anniversary thereafter ending on September 4, 2016.

## 2015 Option Exercises and Stock Vested

During the year ended March 31, 2015, there were no exercises of option awards by the named executive officers.

### Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth the beneficial ownership of shares of our common stock, as of July 15, 2015, of (i) each person known by us to beneficially own five percent (5%) or more of such shares; (ii) each of our directors and current executive officers named in the Summary Compensation Table; and (iii) our current executive officer and directors as a group. Except as otherwise indicated, all shares are beneficially owned, and the persons named as owners hold investment and voting power.

Beneficial ownership has been determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934. Under this rule, certain shares may be deemed to be beneficially owned by more than one person, if, for example, persons share the power to vote or the power to dispose of the shares. In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire shares, for example, upon exercise of an option or warrant, within 60 days of July 15, 2015. In computing the percentage ownership of any person, the amount of shares is deemed to include the amount of shares beneficially owned by such person, and only such person, by reason of such acquisition rights. As a result, the percentage of outstanding shares of any person as shown in the following table does not necessarily reflect the person's actual voting power at any particular date.

<u>Name and Address of Beneficial Owner (1)</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percentage of Class (2)</u>
Michael F. Adams (3)	1,424,704	6.6%
Michael L. Barretti (4)	168,865	*
William J. O'Neill, Jr. (5)	168,750	*
Mark R. Tauscher (6)	37,500	*
Current executive officer and directors as a group (4 persons) (7)	1,799,819	8.4%

\* Less than 1%.

(1) Unless otherwise indicated, the business address of the stockholders named in the table above is AdvanSource Biomaterials Corporation, Inc. 229 Andover Street, Wilmington, MA 01887.

(2) Based on 21,490,621 outstanding shares as of July 15, 2015.

(3) Includes 875,000 shares of common stock, which may be purchased within 60 days of July 15, 2015 upon the exercise of stock options.

(4) Includes 168,750 shares of common stock, which may be purchased within 60 days of July 15, 2015 upon the exercise of stock options.

(5) Includes 168,750 shares of common stock, which may be purchased within 60 days of July 15, 2015 upon the exercise of stock options.

(6) Includes 37,500 shares of common stock, which may be purchased within 60 days of July 15, 2015 upon the exercise of stock options.

(7) See footnotes (3) through (6).

### Item 13. Certain Relationships and Related Transactions, and Director Independence

On January 16, 2013, Michael Adams, our President, Chief Executive Officer and Director, advanced us \$60,000 for working capital purposes. The advance was payable on demand and did not bear interest. During fiscal year 2014, this advance was repaid and there was no outstanding balance or further obligation due Mr. Adams with respect to the advance as of March 31, 2014.

On August 22, 2013, Mr. Adams, our Chief Executive Officer, and David Volpe, our former Chief Financial Officer, participated along with three independent investors (collectively, the “Investors”) in an aggregate financing resulting in the issuance of \$100,000 in promissory notes. Messrs. Adams and Volpe each contributed approximately \$13,000 in cash. In addition to the promissory notes, Messrs. Adams and Volpe also received warrants entitling them to exercise said warrants in 54,375 shares of our common stock at an exercise price of \$0.075 per share. As of March 31, 2015 and 2014, the principle balance of the promissory notes was \$50,000 in the aggregate, of which \$12,500 in the aggregate was due to Messrs. Adams and Volpe. All warrants issued in connection with this transaction expired on August 21, 2014. Additionally, since February 22, 2014, the promissory notes accrued interest at the rate of 2% per month. As of March 31, 2015 and 2014, the accrued interest recorded on the promissory notes was approximately \$13,000 and \$0, respectively, of which \$3,000 and \$0, respectively, was due to Messrs. Adams and Volpe

Transactions with related parties, including, but not limited to, members of the Board of Directors, are reviewed and approved by all members of the Board of Directors. In the event a transaction with a member of the Board is contemplated, the Director having a beneficial interest in the transaction is not allowed to participate in the decision-making and approval process. The policies and procedures surrounding the review, approval or ratification of related party transactions are not in writing, nevertheless, such reviews, approvals and ratifications of related party transactions are documented in the minutes of the meetings of the Board of Directors and any such transactions are committed to writing between the related party and us in an executed engagement agreement.

#### Independence of the Board of Directors

The Board of Directors has adopted director independence guidelines that are consistent with the definitions of “independence” as set forth in Section 301 of the Sarbanes-Oxley Act of 2002, Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In accordance with these guidelines, the Board of Directors has reviewed and considered facts and circumstances relevant to the independence of each of our directors and director nominees and has determined that, each of our non-management directors qualifies as “independent.”

#### Board Attendance

The Board met one time during the year ended March 31, 2015. Each director attended this meeting of the Board and of committees of the Board on which he served during fiscal 2015. The non-management members of the Board met, without any members of management present, at the scheduled Board of Directors meeting. The members of the Board and its committees did not act by unanimous written consent during the year ended March 31, 2015 pursuant to Delaware law. We do not have a formal policy regarding attendance at the Annual Meeting by directors, but we strongly encourage all directors to attend the Annual Meeting when an Annual Meeting is held.

#### Committees of the Board of Directors

The Board of Directors has an Audit Committee, Compensation Committee and Nominating/Corporate Governance Committee. The membership of each, as of July 15, 2015, is indicated in the table below.

<u>Directors</u>	<u>Audit</u>	<u>Compensation</u>	<u>Nominating/Corporate Governance</u>
William J. O'Neill, Jr.	X		
Michael L. Barrett		X	
Mark R. Tauscher			X

The Board of Directors has determined that all of the members of each committee are independent pursuant to the requirements as contemplated by Rule 10A-3 under the Exchange Act.

## Directors' Compensation

The following table sets forth the annual compensation of AdvanSource non-employee directors for fiscal 2015, which consisted of annual cash retainers, including amounts associated with serving as Chairman of the Board and member of the Audit committee, and equity awards in the form of options pursuant to the 2003 Stock Option Plan. Employee directors do not receive any separate compensation for their service on the Board.

Name <i>(in thousands)</i>	Fees			Total
	Earned or Paid in Cash	Option Awards (1)	All Other Compensation	
William J. O'Neill, Jr.	\$ 5	\$ -	\$ -	\$ 5
Michael L. Barretti	4	-	-	4
Mark R. Tauscher	4	-	-	4

(1) The amount reported in this column for the non-employee directors represents the grant date fair value of equity awards determined in accordance with the accounting standards for stock-based compensation.

## Item 14. Principal Accounting Fees and Services

The following is a summary of the fees billed to us by Liggett, Vogt & Webb P.A., our independent registered public accounting firm, for professional services rendered for the fiscal years ended March 31, 2015 and 2014.

Fee Category <i>(in thousands)</i>	Years Ended March 31,	
	2015	2014
Audit fees -Liggett, Vogt & Webb P.A.	44	44
Other audit related fees	-	-
Tax fees – Liggett, Vogt & Webb P.A.	3	3
Total fees	\$ 47	\$ 47

*Audit Fees.* This category consists of fees billed for professional services rendered for the audit of our annual financial statements and review of financial statements included in our quarterly reports and other professional services provided in connection with regulatory filings.

*Other Audit Related Fees.* This category consists of fees billed for professional services rendered for services other than those described herein as *Audit Fees* or *Tax Fees*.

*Tax Fees.* This category consists of fees billed for professional services for tax compliance, tax advice and tax planning. These services include assistance regarding federal and state tax compliance and acquisitions.

*Pre-Approval Policies and Procedures.* The Audit Committee has the authority to approve all audit and non-audit services that are to be performed by our independent registered public accounting firm. Generally, we may not engage our independent registered public accounting firm to render audit or non-audit services unless the service is specifically approved in advance by the Audit Committee (or a properly delegated subcommittee thereof).

**PART IV**

**Item 15. Exhibits, Financial Statement Schedules**

The following are filed as part of this Form 10-K/A:

- (1) N/A
- (2) Exhibits

<b>Exhibit No.</b>	<b>Description</b>
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial and Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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\* Included herewith.

## **SIGNATURES**

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

Dated: July 28, 2015

**AdvanSource Biomaterials Corporation**

By: /s/ Michael F. Adams  
Michael F. Adams  
*Chief Executive Officer and President*

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

## CERTIFICATION

I, Michael F. Adams, hereby certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K of AdvanSource Biomaterials Corporation (the “Company”);

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the condensed consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the Company’s fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and

5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: July 28, 2015

/s/ Michael F. Adams

Michael F. Adams  
Chairman, Chief Executive Officer  
(Principal Executive Officer)



## CERTIFICATION

I, Michael F. Adams, hereby certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K of AdvanSource Biomaterials Corporation (the “Company”);

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the condensed consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the Company’s fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and

5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: July 28, 2015

/s/ Michael F. Adams

Michael F. Adams  
Chairman, Chief Executive Officer  
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with Amendment No. 1 to the Annual Report of AdvanSource Biomaterials Corporation, a Delaware corporation (the “Company”), on Form 10-K/A for the fiscal year ended March 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael F. Adams, Chief Executive Officer and President of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 28, 2015

/s/ Michael F. Adams

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Michael F. Adams

Chief Executive Officer and President

This certification accompanies each report of the Company on Form 10-Q, Form 10-K and Form 10-K/A pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by §906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.