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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2002

o **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 - 21810

AMERIGON INCORPORATED

(Exact name of registrant as specified in its charter)

California	**95-4318554**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
5462 Irwindale Avenue, Irwindale, California	**91706**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (626) 815-7400

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 o

At November 10, 2002, the registrant had 10,771,230 shares of common stock, no par value, issued and outstanding.

AMERIGON INCORPORATED

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AMERIGON INCORPORATED

CONSOLIDATED BALANCE SHEET
(In thousands, except share data)

	September 30, 2002	December 31, 2001
	(Unaudited)	
ASSETS		
Current Assets:		
Cash & cash equivalents	$ 602	$ 456
Restricted cash	78	496
Accounts receivable, less allowance of $50 at 2002 and 2001	2,924	1,268
Inventory, net	1,923	1,163
Prepaid expenses and other assets	413	383
Total current assets	5,940	3,766
Property and equipment, net	1,524	1,192
Deferred exclusivity fee	658	878
Total assets	$ 8,122	$ 5,836
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current Liabilities:		
Accounts payable	$ 2,368	$ 1,446
Accrued liabilities	904	922
Bridge loan payable	501	2,037
Deferred manufacturing agreement – current portion	200	200
Total current liabilities	3,973	4,605
Deferred manufacturing agreement – long term portion	1,500	1,650
Minority interest in subsidiary	—	44
Total liabilities	5,473	6,299
Shareholders' Equity (Deficit):		
Preferred stock:		
Series A – no par value; convertible; 9,000 shares authorized, 9,000 issued and outstanding at September 30, 2002 and December 31, 2001; liquidation preference of $11,048 at September 30, 2002	8,267	8,267
Common stock;		
No par value; 30,000,000 shares authorized, 10,771,000 and 4,717,000 issued and outstanding at September 30, 2002 and December 31, 2001	43,051	39,192
Paid-in capital	19,363	14,945
Deferred compensation	(22)	(22)
Accumulated deficit	(68,010)	(62,845)
Total shareholders' equity (deficit)	2,649	(463)
Total liabilities and shareholders' equity (deficit)	$ 8,122	$ 5,836

See accompanying notes to the condensed consolidated financial statements.

AMERIGON INCORPORATED

CONSOLIDATED STATEMENT OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
Product revenues	$ 4,491	$ 1,506	$ 8,848	$ 4,958
Cost of sales	3,444	1,280	6,874	4,185
Gross margin	1,047	226	1,974	773
Operating costs and expenses:				
Research and development	968	938	2,922	2,742
Selling, general and administrative	1,497	1,085	4,043	3,441
Total operating costs and expenses	2,465	2,023	6,965	6,183
Operating loss	(1,418)	(1,797)	(4,991)	(5,410)
Interest income (expense)	1	(8)	(142)	33
Minority interest in net loss (income) of subsidiary	6	19	(32)	26
Net loss	$ (1,411)	$ (1,786)	$ (5,165)	$ (5,351)
Basic and diluted net loss per share	$ (0.13)	$ (0.38)	$ (0.54)	$ (1.16)
Weighted average number of common shares outstanding	10,772	4,718	9,552	4,599

See accompanying notes to the condensed consolidated financial statements.

AMERIGON INCORPORATED

CONSOLIDATED STATEMENT OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30, 2002	Nine Months Ended September 30, 2001
Operating Activities:		
Net loss	$ (5,165)	$ (5,351)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization	386	432
Deferred revenue	—	(170)
Compensation from grant of non-employee stock options and warrants	—	24
Change in operating assets and liabilities:		
Accounts receivable	(1,656)	(34)
Inventory	(760)	520
Prepaid expenses and other assets	(30)	271
Accounts payable	922	(842)
Accrued liabilities	26	(378)
Net cash used in operating activities	(6,277)	(5,528)
Investing Activities:		
Purchase of property and equipment	(648)	(158)
Other investing activities	(44)	36
(Increase) decrease in restricted cash	418	(372)
Net cash used in investing activities	(274)	(494)
Financing Activities:		
Proceeds from issuance of common stock	6,500	1,000
Cost of issuance of common stock	(804)	—
Proceeds from deferred manufacturing agreement		2,000
Repayment of capital lease	—	(4)
Proceeds from bridge financing	1,001	500
Net cash provided by financing activities	6,697	3,496
Net increase (decrease) in cash and cash equivalents	146	(2,526)
Cash and cash equivalents at beginning of period	456	2,852
Cash and cash equivalents at end of period	$ 602	$ 326

See accompanying notes to condensed consolidated financial statements.

AMERIGON INCORPORATED

NOTES TO UNAUDITED FINANCIAL STATEMENTS

Note 1 – The Company

Amerigon Incorporated (the "Company") designs, develops, markets and manufactures proprietary high technology electronic components and systems for sale to car and truck original equipment manufacturers ("OEMs") and their first tier suppliers. In 2001, the Company completed its second consecutive year of producing and selling its Climate Control Seat™ ("CCS™"), which provides year-round comfort by providing both heating and cooling to seat occupants. Since the Company started commercial production in 1999, the Company has shipped more than 336,000 units of its CCS product through September 2002 for installation in the Lincoln Navigator Sport Utility Vehicle ("SUV"), Ford Motor Company ("Ford") Expedition, Lexus LS 430 and Toyota Celsior luxury automobiles, the Lincoln Blackwood luxury utility truck, the Lincoln Aviator SUV and the Infiniti Q45 and M45 luxury automobiles. (The CCS system was a standard feature in the Lincoln Mercury Blackwood, but Ford announced the discontinuation of the Blackwood beginning in August 2002.)

The Company has a 90% interest in BSST, LLC ("BSST"). BSST is engaged in a program to improve the efficiency of thermoelectric devices and to develop new products based on this technology. Since June 1, 2001, the consolidated financial position and consolidated operating results of the Company have included BSST and are reflected in the condensed consolidated financial statements at September 30, 2002. Intercompany accounts are eliminated in consolidation.

Note 2 – Basis of Presentation

The accompanying condensed consolidated financial statements as of September 30, 2002 have been prepared by the Company without audit. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) necessary for fair presentation have been included. The consolidated results of operations for the three-month and nine-month periods ended September 30, 2002, are not necessarily indicative of the operating results for the full year.

The Company has funded its financial needs from inception primarily through net proceeds received through its initial public offering, as well as other equity and debt financing (Note 3). At September 30, 2002, the Company had cash and cash equivalents of $602,000 and working capital of $1,967,000. Based on the Company's current operating plan, management believes cash at September 30, 2002 along with future revenues and borrowings under an asset-based credit line (as described in Note 12) will be sufficient to meet operating needs through 2003. The Company is aware of Nasdaq's recent implementation of a requirement that Nasdaq listed companies maintain a minimum of $2.5 million in stockholders' equity to remain compliant with its listing standards. Based on the Company's current operating plan, management believes stockholders' equity at December 31, 2002 may fall below this minimum. The Company will be developing plans to deal with this possibility in the coming months.

The transfer of the Company's manufacturing operations out of California has taken longer than planned to complete and has been more costly than originally planned. Although the Company believes significant cost savings will be achieved, the full benefit has been slightly delayed with a negative effect on near-term profit and cash flow. Accordingly, the Company has implemented its contingency plan to mitigate the impact of these costs. Key elements of the plan include:

- cost reductions from internal efficiencies;
- implementing internal cash conservation measures to limit discretionary spending; and
- obtaining asset-based financing to support growth-driven working capital needs.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Form 10-K for the year ended December 31, 2001.

Note 3 – 2002 Bridge Loan

On September 24, 2002, the Company obtained a bridge loan facility from Big Beaver Investments LLC ("Big Beaver"), one of the Company's two holders of preferred stock and then representing 28.1% ownership on an as converted basis, for an aggregate principal amount of up to $1,000,000 (the "2002 Bridge Loan"). The 2002 Bridge Loan accrued interest at 12% per annum, payable on the first of each month. The 2002 Bridge Loan was due on the earlier of November 24, 2002 or upon the commencement of an asset-based credit line with a lending institution. Any unpaid principal and accrued interest beyond the due date would then accrue interest at 17% per annum. This loan was collateralized by all of the Company's accounts receivable. As of September 30, 2002, the Company had made an initial draw of $500,000 which was repaid with accumulated interest on November 14, 2002 using a draw under the Credit Line.

Note 4 – Private Placement

On February 25, 2002, the Company completed the sale of 4,333,368 shares of common stock and warrants to purchase 2,166,684 shares of common stock in a private placement (the "Private Placement") to selected institutional and accredited investors, resulting in total proceeds of $6,500,052, less issuance costs of $778,000. As partial compensation for service rendered in the Private Placement, Roth Capital Partners, LLC, was granted a warrant to purchase up to 550,005 shares of the Company's common stock at $2.00 per share. The value of such warrant of $985,000 was determined using the Black-Scholes model and is recorded as a non-cash offering cost charged to paid-in-capital. The warrants issued in the private placement have an exercise price of $2.00 per share and expire on February 25, 2007. The Company filed a registration statement relating to the resale of the securities offered in the private placement with the Securities and Exchange Commission on March 25, 2002 and the registration statement was declared effective on April 3, 2002.

Upon completion of the Private Placement:

- a "change of ownership" under applicable federal tax statutes and regulations may have occurred, potentially subjecting approximately $21.8 million of the Company's current net operating losses to annual limitations against income in future periods, and

- the number of shares of common stock issuable upon exercise and the exercise price of the warrant issued in connection with a bridge loan in 2000 between the Company and Big Star Investments LLC were adjusted to 166,667 and $1.50, respectively.

Note 5 – 2001 Bridge Loan

On September 30, 2001, the Company obtained a bridge loan facility from Big Beaver for an aggregate principal amount of up to $1,500,000 (the "2001 Bridge Loan"). The 2001 Bridge Loan accrued interest at 10% per annum, payable at maturity, December 1, 2001 or on the date of the repayment. On December 1, 2001, Big Beaver and the Company amended the 2001 Bridge Loan to increase the aggregate principal amount to $2,500,000 and, with this amendment, increased the interest rate to 12.5% per annum. The amended 2001 Bridge Loan was due on the earlier of March 1, 2002 or upon the occurrence of a Trigger Event, defined to have occurred when the Company (or its Board of Directors) authorized, recommended, proposed or publicly announced its intention to enter into (or failed to recommend rejection of) any tender or exchange offer, merger, consolidation, liquidation, dissolution, business combination, recapitalization, acquisition, or disposition of a material amount of the assets of securities or any comparable transaction which was not consented to in writing by Big Beaver. This loan was collateralized by substantially all of the Company's assets.

In connection with entering into the 2001 Bridge Loan, the Company issued a warrant for the right to purchase 652,174 shares (this number was reduced to 326,087 shares concurrent with completion of the Private Placement, Note 4) of the Company's common stock at a price of $1.15 per share. The proceeds of the 2001 Bridge Loan were allocated between the 2001 Bridge Loan and the warrants based upon their estimated relative fair values. The allocated value of the warrant was $226,000 and was amortized to interest expense as of December 31, 2001.

On February 25, 2002 a Trigger Event occurred with the completion of the Private Placement (Note 4) allowing the Company to exchange $2,580,903 of 2001 Bridge Loan debt, representing the principal amount of the 2001 Bridge Loan and accrued interest on that loan, for 1,720,602 shares of common stock and warrants to purchase 860,301 shares of common stock. The warrants issued with this exchange have an exercise price of $2.00 per share and expire on February 25, 2007.

Note 6 – Inventory / Outsourcing of Production

Details of inventory by category, in thousands:

	September 30, 2002	December 31, 2001
Raw Material	$ 1,277	$ 866
Work in Process	128	53
Finished Goods	518	244
Total Inventory	$ 1,923	$ 1,163

In January 2002, the Company began outsourcing production of product for its North American customers to a supplier plant in Chihuahua, Mexico. This supplier is an affiliate of Big Beaver (one of the Company's three major shareholders). As of September 2002, the components held at this supplier plant are reported as raw material inventory. Completed CCS systems held by the supplier plant before shipment to the customer are reported as finished goods inventory.

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Note 7 – Net Loss per Share

The Company's net loss per share calculations are based upon the weighted average number of shares of common stock outstanding. Because their effects are anti-dilutive, net loss per share for the nine months ended September 30, 2002 and 2001, does not include the effect of:

	Nine Months Ended September 30,	
	2002	2001
Stock options outstanding for:		
1993 and 1997 Stock Option Plans	1,026,005	860,280
Shares of common stock issuable upon the exercise of warrants	4,444,299	3,997,382
Shares of common stock issuable upon the exercise of an option to purchase Unit Purchase options granted to underwriter	—	190,400
Shares of common stock issuable upon the conversion of Series A Preferred Stock	5,373,134	5,373,134
Total	10,843,438	10,421,196

Note 8 – Research and Development Expense

The Company consolidates research and development expense with BSST. The following table details research and development expense by division, in thousands:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
Research and development expense:				
Amerigon programs	$ 760	$ 628	$ 2,114	$ 2,001
BSST programs	208	310	808	741
Total research and development expense	$ 968	$ 938	$ 2,922	$ 2,742

Note 9 – Segment Reporting

The tables below present segment information about the reported revenues and operating loss of Amerigon for the three and nine months ended September 30, 2002 and 2001 (in thousands). Asset information by reportable segment is not reported since management does not produce such information.

For the Three Months Ended September 30,	CCS	BSST	Reconciling Items	As Reported
2002				
Revenue	$ 4,491	$ —	$ —	$ 4,491
Operating Income (loss)	287	(208)	(1,497)[1]	(1,418)
2001				
Revenue	1,506	—	—	1,506
Operating Loss	(402)	(310)	(1,085)[1]	(1,797)

[1] Represents selling, general and administrative costs of $1,449,000 and $1,036,000, respectively, and depreciation expense of $48,000 and $49,000, respectively, for the three months ended September 30, 2002 and 2001.

For the Nine Months Ended September 30,	CCS	BSST	Reconciling Items	As Reported
2002				
Revenue	$ 8,848	$ —	$ —	$ 8,848
Operating Loss	(140)	(808)	(4,034)[1]	(4,991)
2001				
Revenue	4,958	—	—	4,958
Operating Loss	(1,228)	(741)	(3,441)[1]	(5,410)

[1] Represents selling, general and administrative costs of $3,881,000 and $3,297,000, respectively, and depreciation expense of $162,000 and $144,000, respectively, for the nine months ended September 30, 2002 and 2001.

Product revenue information by geographic area (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
North America	$ 3,029	$ 806	$ 6,119	$ 2,053
Asia	1,462	700	2,728	2,905
Total Product Revenues	$ 4,491	$ 1,506	$ 8,848	$ 4,958

Product revenue information by customer location, as a percent of total product revenues:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
North America	67%	54%	69%	41%
Asia	33%	46%	31%	59%
Total Product Revenues	100%	100%	100%	100%

Note 10 – Accrued Liabilities

Details of accrued liabilities (in thousands):

	September 30, 2002	December 31, 2001
Accrued salaries	$ 422	$ 310
Accrued vacation	159	138
Other accrued liabilities	323	474
Total accrued liabilities	$ 904	$ 922

Note 11 – Class A Warrants

On February 12, 2002, the Class A warrants to purchase 1,993,264 shares of common stock expired without any being exercised and, as a result, the contingent warrants issued by the Company were no longer exercisable as these contingent warrants were only exercisable to the extent that the Class A Warrants were exercised. On May 12, 2002, these contingent warrants expired.

Note 12 – Subsequent Events

On November 14, 2002 the Company obtained an asset-based, $3,000,000 revolving credit line with Comerica Bank (the "Credit Line") to repay outstanding borrowings under the 2002 Bridge Loan (Note 3) and to fund future working capital requirements. The debt under the Credit Line may not exceed the lesser of the Credit Line or a borrowing formula (80% of eligible accounts receivable up to 90 days from invoice date). The Credit Line bears interest of Comerica Bank's prime rate plus 2.75%, which is accrued and charged monthly, with a term of one year from the date of closing. The Credit Line is collateralized by all of the assets of the Company and the Company's subsidiary, BSST.

The Company made an initial draw of $1,060,000 on the credit line on November 14, 2002. The credit line contains certain covenants requiring the Company to meet accumulated earnings results.

The Company is aware of Nasdaq's recent implementation of a requirement that Nasdaq listed companies maintain a minimum of $2.5 million in stockholder's equity to remain compliant with its listing standards. Based on the Company's current operating plan, management believes stockholders' equity at December 31, 2002 may fall below this minimum. The Company will be developing plans to deal with this possibility in the coming months.

On October 31, 2002, the Company paid BSST $216,000 to fulfill its funding requirements under the Option Agreement. Since entering into the Option Agreement with BSST, the Company has paid $2,000,000 and has no further obligations under this agreement. As a majority owner of BSST, the Company has certain funding obligations to BSST of up to $500,000 per year.

ITEM 2

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

General

We design, develop, market and manufacture proprietary high technology electronic systems for sale to automobile and truck original equipment manufacturers. In 2001, we completed our second full year of producing and selling our CCS product, which provides year-round comfort by providing both heating and cooling to seat occupants. Since we started commercial production, we have shipped more than 336,000 units of our CCS product through September 2002 for installation in the Lincoln Navigator luxury SUV, Ford Expedition SUV, Lexus LS 430 and Toyota Celsior luxury automobiles, the Lincoln Blackwood luxury utility truck, Lincoln Aviator SUV and the Infiniti Q45 and M45 luxury automobiles. (Our CCS product was a standard feature in the Lincoln Blackwood, but Ford announced the discontinuation of the Lincoln Blackwood as of August 2002.)

We operate as a supplier to the auto industry. Inherent in this market are costs and expenses well in advance of the receipt of orders (and resulting revenues) from customers. This is due in part to automotive manufacturers requiring the coordination and testing of proposed new components and sub-systems. Revenues from these expenditures may not be realized for two to three years as the manufacturers tend to group new components and enhancements into annual or every two to three year vehicle model introductions.

Results of Operations

Third Quarter 2002 Compared with Third Quarter 2001

Revenues. Revenues for the three months ended September 30, 2002 ("Third Quarter 2002") were $4,491,000 as compared with revenues of $1,506,000 for the three months ended September 30, 2001 ("Third Quarter 2001"). This increase of $2,985,000, or 198%, is due principally to the shipments of our CCS product for the Infiniti Q45 and M45 and high volume Ford Expedition in the Third Quarter 2002.

Cost of Sales. Cost of sales increased to $3,444,000 in the Third Quarter 2002 from $1,280,000 in Third Quarter 2001. This increase of $2,164,000, or 169%, is due to the shipments for the Infiniti Q45 and M45 and high volume Ford Expedition in the Third Quarter 2002.

Research and Development Expenses. Research and development expenses increased to $968,000 in the Third Quarter 2002 from $938,000 in the Third Quarter 2001. This $30,000, or 3%, increase was due primarily to an increase in prototype costs associated with our next generation CCS design.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased to $1,497,000 in the Third Quarter 2002 compared to $1,085,000 in the Third Quarter 2001. This $412,000, or 38%, increase was due to costs associated with travel and freight for the outsourcing of production of CCS units for our North American customers to an assembly plant in Mexico and relocation of the corporate office from California to Dearborn, Michigan.

We group development and prototype costs and related reimbursements in research and development. This is consistent with accounting standards applied in the automotive industry. Costs for tooling, net of related reimbursements, are included in cost of sales.

Nine Months Ending 2002 Compared with Nine Months Ending 2001

Revenues. Revenues for the nine months ended September 30, 2002 (“2002”) were $8,848,000 as compared with revenues of $4,958,000 for the nine months ended September 30, 2001 (“2001”). This increase of $3,890,000, or 78%, is due to the commencement of shipments for the Infiniti Q45 and M45 and high volume Ford Expedition in 2002. We anticipate the level of shipments to our current customer base to remain relatively constant with volume increases occurring when new platforms are introduced in the fourth quarter and next year .

Cost of Sales. Cost of sales increased to $6,874,000 in 2002 from $4,185,000 in 2001. This increase of $2,689,000, or 64%, is due to the commencement of shipments for the Infiniti Q45 and M45 and high volume Ford Expedition in 2002.

Research and Development Expenses. Research and development expenses increased to $2,922,000 in 2002 from $2,742,000 in 2001. This $180,000, or 7%, increase was due primarily to an increase in the development efforts of our subsidiary BSST (see note 8 of the condensed consolidated financial statements) and prototype costs associated with our next generation CCS design.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased to $4,043,000 in 2002 compared to $3,441,000 in 2001. This $602,000, or 17%, increase was due to legal expenses associated with the completion of the 2001 Bridge Loan, costs associated with travel and freight for the outsourcing of production of CCS units for our North American customers to an assembly plant in Mexico and the relocation of the corporate office from California to Dearborn, Michigan.

Liquidity and Capital Resources

As of September 30, 2002, we had cash and cash equivalents of $602,000 and working capital of $1,967,000. Our principal sources of operating capital have been the proceeds of our various equity and debt financing transactions and CCS product revenues.

On November 14, 2002 we obtained an asset-based, $3,000,000 revolving credit line with Comerica Bank (the “Credit Line”) to repay outstanding borrowings under the September 2002 bridge loan facility from Big Beaver Investments LLC (“Big Beaver”) and to fund future working capital requirements. The debt under the Credit Line may not exceed the lesser of the Credit Line or a borrowing formula (80% of eligible accounts receivable up to 90 days from invoice date). The Credit Line bears interest of Comerica Bank’s prime rate plus 2.75%, which is accrued and charged monthly, with a term of one year from the date of closing. The Credit Line is collateralized by all of our assets and our subsidiary, BSST.

Based on our current operating plan, we believe cash at September 30, 2002, along with proceeds from future revenues and borrowings under the Credit Line with Comerica Bank, will be sufficient to meet our operating needs through 2003. We are aware of Nasdaq's recent implementation of a requirement that Nasdaq listed companies maintain a minimum of $2.5 million in stockholders' equity to remain compliant with its listing standards. Based on our current operating plan, management believes stockholders' equity at December 31, 2002 may fall below this minimum. We will be developing plans to deal with this possibility in the coming months.

On September 24, 2002, we obtained a bridge loan facility from Big Beaver for an aggregate principal amount of up to $1,000,000 (the “2002 Bridge Loan”). The 2002 Bridge Loan accrued interest at 12% per annum, payable on the first of each month. The 2002 Bridge Loan was due on the earlier of November 24, 2002 or upon the commencement of an asset-based credit line with a lending institution. Any unpaid principal and accrued interest beyond the due date would then accrue interest at 17% per annum. This loan was collateralized by all of our accounts receivable. As of September 30, 2002, we had made an initial draw of $500,000 which was repaid with accumulated interest on November 14, 2002 using a draw under the Credit Line.

As of September 30, 2002, our cash and cash equivalents increased by $146,000 from $456,000 at December 31, 2001. Cash used in operating activities amounted to $6,277,000, which was mainly attributable to the net loss of $5,165,000 and increased working capital to support the higher volumes and outsourcing of manufacturing. Cash used in investing activities amounted to $274,000, which is mainly attributable to the purchase of $648,000 of equipment offset by the reduction in restricted cash available for our subsidiary, BSST, of $418,000. Financing activities provided $6,697,000, net of expenses, due to the completion of a private placement and the initial draw of $500,000 of the 2002 Bridge Loan.

On February 25, 2002, we completed the sale of 4,333,368 shares of common stock and 2,166,684 warrants to purchase shares of common stock in a private placement to selected institutional and accredited investors, resulting in gross proceeds of $6,500,052. The $6,500,052 excludes additional proceeds of $2,580,903 representing the principal amount of a bridge loan and accrued interest on that loan, which were exchanged by the holder for 1,720,602 shares of common stock and warrants to purchase 860,301 shares of common stock. We filed a registration statement relating to the resale of the securities offered in the private placement with the Securities and Exchange Commission on March 25, 2002 and the registration statement was declared effective on April 3, 2002.

BSST was established in August 2000 by Dr. Lon E. Bell, the founder of Amerigon. BSST is engaged in a program to improve the efficiency of thermoelectric devices and develop products based on this new technology. In September 2000, we entered into an option agreement with BSST to purchase a 90% interest in BSST for an aggregate of $2,000,000. We paid $150,000 to BSST for the option rights at that time. The original option agreement was amended to extend the termination date from January 31, 2001 to May 31, 2001, in exchange for additional option payments totaling $360,000. On May 31, 2001, we exercised our option by paying $400,000 to BSST. As of September 30, 2002, we had paid to BSST $1,784,000 and is required to pay an additional $216,000 in installments of no more than $133,000 in any month pursuant to the Option Agreement (Note 12). In addition, we have, as the majority owner of BSST, certain funding obligations to BSST of up to $500,000 per year.

Until we are selling units in the automotive market with adequate volumes and margin, we expect to incur losses. The production volumes that we presently expect for the Lincoln Navigator, Ford Expedition, Lexus LS 430 and Toyota Celsior and Infiniti Q45 and M45 will not be sufficient for our results of operations to be “breakeven.” The addition of volume production for the new Lincoln Aviator SUV and the start of production for the Lincoln LS in the fourth quarter of 2002 and several new vehicle lines in 2003 are expected to generate sufficient volume to achieve breakeven results and subsequent profitability on an on-going basis. We are working with many automobile manufacturers for future introduction of our CCS technology in the 2004 model year (2003 calendar year) and beyond, but there is no guarantee these manufacturers will introduce our products.

The transfer of our manufacturing operations out of California has taken longer than planned to complete and has been more costly than originally planned. Although we believe significant cost savings will be achieved, the full benefit has been slightly delayed with a negative effect on near-term profit and cash flow. Accordingly, we have implemented our contingency plan to mitigate the impact of these costs. Key elements of the plan include:

- cost reductions from internal efficiencies;
- implementing internal cash conservation measures to limit discretionary spending; and
- obtaining asset-based financing to support growth-driven working capital needs.

FORWARD LOOKING STATEMENTS

Certain matters discussed or referenced in this report, including our expectation of increased revenues and continuing losses, our financing requirements, our capital expenditures and our prospects for the development of platforms with major automotive manufacturers, are forward-looking statements. Other forward-looking statements may be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “believe”, “estimate”, “anticipate”, “continue”, or similar terms, variations of such terms or the negative of such terms. All forward-looking statements speak only as of the date of this report. Although such statements are based upon our current expectations, and we believe such expectations are reasonable, such expectations, and the forward-looking statements based on them, are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Important factors that could cause our actual results to differ materially from our expectations are described below and in our other filings with the Securities and Exchange Commission.

RISK FACTORS

Risks Relating to our Business

We are only in the early stage of commercialization and marketing of our products and our sales may not significantly increase

Although we began operations in 1991, we have only engaged in the commercial manufacturing and marketing of our products since 1999. We had product revenues of $6,447,000 in 2001, $6,886,000 in 2000 and $336,000 in 1999. Since we started commercial production, we have shipped more than 336,000 units of our CCS product through September 2002 for installation in the Lincoln Navigator luxury SUV, Ford Expedition SUV, Lexus LS 430 and Toyota Celsior luxury automobiles, the Lincoln Blackwood luxury utility truck, Lincoln Aviator SUV and the Infiniti Q45 and M45 luxury automobiles. (Our CCS product was a standard feature in the Lincoln Blackwood, but Ford announced the discontinuation of the Lincoln Blackwood as of August 2002.) There can be no assurance that sales will significantly increase or that we will become profitable.

We have incurred substantial operating losses since our inception and we are continuing to incur losses

We have incurred substantial operating losses since our inception. We had operating losses of $7,387,000 in 2001, $9,575,000 in 2000 and $7,644,000 in 1999. As of September 30, 2002, we had accumulated deficits since inception of $68,010,000. Our accumulated deficits are attributable to the historical costs of developmental and other start-up activities, including the industrial design, development and marketing of discontinued products and a significant loss incurred on a major electric vehicle development contract.

Approximately $33.0 million of our accumulated deficit arose from past efforts in electric vehicles, integrated voice technology or radar, all discontinued products as of December 31, 2001. We have been in production of the CCS product for approximately three years and have fixed operating costs that can only be absorbed by higher volumes. Our breakeven point is above our current production levels. As a result, we expect to continue to incur losses in the near term. We will not be able to achieve a quarterly operating profit unless we are successful in increasing our CCS product revenues.

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We have suffered net losses of $7,691,000, $11,274,000 and $7,575,000 and we have used cash in operating activities of $6,677,000, $9,370,000 and $7,491,000 in 2001, 2000 and 1999, respectively.

We have funded our financial needs from inception primarily through net proceeds received through our initial public offering as well as other equity and debt financing. At September 30, 2002, we had cash and cash equivalents of $602,000 and working capital of $1,967,000. Based on our current operating plan, we believe cash at September 30, 2002 along with proceeds from future revenues and borrowings under the Credit Line will be sufficient to meet our operating needs through 2003. We are aware of Nasdaq's recent implementation of a requirement that Nasdaq listed companies maintain a minimum of $2.5 million in stockholders' equity to remain compliant with its listing standards. Based on our current operating plan, management believes stockholders' equity at December 31, 2002 may fall below this minimum. We will be developing plans to deal with this possibility in the coming months.

The completion of our February 2002 private placement may have resulted in an “ownership change” of the Company under Section 382 of the Internal Revenue Code. As a result, the amount of our future annual income that may be offset by our prior net losses may be limited. This limit may be equal to our equity value on the change date multiplied by a “long term tax-exempt rate,” which was 5.01% as of the change date.

Our ability to market our product successfully depends on acceptance of our product by automotive manufacturers and consumers

We have engaged in a lengthy development process on our CCS product which involved developing a prototype for proof of concept and then adapting the basic system to actual seats provided by various automotive manufacturers and their seat suppliers. In the past three years, we have supplied prototype seats containing our CCS product to virtually every major automobile manufacturer and seat supplier. As a result of this process, we have been selected by a number of automotive manufacturers to supply a number of current vehicles.

Our ability to market our CCS product successfully depends upon the willingness of automobile manufacturers to incur the substantial expense involved in the purchase and installation of our products and systems, and, ultimately, upon the acceptance of our product by consumers. Automobile manufacturers may be reluctant to purchase key components from a small, development stage company with limited financial and other resources. No assurances can be made that either automotive manufacturers or consumers will accept our CCS product.

We commenced initial production shipments to Johnson Controls for Ford in late November 1999. We are working with many other automotive manufacturers and their seat suppliers in an effort to have the CCS product included in other models commencing with the 2003 model year and beyond. We currently have active development programs on over twenty vehicle platforms, but no assurance can be given that our CCS product will be implemented in all of these vehicles. While we have the only actively-cooled seat available, competitors are introducing ventilated seats, which provide some of the cooled-seat attributes and are very price competitive with our CCS product. Additionally, heat only devices are readily available from our competitors.

We may need additional financing in the future

We have experienced negative cash flow from operations since our inception and have expended, and expect to continue to expend, substantial funds to continue our development and marketing efforts. We have not generated and do not expect to generate in the near future sufficient revenues from the sales of our principal products to cover our operating expenses. We had negative cash flows from operations of $6,677,000 in 2001, $9,370,000 in 2000 and $7,491,000 in 1999.

On February 25, 2002, we completed the sale of 4,333,368 shares of common stock and warrants to purchase 2,166,684 shares of common stock in a private placement to selected institutional and accredited investors, resulting in gross proceeds of $6,500,052. The $6,500,052 excludes $2,580,903 representing the principal amount of a bridge loan and accrued interest on that loan, which was exchanged by the holder for 1,720,602 shares of common stock and warrants to purchase 860,301 shares of common stock. The warrants issued in the private placement have an exercise price of $2.00 per share and expire on February 25, 2007.

Based on our current operating plan, we believe cash at September 30, 2002 along with proceeds from future revenues and borrowings under the Credit Line will be sufficient to meet our operating needs through 2003. The actual funds that we will need to operate during this period will be determined by many factors, some of which are beyond our control, and lower than expected sales of our product or higher than anticipated expenses could require us to need additional financing. We are aware of Nasdaq's recent implementation of a requirement that Nasdaq listed companies maintain a minimum of $2.5 million in stockholders' equity to remain compliant with its listing standards. Based on our current operating plan, management believes stockholders' equity at December 31, 2002 may fall below this minimum. We will be developing plans to deal with this possibility in the coming months.

The disruption or loss of relationships with vendors and suppliers for the components for our products could materially adversely affect our business

Our ability to market and manufacture our products successfully is dependent on relationships with both third party vendors and suppliers. We rely on various vendors and suppliers for the components of our products and procure these components through purchase orders, with no guaranteed supply arrangements. Certain components, including thermoelectric devices, are only available from a limited number of suppliers. The loss of any significant supplier, in the absence of a timely and satisfactory alternative arrangement, or an inability to obtain essential components on reasonable terms or at all, could materially adversely affect our business, operations and cash flows. Our business and operations could also be materially adversely affected by delays in deliveries from our suppliers.

The planned outsourcing of production entails risks of production interruption and unexpected costs

To date, we have been engaged in manufacturing in California for three years, producing moderate quantities. We are outsourcing production to lower-cost countries in order to be price competitive and expand our market beyond the luxury vehicle segment. The shift of production for North America to a supplier plant in Chihuahua, Mexico in the first quarter of 2002 resulted in some unexpected penalty costs and higher inventories to support the transition. Similar risks could exist for planned production shifts for Asian production later in 2002.

Automobile manufacturers demand on-time delivery of quality products, and some have required the payment of substantial financial penalties for failure to deliver components to their plants on a timely basis. Such penalties, as well as costs to avoid them, such as working overtime and overnight air freighting parts that normally are shipped by other less expensive means of transportation, could have a material adverse effect on our business and financial condition. Moreover, the inability to meet demand for our products on a timely basis would materially adversely affect our reputation and prospects.

We are not sure we will be able to persuade potential customers of the merits of our products and justify their costs to increase our sales

Because of the sophisticated nature and early stage of development of our products, we will be required to educate potential customers and demonstrate that the merits of our products justify the costs associated with such products. We have relied on, and will continue to rely on, automobile manufacturers and their dealer networks to market our products. The success of any such relationship will depend in part on the other party's own competitive, marketing and strategic considerations, including the relative advantages of alternative products being developed and/or marketed by any such party. There can be no assurance that we will be able to continue to market our products properly so as to generate meaningful product sales increases.

The sales cycle for our products is lengthy and the lengthy cycle impedes growth in our sales

The sales cycle in the automotive components industry is lengthy and can be as long as five years or more for products that must be designed into a vehicle, because some companies take that long to design and develop a vehicle. Even when selling parts that are neither safety-critical nor highly integrated into the vehicle, there are still many stages that an automotive supply company must go through before achieving commercial sales. The sales cycle is lengthy because an automobile manufacturer must develop a high degree of assurance that the products it buys will meet customer needs, interface as easily as possible with the other parts of a vehicle and with the automobile manufacturer's production and assembly process, and have minimal warranty, safety and service problems. As a result, from the time that a manufacturer develops a strong interest in our CCS product, it normally will take several years before our CCS product is available to consumers in that manufacturer's vehicles.

In the automotive components industry, products typically proceed through five stages of research and development. Initial research on the product concept comes first, to assess its technical feasibility and economic costs and benefits. This stage often includes development of an internal prototype for the component supplier's own evaluation. If the product appears feasible, the component supplier manufactures a functioning prototype to demonstrate and test the product's features. These prototypes are then marketed and sold to automotive companies for testing and evaluation. If an automobile manufacturer shows interest in the product, it typically works with the component supplier to refine the product, then purchases second and subsequent generation engineering prototypes for further evaluation. Finally, the automobile manufacturer either decides to purchase the component for a production vehicle or terminates the program.

The time required to progress through these five stages to commercialization varies widely. Generally, the more a component must be integrated with other vehicle systems, the longer the process takes. Further, products that are installed by the factory usually require extra time for evaluation because other vehicle systems are affected, and a decision to introduce the product into the vehicle is not easily reversed. Because our CCS product affects other vehicle systems and is a factory-installed item, the process takes a significant amount of time to commercialization.

Our industry is subject to intense competition, and our products may be rendered obsolete by future technological developments in the industry

The automotive component industry is subject to intense competition. Virtually all of our competitors are substantially larger in size, have substantially greater financial, marketing and other resources than we do, and have more extensive experience and records of successful operations than we do. Several competitors have introduced ventilated seats in an effort to respond to our proprietary cooled seat technology. Competition extends to attracting and retaining qualified technical and marketing personnel. There can be no assurance that we will successfully differentiate our products from those of our competitors, that the marketplace will consider our current or proposed products to be superior or even comparable to those of our competitors, or that we can succeed in establishing relationships with automobile manufacturers. Furthermore, no assurance can be given that competitive pressures we face will not adversely affect our financial performance.

Due to the rapid pace of technological change, as with any technology-based product, our products may even be rendered obsolete by future developments in the industry. Our competitive position would be adversely affected if we were unable to anticipate such future developments and obtain access to the new technology.

Any failure to protect our intellectual property could harm our business and competitive position

As of September 30, 2002, we owned nine U.S. patents and had eight U.S. patents pending and our subsidiary BSST had eleven U.S. patents pending and five foreign patents pending. We were also licensees of three patents and joint owners with Honda Motor Co. of two U.S. patents and five Japanese patent applications. We also owned twenty foreign patents and had fifteen foreign patent applications pending. We believe that patents and proprietary rights have been and will continue to be very important in enabling us to compete. There can be no assurance that any new patents will be granted or that our or our licensors' patents and proprietary rights will not be challenged or circumvented or will provide us with meaningful competitive advantages or that pending patent applications will issue. Furthermore, there can be no assurance that others will not independently develop similar products or will not design around any patents that have been or may be issued to our licensors or us. Failure to obtain patents in certain foreign countries may materially adversely affect our ability to compete effectively in certain international markets. We are aware that an unrelated party filed a patent application in Japan on March 30, 1992, with respect to technology similar to our CCS technology. We hold current and future rights to licensed technology through licensing agreements requiring the payment of minimum royalties and must continue to comply with those licensing agreements. Failure to do so or loss of such agreements could materially and adversely affect our business.

Because of rapid technological developments in the automotive industry and the competitive nature of the market, the patent position of any component manufacturer is subject to uncertainties and may involve complex legal and factual issues. Consequently, although we either own or have licenses to certain patents, and are currently processing several additional patent applications, it is possible that no patents will issue from any pending applications or that claims allowed in any existing or future patents issued or licensed to us will be challenged, invalidated, or circumvented, or that any rights granted thereunder will not provide us adequate protection. There is an additional risk that we may be required to participate in interference proceedings to determine the priority of inventions or may be required to commence litigation to protect our rights, which could result in substantial costs.

Our products may conflict with patents that have been or may be granted to competitors or others

Other persons could bring legal actions against us claiming damages and seeking to enjoin manufacturing and marketing of our products for allegedly conflicting with patents held by them. Any such litigation could result in substantial cost to us and diversion of effort by our management and technical personnel. If any such actions are successful, in addition to any potential liability for damages, we could be required to obtain a license in order to continue to manufacture or market the affected products. There can be no assurance that we would prevail in any such action or that any license required under any such patent would be made available on acceptable terms, if at all. Failure to obtain needed patents, licenses or proprietary information held by others may have a material adverse effect on our business. In addition, if we become involved in litigation, it could consume a substantial portion of our time and resources. However, we have not received any notice that our products infringe on the proprietary rights of third parties.

We rely on trade secrets protection through confidentiality agreements, and these agreements could be breached

We also rely on trade secrets that we seek to protect, in part, through confidentiality and non-disclosure agreements with employees, customers and other parties. There can be no assurance that these agreements will not be breached, that we would have adequate remedies for any such breach or that our trade secrets will not otherwise become known to or independently developed by competitors. To the extent that consultants, key employees or other third parties apply technological information independently developed by them or by others to our proposed projects, disputes may arise as to the proprietary rights to such information that may not be resolved in our favor. We may be involved from time to time in litigation to determine the enforceability, scope and validity of proprietary rights. Any such litigation could result in substantial cost and diversion of effort by our management and technical personnel. Additionally, with respect to licensed technology, there can be no assurance that the licensor of the technology will have the resources, financial or otherwise, or desire to defend against any challenges to the rights of such licensor to its patents.

Our customers typically reserve the right unilaterally to cancel contracts or reduce prices, and the exercise of such right could reduce or eliminate any financial benefit to us anticipated from such contract

Automotive customers typically reserve the right unilaterally to cancel contracts completely or to require unilateral price reductions. Although they generally reimburse companies for actual out-of-pocket costs incurred with respect to the particular contract up to the point of cancellation, these reimbursements typically do not cover costs associated with acquiring general purpose assets such as facilities and capital equipment, and may be subject to negotiation and substantial delays in receipt by us. Any unilateral cancellation of, or price reduction with respect to, any contract that we may obtain could reduce or eliminate any financial benefits anticipated from such contract and could have a material adverse effect on our financial condition and results of operations.

Our success will depend in large part on retaining key personnel, which may be affected by the planned relocation of our corporate offices

Our success will depend to a large extent upon the continued contributions of key personnel. The loss of the services of Dr. Lon E. Bell, the head of BSST, our research and development subsidiary, would have a material adverse effect on the success of Amerigon. We have obtained key-person life insurance coverage in the amount of $2,000,000 on the life of Dr. Bell.

Our success will also depend, in part, upon our ability to retain qualified engineering and other technical and marketing personnel. There is significant competition for technologically qualified personnel in our business and we may not be successful in recruiting or retaining sufficient qualified personnel.

By December 2002, we will complete the relocation of our corporate offices to the Detroit area while technical development will remain in Southern California. With this move, key personnel not willing to relocate will need to be replaced, including our present CFO. Also, close coordination between our Detroit corporate offices and our Southern California team will be required.

Our reliance on outside major contractors may impair our ability to complete certain projects and manufacture products on a timely basis

We have in the past engaged certain outside contractors to perform product assembly and other production functions for us, and we anticipate that we may desire to engage contractors for such purposes in the future. We believe that there are a number of outside contractors that provide services of the kind that have been used by us in the past and that we may desire to use in the future. However, no assurance can be given that any such contractors would agree to work for us on terms acceptable to us or at all. Our inability to engage outside contractors on acceptable terms or at all would impair our ability to complete any development and/or manufacturing contracts for which outside contractors' services may be needed. Moreover, our reliance upon third party contractors for certain production functions will reduce our control over the manufacture of our products and will make us dependent in part upon such third parties to deliver our products in a timely manner, with satisfactory quality controls and on a competitive basis.

Our business exposes us to potential product liability risks

Our business will expose us to potential product liability risks which are inherent in the manufacturing, marketing and sale of automotive components. In particular, there may be substantial warranty and liability risks associated with our products. If available, product liability insurance generally is expensive. While we presently have an annual aggregate of $6,000,000 of product liability coverage ($5,000,000 on a per occurrence basis) with an additional $2,000,000 in product recall coverage, there can be no assurance that we will be able to obtain or maintain such insurance on acceptable terms with respect to other products we may develop, or that any insurance obtained will provide adequate protection against any potential liabilities. In the event of a successful claim against us, a lack or insufficiency of insurance coverage could have a material adverse effect on our business and operations.

Because many of the largest automotive manufacturers are located in foreign countries, our business is subject to the risks associated with foreign sales

Many of the world's largest automotive manufacturers are located in foreign countries. Accordingly, our business is subject to many of the risks of international operations, including governmental controls, tariff restrictions, foreign currency fluctuations and currency control regulations. However, historically, substantially all of our sales to foreign countries have been denominated in U.S. dollars. As such, our historical net exposure to foreign currency fluctuations has not been material. No assurance can be given that future contracts will be denominated in U.S. dollars, however.

Our use of contractors located in foreign countries will subject us to the risks of international operations

Furthermore, we are engaging contractors located in foreign countries. Accordingly, we will be subject to all of the risks inherent in international operations, including work stoppages, transportation delays and interruptions, political instability, foreign currency fluctuations, economic disruptions, the imposition of tariffs and import and export controls, changes in governmental policies and other factors which could have an adverse effect on our business.

Risks Relating to Share Ownership

Our significant shareholders control the Company

Big Beaver and Westar Capital II LLC ("Westar Capital") each own 4,500 shares of Series A Preferred Stock, which are convertible into common stock at an initial conversion price of $1.675 per common share. On February 25, 2002, we entered into a separate agreement with Big Beaver pursuant to which it acquired an additional 1,720,602 shares of common stock and warrants to purchase an additional 860,301 shares of common stock at a price of $2.00 per share. Big Beaver and Westar Capital have the right to elect a majority of our directors as well as preemptive rights on future financings, so as to maintain their percentage ownership and have registration rights. Based upon the terms of the Series A Preferred Stock, Big Beaver and Westar Capital together in the aggregate held approximately 41% of our common equity (on an as converted basis, excluding options and warrants) as of September 30, 2002.

Our quarterly results may fluctuate significantly, and our small public "float" adversely affects liquidity of our common stock and stock price

Our quarterly operating results may fluctuate significantly in the future due to such factors as acceptance of our product by automotive manufacturers and consumers, timing of our product introductions, availability and pricing of components from third parties, competition, timing of orders, foreign currency exchange rates, technological changes and economic conditions generally. Broad market fluctuations in the stock markets can, obviously, adversely affect the market price of our common stock. In addition, failure to meet or exceed analysts' expectations of financial performance may result in immediate and significant price and volume fluctuations in our common stock.

Without a significantly larger number of shares available for trading by the public, or public "float," our common stock is less liquid than stocks with broader public ownership, and as a result, trading prices of the common stock may significantly fluctuate and certain institutional investors may be unwilling to invest in such a thinly traded security.

We have anti-takeover defenses that could make it more difficult for a third party to acquire a majority of our outstanding voting stock

The Series A Preferred Stock, which is outstanding, confers upon its holders the right to elect five of seven members of the Board of Directors. In addition, the Series A Preferred Stock will vote together with the shares of common stock on any other matter submitted to shareholders. As of September 30, 2002, the holders of the Series A Preferred Stock had approximately 41% of our voting shares and had the ability to approve or prevent any subsequent change of control.

In addition, our Board of Directors has the authority to issue up to 5,000,000 shares of preferred stock and to determine the price, rights, preferences and privileges of those shares without any further vote or action by the shareholders. The rights of the holders of common stock will be subject to, and may be adversely affected by, the rights of the holders of any shares of preferred stock that may be issued in the future. The issuance of preferred stock, while providing desirable flexibility in connection with possible acquisitions and other corporate purposes, could have the effect of making it more difficult for a third party to acquire a majority of our outstanding voting stock.

Future sales of eligible shares may lower the price of our common stock

On February 25, 2002, we completed the sale of 4,333,368 shares of common stock and warrants to purchase 2,166,684 shares of common stock in a private placement to selected institutional and accredited investors, resulting in gross proceeds of $6,500,052. The $6,500,052 excludes $2,580,903 representing the principal amount of a bridge loan and accrued interest on that loan, which was exchanged by the holder for 1,720,602 shares of common stock and warrants to purchase 860,301 shares of common stock. As partial compensation for services rendered in the private placement, Roth Capital Partners, LLC, was granted a warrant to purchase up to 550,005 shares of our common stock. The warrants issued in the private placement have an exercise price of $2.00 per share and expire on February 25, 2007. Although the shares issued in the private placement were restricted under the Securities Act, we filed with the Securities and Exchange Commission a registration statement under the Securities Act to permit the resale of the common stock issued in the private placement (including those shares issuable upon exercise of the warrants). The Securities and Exchange Commission declared the registration statement effective on April 3, 2002 and the shares are eligible for resale.

In March 2001, Tokyo-based Ferrotec Corporation acquired 200,000 restricted shares of our common stock. The subscription agreement granted Ferrotec demand registration rights beginning one year from the closing of the subscription agreement and piggy-back registration rights if we propose to register any securities before then. Ferrotec registered all of its shares in our March 2002 registration statement.

Our Series A Preferred Stock is convertible into 5,373,134 shares of common stock and the holders thereof possess demand and piggyback registration rights.

As part of the agreement with Ford dated March 2000, we granted warrants to Ford exercisable for our common stock. Warrants for the right to purchase 108,345 shares of common stock at an exercise price of $2.75 per share were issued and fully vested in 2000. Additional warrants will be granted and vested at progressively higher exercise prices based upon purchases by Ford of a specified number of CCS units throughout the length of the agreement. If Ford achieves all of the incentive levels required under the agreement, warrants will be granted and vested for an additional 1,300,000 shares of common stock.

Employees and directors (who are not deemed affiliates) hold options to buy 1,026,005 shares of common stock at September 30, 2002. We may issue options to purchase up to an additional 877,109 shares of common stock at September 30, 2002, under our stock option plans. The common stock to be issued upon exercise of these options, has been registered, and therefore, may be freely sold when issued. As of September 30, 2002, we also have outstanding additional warrants to buy 758,964 shares of common stock with exercise prices ranging from $1.15 to $5.30 and have expiration dates ranging from November 6, 2003 to March 27, 2007. Future sales of the shares described above could depress the market price of our common stock.

We do not anticipate paying dividends on our common stock

We have never paid any cash dividends on our common stock and do not anticipate paying dividends in the near future.

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Delisting from an active trading market may adversely affect the liquidity and trading price of our common stock

Although our common stock is quoted on The Nasdaq SmallCap Market, there can be no assurance that we now, or in the future will be able to, meet all requirements for continued quotation thereon. In November 2001, we were informed by Nasdaq that it was reviewing our eligibility for continued listing on The Nasdaq SmallCap Market. We responded to Nasdaq's inquiry in March 2002 and took actions to achieve compliance with its requirements and have received no further communication from Nasdaq since we submitted our response. Effective November 1, 2002, Nasdaq rules require us to also maintain a minimum stockholders' equity of $2,500,000. Based on our current operating plan, we believe our stockholders' equity at December 31, 2002 may fall below this minimum. If that occurs, we would need to present Nasdaq with a plan to achieve and sustain long term compliance with all applicable Nasdaq listing criteria, including the minimum stockholders' equity requirement.

In the absence of an active trading market or if our common stock cannot be traded on The Nasdaq SmallCap Market, our common stock could instead be traded on secondary exchanges, such as the OTC Bulletin Board. In such event, the liquidity and trading price of our common stock in the secondary market may be adversely affected. In addition, if our common stock is delisted, broker-dealers have certain regulatory burdens imposed on them which may discourage broker-dealers from effecting transactions in our common stock, further limiting the liquidity thereof.

ITEM 3

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure to market risk for changes in interest rates relate primarily to our investment portfolio. We place our investments in debt instruments of the U.S. government and in high-quality corporate issuers. We seek to ensure the safety and preservation of our invested funds by limiting default risk and market risk. We have no investments or transactions denominated in foreign country currencies and therefore are not subject to foreign exchange risk.

There have been no material changes with respect to market risk since the Form 10-K was filed for our year ended December 31, 2001.

ITEM 4

CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

In the 90-day period before the filing of this report, the chief executive officer and chief financial officer (collectively, the "certifying officers") have evaluated the effectiveness of the Company’s disclosure controls and procedures. These disclosure controls and procedures are designed to ensure that the information required to be disclosed by the Company in its periodic reports filed with the Securities and Exchange Commission (the "Commission") is recorded, processed, summarized and reported within the time periods specified by the Commission's rules and forms, and that the information is communicated to the certifying officers on a timely basis. The certifying officers concluded, based on their evaluation, that the Company's current disclosure controls and procedures are effective for the Company.

Changes in Internal Controls

No significant changes in the Company's internal controls or in other factors were detected that could significantly affect the Company's internal controls subsequent to the date when these internal controls were evaluated.

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PART II

OTHER INFORMATION

ITEM 6. **Exhibits and Reports on Form 8-K**

(a) Exhibits

None

(b) Reports on Form 8-K

On August 14, 2002, the Company filed a Current Report on Form 8-K (event date August 14, 2002) to report under Item 9 (Regulation FD disclosure).

On September 27, 2002, the Company filed a Current Report on Form 8-K (event date September 24, 2002) to report under Item 5 (other events) and Item 7 (exhibits).

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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.

AMERIGON INCORPORATED

Registrant

Date: November 14, 2002

/s/ OSCAR B. MARX

Oscar B. Marx
Chief Executive Officer

/s/ SANDRA L. GROUF

Sandra L. Grouf
Chief Financial Officer
(Chief Accounting Officer)

CERTIFICATIONS

I, Oscar B. Marx, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Amerigon Incorporated;

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;

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

4. The registrant's other certifying officers 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 officers 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:

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 weakness 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 officers 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:	11/14/02
By:	/s/ Oscar B. Marx III
Name:	Oscar B. Marx III
Title:	Chief Executive Officer

I, Sandra L. Grouf, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Amerigon Incorporated;

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;

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

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4. The registrant's other certifying officers 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 officers 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:

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 weakness 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 officers 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:	11/14/02
By:	Sandra L. Grouf
Name:	Sandra L. Grouf
Title:	Chief Financial Officer