SECURITIES AND EXCHANGE COMMISSION

Washington, DC. 20549

FORM 10-Q/A

AMENDMENT NO. 1

(Mark One)

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 1996 or

[_] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission file number 0-15235

Mitek Systems, Inc.

(Exact name of registrant as specified in its charter)

Delaware	87-0418827
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

10070 Carroll Canyon Road, San Diego, California 92131

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (619) 635-5900

(Former name, former address and former fiscal year, if changed since last report)

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 X No

There were 7,777,139 shares outstanding of the registrant's Common Stock as of July 17, 1996.

PART I: FINANCIAL INFORMATION
MITEK SYSTEMS, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 1996	September 30, 1995
ASSETS		
CURRENT ASSETS:		
Cash	$ 217,637	$ 103,895
Accounts receivable-net	2,062,308	1,619,886
Note receivable	0	158,335
Inventories	212,901	131,929
Prepaid expenses	73,720	52,777
Total current assets	2,566,566	2,066,822
PROPERTY AND EQUIPMENT-at cost	1,148,771	1,170,634
Less accumulated depreciation and amortization	1,047,286	1,039,549
Property and equipment-net	101,485	131,085
PREPAID LICENSE AND OTHER ASSETS	445,587	666,393
TOTAL	$ 3,113,638	$ 2,864,300
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Note payable - Bank	$ 107,374	$ 0
Current portion of long-term liabilities	8,649	267,927
Amount payable under factoring agreement	0	195,545
Accounts payable	369,764	722,955
Accrued payroll and related taxes	224,057	163,789
Other accrued liabilities	241,666	114,803
Total current liabilities	951,510	1,465,019
LONG-TERM LIABILITIES	9,072	56,567
COMMITMENTS		
STOCKHOLDERS' EQUITY:		
Preferred stock - $.001 par value; 1,000,000 shares authorized; none outstanding		
Common stock - $.001 par value; 20,000,000 shares authorized; 7,774,639 issued and outstanding, respectively	7,774	7,728
Additional paid-in capital	3,487,802	3,423,072
Accumulated deficit	(1,342,520)	(2,088,086)
Total stockholders' equity	2,153,056	1,342,714
TOTAL	$ 3,113,638	$ 2,864,300

MITEK SYSTEMS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	THREE MONTHS ENDED June 30,		NINE MONTHS ENDED June 30,	
	1996	1995	1996	1995
NET SALES	$2,116,524	$1,562,881	$5,865,806	$4,891,153
COST OF GOODS SOLD	730,498	700,111	2,206,927	2,421,045
GROSS MARGIN	1,386,026	862,770	3,658,879	2,470,108
COSTS AND EXPENSES:				
Selling and marketing	346,632	346,970	933,216	1,051,508
General and administrative	272,634	372,958	885,822	841,505
Research and development	334,820	230,485	922,064	806,348
Interest	7,662	9,357	89,369	48,637
Total costs and expenses	961,748	959,770	2,830,471	2,747,998
OPERATING INCOME (LOSS)	424,278	(97,000)	828,408	(277,890)
OTHER INCOME (Note D)	0	0	0	204,853
INCOME (LOSS) BEFORE INCOME TAXES	424,278	(97,000)	828,408	(73,037)
PROVISION FOR INCOME TAXES	22,676	0	82,841	4,206
NET INCOME	$ 401,602	$ (97,000)	$ 745,567	$ (77,243)
EARNINGS PER SHARE:				
Common and Common equivalent shares	$ .05	$ (.01)	$ .09	$ (.01)
WEIGHTED AVERAGE COMMON AND COMMON EQUIVALENT SHARES	8,210,498	7,561,814	8,038,020	7,136,995

See notes to financial statements.

MITEK SYSTEMS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended June 30, 1996	1995
OPERATING ACTIVITIES:		
Net income	$ 745,567	$ (77,243)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	320,096	318,050
Gain on sale of TEMPEST	(204,853)	
Gain on sale of property and equipment		(6,045)
Change in operating assets and liabilities		
Decrease in income tax receivable		238,950
Increase (decrease) in accounts receivable	(442,422)	343,747
Increase in inventory and prepaid expense	(101,915)	(225,420)
Decrease in accounts payable and accrued expenses	(166,060)	(611,152)
Cash provided by (used in) operating activities	355,266	(223,966)
INVESTING ACTIVITIES:		
Purchases of property and equipment	(69,691)	(35,082)
Proceeds from sale of property and equipment		6,045
Proceeds from sale of TEMPEST		112,094
Cash provided by (used in) investing activities	(69,691)	83,057
FINANCING ACTIVITIES:		
Proceeds from bank debt	1,796,816	390,000
Repayment of debt	(2,191,760)	(766,388)
Proceeds from note receivable	158,335	
Proceeds from exercise of stock options	64,776	45,422
Proceeds from sale of stock		475,699
Net cash provided by (used in) financing activities	(171,833)	144,733
NET INCREASE IN CASH	113,742	3,824
CASH AT BEGINNING OF PERIOD	103,895	99,976
CASH AT END OF PERIOD	$ 217,637	$ 103,800

MITEK SYSTEMS, INC.
NOTES TO FINANCIAL STATEMENTS

A. Basis of Presentation

The accompanying unaudited financial statements have been prepared in accordance with the instructions to Form 10-Q and, therefore, do not include all information and footnote disclosures that are otherwise required by Regulation S-X and that will normally be made in the Company's Annual Report on Form 10-K. The financial statements do, however, reflect all adjustments (solely of a normal recurring nature) which are, in the opinion of management, necessary for a fair statement of the results of the interim periods presented.

Results for the three and nine months ended June 30, 1996 and 1995 are not necessarily indicative of results which may be reported for any other interim period or for the year as a whole.

B. Inventories

Inventories are summarized as follows:

	June 30, 1996	September 30, 1995
Raw materials	$ 17,032	$ 36,929
Work in process	42,278	42,970
Finished goods	153,591	52,030
Total	$212,901	$131,929

Inventories are recorded at the lower of cost (on the first-in, first-out basis) or market.

C. Earning Per Share

Earnings per share amounts are computed based on the weighted average shares outstanding during the periods which include any delutive stock options.

D. Sale of TEMPEST business

In the prior year, other income consisted of the gain on the sale of the TEMPEST business, and was made up of the following components: Sale price ($350,000) offset by the carrying cost of inventory sold ($132,000) and costs related to the transaction ($13,000).

E. Sale of Common Stock

In the prior year, the Company undertook a private placement stock offering during the reporting quarter. At March 31, 1995 an additional 470,333 shares of common stock were issued, with an aggregate value of $357,625, before subtracting associated costs of $24,529.

In conjunction with the aforementioned stock offering the Company issued an additional 120,000 shares of common stock, with an aggregate value of $90,000, on April 25, 1995.

F. Commitments

Effective May 1, 1995, the Company's lease for its San Diego facility was terminated and its remaining obligations/commitments under such lease were effectively assigned to another company.

A new non-cancelable San Diego facility lease was entered into in April 1995. Future annual minimum rental payments under this non-cancelable operating lease are as follows:

Year ending September 30:

1996	$ 86,167
1997	97,965
1998	58,457
Total	$242,589

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Comparison of Nine Months Ended June 30, 1996 and 1995

Net Sales. Net sales for the nine month period ended June 30, 1996 were $5,866,000, comprised solely of ADR sales, compared to $4,891,000, comprised of TEMPEST and ADR sales, for the same period in 1995, an increase of $975,000 or 19.9%. Net sales, comprised solely of ADR sales, for the nine month period ended June 30, 1996, were $5,866,000 compared to $3,393,000 for the prior year period, an increase of $2,473,000, or 72.9%.

Gross Margin. Gross margin for the nine month period ended June 30, 1996 was $3,659,000 compared to $2,470,000 for the same period in 1995, an increase of $1,189,000, or 48.1%. The increase was primarily due to a change in the product mix. As a percentage of sales, gross margin increased from 50.5% of sales in the nine month period ended June 30, 1995 to 62.4% of sales in the same period in 1996. This increase is attributable to the Company's net sales being derived exclusively from its ADR products, which carry a substantially higher gross margin than the Company's TEMPEST business.

Research and Development. Research and development expenses for the nine months ended June 30, 1996 were $922,000 compared to $806,000 for the same period in 1995, an increase of $116,000 or 14.4%. This increase is primarily due to the addition of staff to support faxshare development which did not exist in the same period for the prior year. As a percentage of net sales, research and development expenses decreased to 15.7% for the first nine months of fiscal 1996 compared to 16.5% for the first nine months of fiscal 1995. The decrease was primarily due to the increased net sales, as the actual dollar amount spent on research and development increased insignificantly but such increase was offset by an increase in net sales.

Selling and marketing. Selling and marketing expenses for the nine months ended June 30, 1996 were $933,000 compared to $1,052,000 for the same period in 1995, a decrease of $119,000, or 11.3%. As a percentage of net sales, selling and marketing expenses decreased to 15.9% for the first nine months ended June 30, 1996 compared to 21.5% for the first nine months ended June 30, 1995. The decrease was primarily due to reduced advertising, promotion, and outside consulting costs.

General and Administrative. General and administrative expenses for the nine months ended June 30, 1996 were $886,000 compared to $842,000 for the same period in 1995, an increase of $44,000, or 5.2%. As a percentage of net sales, general and administrative expenses decreased to 15.1% for the first nine months of fiscal 1996 compared to 17.2% for the first nine months of fiscal 1995. The decrease was primarily due to reduced consulting costs.

Interest Expense. Interest expense for the nine months ended June 30, 1996 was $89,000 compared to $49,000 for the same period in 1995, an increase of $40,000, or 81.6%. The increase was primarily due to an increase in borrowing costs and to a lesser extent, an increase in average debt outstanding.

Provision for Income Taxes. The provision for income taxes consists primarily of federal alternative minimum tax and state tax. The tax rate is substantially below the federal statutory rate due to the utilization of net operating loss carryovers for which no benefit has previously been taken.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 1996, stockholders' equity was $2,153,000, an increase of $810,000 from September 30, 1995. The Company's working capital and current ratio was $1,615,000 and 2.70 to 1 at June 30, 1996 compared to $602,000 and 1.41 to 1 at September 30, 1995, respectively.

At June 30, 1996, the total liabilities to equity ratio was 0.45 to 1 compared to 1.13 to 1 at September 30, 1995. As of June 30, 1996, the Company's total liabilities were $561,000 less than September 30, 1995.

Components of working capital with significant changes during the nine months ended June 30, 1996 were: Accounts Receivable, Notes Receivable, Inventory, Accounts Payable and Factoring Payable. Compared to September 30, 1995, the components changed as follows:

Accounts Receivable - Increased $442,000 primarily because of increase in sales, and longer payment cycle extended on a substantial order.

Notes Receivable - Decreased $158,000 due to expiration and collection of the note.

Inventory - Increased $81,000 due to the procurement of materials to support shipments backlog.

Accounts Payable and Factoring Payable - Decreased by $549,000 because of payments made in the third quarter with cash generated from operations.

In August, 1995 the Company obtained a six month interim credit facility of $650,000 with a financial institution while seeking conventional credit facilities. In March, 1996 the Company achieved a line of credit financing with a bank in the amount of $400,000, with interest rate charges of 2.5% over prime lending rates. As of June 30, 1996, there was no outstanding balance on the line of credit.

The Company believes it will have sufficient cash flow generated from operations and existing credit facilities to meet its operational needs in the coming year.

PART II - OTHER INFORMATION

Item 4. The annual meeting of stockholders was held on February 14, 1996. Brought to vote were the election of Directors for the ensuing year. With 87.48% of shares represented at the meeting, all Directors from the prior year were re-elected. They are: John M. Thornton, Chairman, John F. Kessler, Daniel E. Steimle, James B. DeBello, Gerald I. Farmer and Sally B. Thornton.

Item 6. Exhibits and Reports on Form 8-K

a. The exhibits are on Form 8-K: None

b. Reports on Form 8-K: Sales of TEMPEST Business

SIGNATURES

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

MITEK SYSTEMS, INC.
(Registrant)

Date: July 30, 1996

By: /s/ JOHN KESSLER

John Kessler, President and Chief Executive Officer

Date: July 30, 1996

By: /s/ GERALD I. FARMER

Gerald I. Farmer, Executive Vice President and Assistant Treasurer