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

FORM 10-Q

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

For the quarterly period ended June 30, 2007

OR

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

For the transition period from _____ to _____.

Commission File Number: 0 - 21810

AMERIGON INCORPORATED

(Exact name of registrant as specified in its charter)

Michigan
(State or other jurisdiction of
incorporation or organization)

21680 Haggerty Road, Ste. 101, Northville, MI
(Address of principal executive offices)

95-4318554
(I.R.S. Employer
Identification No.)

48167
(Zip Code)

Registrant's telephone number, including area code: (248) 504-0500

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer

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

At August 6, 2007, the registrant had 21,656,633 shares of Common Stock, no par value, issued and outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AMERIGON INCORPORATED
CONSOLIDATED CONDENSED BALANCE SHEETS
(In thousands, except share data)

	June 30, 2007 (unaudited)	December 31, 2006
ASSETS		
Current Assets:		
Cash & cash equivalents	\$ 2,237	\$ 2,440
Short-term investments	16,162	12,076
Accounts receivable, less allowance of \$291 and \$227, respectively	10,953	9,329
Inventory:		
Raw materials	164	655
Finished goods	1,542	3,714
Inventory	1,706	4,369
Deferred income tax assets	3,762	3,839
Prepaid expenses and other assets	1,251	284
Total current assets	36,071	32,337
Property and equipment, net	2,570	1,986
Deferred financing costs	11	12
Patent costs, net of accumulated amortization of \$21 and \$18, respectively	2,508	835
Deferred income tax assets	5,699	7,226
Total assets	<u>\$ 46,859</u>	<u>\$ 42,396</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 6,210	\$ 5,615
Accrued liabilities	3,161	2,757
Deferred manufacturing agreement – current portion	200	200
Total current liabilities	9,571	8,572
Deferred manufacturing agreement – long-term portion	550	650
Total liabilities	10,121	9,222
Shareholders' equity:		
Common Stock:		
No par value; 30,000,000 shares authorized, 21,654,383 and 21,335,188 issued and outstanding at June 30, 2007 and December 31, 2006, respectively	62,231	61,606
Paid-in capital	21,424	21,024
Accumulated other comprehensive income – foreign currency	(23)	(12)
Accumulated deficit	(46,894)	(49,444)
Total shareholders' equity	36,738	33,174
Total liabilities and shareholders' equity	<u>\$ 46,859</u>	<u>\$ 42,396</u>

See accompanying notes to the consolidated condensed financial statements.

AMERIGON INCORPORATED
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Product revenues	\$15,058	\$12,409	\$31,331	\$22,850
Cost of sales	9,903	8,526	20,962	15,659
Gross margin	5,155	3,883	10,369	7,191
Operating expenses:				
Research and development	1,868	1,823	3,595	3,162
Research and development reimbursements	(528)	(933)	(1,112)	(1,636)
Net research and development expenses	1,340	890	2,483	1,526
Selling, general and administrative	2,023	1,848	4,176	3,442
Total operating expenses	3,363	2,738	6,659	4,968
Operating income	1,792	1,145	3,710	2,223
Interest income	244	119	430	230
Other income	50	50	100	100
Earnings before income tax	2,086	1,314	4,240	2,553
Income tax expense	830	498	1,690	969
Net income	<u>\$ 1,256</u>	<u>\$ 816</u>	<u>\$ 2,550</u>	<u>\$ 1,584</u>
Basic earnings per share:				
Common Stock	<u>\$ 0.06</u>	<u>\$ 0.04</u>	<u>\$ 0.12</u>	<u>\$ 0.07</u>
Convertible Preferred Stock		<u>\$ 0.04</u>		<u>\$ 0.07</u>
Diluted earnings per common share	<u>\$ 0.06</u>	<u>\$ 0.04</u>	<u>\$ 0.11</u>	<u>\$ 0.07</u>
Weighted average number of shares – basic				
Common Stock	<u>21,631</u>	<u>19,202</u>	<u>21,511</u>	<u>18,423</u>
Convertible Preferred Stock (as converted)		<u>2,052</u>		<u>2,828</u>
Weighted average number of shares – diluted	<u>22,712</u>	<u>20,114</u>	<u>22,505</u>	<u>19,219</u>

See accompanying notes to the consolidated condensed financial statements.

AMERIGON INCORPORATED
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2007	2006
Operating Activities:		
Net income	\$ 2,550	\$ 1,584
Adjustments to reconcile net income to cash provided by operating activities:		
Deferred tax provision	1,605	917
Stock option compensation	400	212
Depreciation and amortization	256	233
Changes in operating assets and liabilities:		
Accounts receivable	(1,625)	(2,240)
Inventory	2,662	(419)
Prepaid expenses and other assets	(968)	(486)
Accounts payable	596	771
Accrued liabilities	792	(338)
Net cash provided by operating activities	<u>6,268</u>	<u>234</u>
Investing Activities:		
Purchases of short-term investments	(19,837)	(6,000)
Sales of short-term investments	15,751	7,550
Purchase of property and equipment	(935)	(757)
Patent costs	(1,675)	(108)
Net cash (used in) provided by investing activities	<u>(6,696)</u>	<u>685</u>
Financing Activities:		
Checks issued in excess of bank balance	—	(240)
Proceeds from the exercise of Common Stock options	236	48
Net cash provided by (used in) financing activities	<u>236</u>	<u>(192)</u>
Foreign currency effect	(11)	(15)
Net (decrease) increase in cash and cash equivalents	(203)	712
Cash and cash equivalents at beginning of period	2,440	1,364
Cash and cash equivalents at end of period	<u>\$ 2,237</u>	<u>\$ 2,076</u>
Supplemental disclosure of non-cash transactions:		
Issuance of Common Stock under the 2006 Equity Incentive Plan	<u>\$ 389</u>	<u>\$ —</u>
Cash paid for Taxes	<u>\$ 135</u>	<u>\$ 20</u>

See accompanying notes to the consolidated condensed financial statements.

AMERIGON INCORPORATED

CONSOLIDATED CONDENSED STATEMENT OF SHAREHOLDERS' EQUITY

(In thousands)

(Unaudited)

	Common Stock		Paid-in Capital	Accumulated Deficit	Currency Translation Adjustment	Total
	Shares	Amount				
Balance at December 31, 2006	21,335	\$61,606	\$21,024	\$ (49,444)	\$ (12)	\$ 33,174
Exercise of Common Stock options for cash	78	236	—	—	—	236
Common Stock issued to employees	49	389	—	—	—	389
Cashless exercise of Warrants	192	—	—	—	—	—
Stock option compensation	—	—	400	—	—	400
Comprehensive income:						
Currency translation	—	—	—	—	(11)	—
Net income	—	—	—	2,550	—	—
Total comprehensive income						2,539
Balance at June 30, 2007	<u>21,654</u>	<u>\$62,231</u>	<u>\$21,424</u>	<u>\$ (46,894)</u>	<u>\$ (23)</u>	<u>\$ 36,738</u>

See accompanying notes to the condensed consolidated financial statements.

AMERIGON INCORPORATED

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Note 1 – The Company

Amerigon Incorporated (the “Company”) designs, develops and markets proprietary, high- technology electronic components and systems for sale to car and truck original equipment manufacturers (“OEMs”). The Company’s primary product is the Climate Control Seat (“CCSTM”), which provides year-round comfort to passengers of automobiles by providing both heating and cooling to seat occupants. Since 2000, the Company has shipped approximately 3,066,000 units of its CCS product through June, 2007.

In 2003, the Company launched a newly designed and more efficient version of its CCS that incorporates its new Micro Thermal ModuleTM technology. This new generation CCS system, which is based on the Company’s proprietary thermoelectric technology device, is smaller, lighter, quieter and more versatile than its predecessor. Further generations of the CCS system are under development and are expected to be launched on future vehicle models.

The Company has an 85% interest in BSST LLC (“BSST”). BSST is engaged in a program to improve the efficiency of thermoelectric devices and to develop, market and distribute new products based on this technology.

Note 2 – Basis of Presentation

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring items, considered necessary for a fair presentation have been included. The balance sheet as of December 31, 2006 was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America. Operating results for the three and six month periods ended June 30, 2007 are not necessarily indicative of the results that may be expected for the year ending December 31, 2007. For further information, refer to the consolidated financial statements and footnotes thereto for the year ended December 31, 2006 included in our Form 10-K. Certain prior year amounts reported in the consolidated condensed statement of cash flows have been reclassified to conform to current year presentation. The reclassifications increased cash provided by operating activities and increased cash used in financing activities by \$240,000 for the six month period ended June 30, 2006.

[Table of Contents](#)**Note 3 – Earnings per Share**

Basic earnings per common share are computed in accordance with Statement of Financial Accounting Standard No. 128, “Earnings Per Share”, and Emerging Issues Task Force “Issue 03-06 Participating Securities and the Two-Class Method under FASB Statement No. 128”, by dividing income available to each class of outstanding stock by the weighted average number of shares of stock outstanding. The income available to Common Stock is derived as follows:

	Three Months Ended June 30, (in Thousands)		Six Months Ended June 30, (in Thousands)	
	2007	2006	2007	2006
Net income	\$ 1,256	\$ 816	\$ 2,550	\$ 1,584
Amount allocated to participating Convertible Preferred Stock	—	(79)	—	(211)
Income available to Common Stock	<u>\$ 1,256</u>	<u>\$ 737</u>	<u>\$ 2,550</u>	<u>\$ 1,373</u>

On January 31, 2006 the holders of the Series A Convertible Preferred Stock converted 4,500 of their outstanding shares to 2,686,568 Common Shares. During June 2006, the remaining outstanding 4,500 shares of Series A Convertible Preferred Stock were converted to 2,686,566 Common Shares. As a result of these conversions, no Series A Convertible Preferred Stock was outstanding as of or during the three and six month periods ended June 30, 2007. Accordingly, no income was allocated to the Preferred Stock during this period.

The Company’s diluted earnings per common share give effect to all potential shares of Common Stock outstanding during a period that are not anti-dilutive. In computing the diluted earnings per share, the treasury stock method is used in determining the number of shares assumed to be purchased from the conversion of Common Stock equivalents. The following summarizes the shares included in the dilutive shares as disclosed on the face of the consolidated condensed statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Weighted average number of shares for calculation of basic EPS – Common Stock	21,631,406	19,201,757	21,511,265	18,423,276
Impact of stock options outstanding under the 1993, 1997 and 2006 Stock Option Plans	1,005,313	778,807	918,877	693,656
Impact of warrants outstanding for the purchase of Common Stock	—	133,410	73,757	102,147
Weighted average number of shares for calculation of diluted EPS	<u>22,636,719</u>	<u>20,113,974</u>	<u>22,503,899</u>	<u>19,219,079</u>

The accompanying table represents Common Stock issuable upon the exercise of certain stock options, and Common Stock issuable upon the conversion of Series A Convertible Preferred Stock that have been excluded from the diluted shares calculation because the effect of their inclusion would be anti-dilutive.

[Table of Contents](#)**Note 3 – Earnings per Share (Continued)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Stock options outstanding under the 1993 and 1997 Stock Option Plans	—	18,500	2,000	22,100
Shares of Common Stock issuable upon the conversion of Series A Convertible Preferred Stock	—	2,051,828	—	2,827,574
Total	—	2,070,328	2,000	2,849,674

The Company's Series A Convertible Preferred Stock was a participating security.

Note 4 – Segment Reporting

The tables below present segment information about the reported product revenues and operating income of the Company for the three and six month periods ended June 30, 2007 and 2006. Asset information by reportable segment is not reported since the Company does not manage assets at a segment level.

Three Months Ended June 30,	CCS	BSST ⁽¹⁾	Reconciling Items (in Thousands)	Total
2007				
Product revenues	\$15,058	\$ —	\$ —	\$15,058
Operating income	4,510	(695)	(2,023) ⁽²⁾	1,792
2006				
Product revenues	\$12,409	\$ —	\$ —	\$12,409
Operating income	3,185	(192)	(1,848) ⁽²⁾	1,145

(1) BSST's operating loss for the three months ended June 30, 2007 and 2006 is net of \$528,000 and \$933,000, respectively, of reimbursed research and development costs.

(2) Represents corporate selling, general and administrative costs and includes depreciation expense of \$48,000 and \$43,000, for the three months ended June 30, 2007 and 2006, respectively.

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Note 4 – Segment Reporting (Continued)

Six Months Ended June 30,	CCS	BSST ⁽¹⁾	Reconciling Items	Total
		(in Thousands)		
2007				
Product revenues	\$31,331	\$ —	\$ —	\$31,331
Operating income	9,050	(1,164)	(4,176) ⁽²⁾	3,710
2006				
Product revenues	\$22,850	\$ —	\$ —	\$22,850
Operating income	5,917	(252)	(3,442) ⁽²⁾	2,223

⁽¹⁾ BSST's operating loss for the six months ended June 30, 2007 and 2006 is net of \$1,112,000 and \$1,636,000, respectively, of reimbursed research and development costs.

⁽²⁾ Represents corporate selling, general and administrative costs and includes depreciation expense of \$93,000 and \$66,000, for the six months ended June 30, 2007 and 2006, respectively.

Product revenues information by geographic area:

	Three Months Ended June 30,			
	2007		2006	
North America	\$ 8,890	59%	\$ 8,913	72%
Asia	5,402	36%	3,496	28%
Europe	766	5%	—	— %
Total product revenues	<u>\$15,058</u>	<u>100%</u>	<u>\$12,409</u>	<u>100%</u>

	Six Months Ended June 30,			
	2007		2006	
North America	\$19,167	61%	\$16,942	74%
Asia	10,766	34%	5,908	26%
Europe	1,398	5%	—	— %
Total product revenues	<u>\$31,331</u>	<u>100%</u>	<u>\$22,850</u>	<u>100%</u>

Note 5 – Related Party Transactions

The Company has outsourced production of the second generation of the CCS product to a contract manufacturer, Ferrotec Corporation ("Ferrotec"), a Japanese company with operations located in Hangzhou, China. In addition, the Company purchases thermoelectric devices from Ferrotec. Ferrotec owned 600,000 (3%) shares of the Company's Common Stock as of June 30, 2007. For the three months ended June 30, 2007 and 2006, purchases from this supplier totaled \$6,562,000 and \$5,198,000, respectively. For the six months ended June 30, 2007 and 2006, purchases from this supplier totaled \$11,028,000 and \$8,563,000, respectively. The Company had an accounts payable balance with Ferrotec of \$3,934,000 as of June 30, 2007 and \$3,718,000 as of December 31, 2006.

Note 6 – New Accounting Pronouncements

On January 1, 2007, the Company adopted the provisions of Financial Accounting Standards Board (“FASB”) Interpretation 48, “Accounting for Uncertainty in Income Taxes” (“FIN 48”). The Company previously had accounted for tax contingencies in accordance with Statement of Financial Accounting Standards 5, “Accounting for Contingencies”. As required by FIN 48, which clarifies FASB Statement No. 109, “Accounting for Income Taxes”, the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. At the adoption date, the Company applied FIN 48 to all tax positions for which the statute of limitations remained open. The adoption of FIN 48 did not have a material impact on financial statements. The Company is not currently under any income tax related examinations by the Internal Revenue Service or any state tax authorities.

In June 2007, the Emerging Issues Task Force (“EITF”) reached a consensus on EITF 07-3, “Accounting for Nonrefundable Advance Payments for Goods or Services to Be Used in Future Research and Development Activities.” EITF 07-3 requires that non-refundable advance payments for future research and development activities should be deferred and capitalized and is effective for us on January 1, 2008. We are in the process of evaluating the impact that EITF 07-3 will have on our Consolidated Financial Statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

Amerigon Incorporated ("we," the "Company" or the "registrant") designs, develops and markets products based on our advanced, proprietary, efficient thermoelectric device ("TED") technologies for a wide range of global markets and heating and cooling applications. Our current principal product is our proprietary Climate Control Seat™ ("CCS™" or "CCS") which we sell to automobile and truck original equipment manufacturers or their tier one suppliers. The CCS provides year-round comfort to automotive seat occupants by producing both active heating and cooling. As of June 2007, we have shipped nearly 3.1 million units of our CCS product to customers since 2000. Our CCS product is currently offered as an optional feature on 21 automobile models produced by Ford Motor Company, General Motors Corporation, Toyota Motor Corporation, Nissan Motors, and Hyundai Corporation.

In 2003, the Company launched a newly-designed and more efficient version of its CCS that incorporates our new Micro Thermal Module™ ("MTM™" or "MTM") technology. This new generation CCS system, which is based on the Company's proprietary TED technology, is smaller, lighter, quieter and more versatile than its predecessor. In 2005, we began producing MTM's for several new automobile models which incorporate a number of improvements representing our third generation of CCS development in less than five years. Further generations of the CCS system are under development and are expected to be launched on future vehicle models.

Results of Operations

Second Quarter 2007 Compared with Second Quarter 2006

Product Revenues. Product revenues for the three months ended June 30, 2007 ("Second Quarter 2007"), were \$15,058,000 compared with revenues of \$12,409,000 for the three months ended June 30, 2006 ("Second Quarter 2006"), an increase of \$2,649,000, or 21%. Higher sales were primarily the result of new model introductions and higher volumes on redesigned models. These increases were partially offset by lower average unit prices and lower volumes on existing programs. Unit shipments increased to 226,000 units for the Second Quarter 2007 compared with 171,000 units for the Second Quarter 2006. New products equipped with CCS and launched since the First Quarter 2006 included the redesigned Cadillac EXT, the Land Rover Range Rover, the Lexus 600HL and the Lincoln MKX. Lower average prices per unit were the result of a change in the mix of products sold being weighted more to CCS systems having lower Amerigon content during the Second Quarter 2007 compared with that of the Second Quarter 2006. Content varies among programs based upon differing customer sourcing patterns of certain components that complement the CCS system. Since the Second Quarter 2006, we began shipping product for three vehicles currently offering CCS that were totally redesigned since the First Quarter 2006; the Lincoln Navigator, Ford Expedition and Lexus LS460.

Cost of Sales. Cost of sales increased to \$9,903,000 in the Second Quarter 2007 (66%, as a percentage of product revenues) from \$8,526,000 in the Second Quarter 2006 (69%, as a percentage of product revenues). This increase of \$1,377,000, or 16%, is attributable to higher production volumes offset partially by a higher gross margin percentage which was 34% for the Second Quarter 2007 compared with 31% for the Second Quarter 2006. This increase is primarily attributable to a favorable change in the mix of products sold and increased product revenue coverage of fixed costs.

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Net Research and Development Expenses. Net research and development expenses increased to \$1,340,000 in the Second Quarter 2007 from \$890,000 in the Second Quarter 2006. This \$450,000, or 51%, increase was primarily due to increased research activities associated with our advanced TED program. We expect that our net research and development expenses will increase in the remainder of 2007 as we continue to increase our development activities supporting the advanced TED technology.

On June 29, 2007, our subsidiary BSST modified its exclusive development agreement with Visteon Corporation related to certain proprietary TE technology for automotive applications, permitting BSST to undertake further development with a limited number of additional development partners. Under the terms of the amendment, BSST acquired Visteon's TE-based HVAC systems technology and is now permitted to seek additional partners in Asia and Europe. The cost of the acquisition of these Visteon patents was \$1,500,000 million and has been capitalized in the Amerigon June 30, 2007 balance sheet.

BSST is now working to select additional development partners to expand the market for TE based HVAC systems in the automotive market. There will be a gap in outside funding until these new partnerships are consummated and we are aggressively focused on cost reductions at both Amerigon and BSST to offset the short term gap in funding.

We classify development and prototype costs and related reimbursements as research and development. This is consistent with accounting standards applied in the automotive industry. Depreciation costs for tooling are included in cost of sales.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased to \$2,023,000 in the Second Quarter 2007 compared with \$1,848,000 in the Second Quarter 2006. This \$175,000, or 9%, increase reflects an increase in stock option compensation of \$68,000 related to options issued to employees on December 29, 2006, and higher costs of the management incentive plan of \$144,000. These increases were partially offset by other decreases in selling, general and administrative expenses.

Interest Income. We had interest income of \$244,000 for the Second Quarter 2007 compared with \$119,000 for the Second Quarter 2006. The increase of \$125,000 resulted from higher cash and short-term investment balances during the Second Quarter 2007 compared with the Second Quarter 2006 and higher average yields on our cash investments (see "Liquidity and Capital Resources").

Income Tax Expense. We recorded an income tax expense totaling \$830,000 representing an estimated effective tax rate of 40% for the Second Quarter 2007. Our current income tax expense is expected to be substantially offset by our net operating loss carryforwards. Therefore, we do not expect to have a significant cash outlay for income taxes in the current year. The income tax expense for the Second Quarter of 2006 was \$498,000 representing a tax rate of 38%. The higher rate for 2007 is due to the higher amount of non-deductible stock option compensation recorded in 2007 compared with 2006.

First Half 2007 Compared with First Half 2006

Product Revenues. Product revenues for the six months ended June 30, 2007 ("First Half 2007"), were \$31,331,000 compared with revenues of \$22,850,000 for the six months ended June 30, 2006 ("First Half 2006"), an increase of \$8,481,000, or 37%. Higher sales were primarily the result of new model introductions and higher volumes on redesigned models. These increases were partially offset by lower sales for three models for which the production life ended after the First Half 2006, lower average unit prices and lower volumes on existing programs. Unit shipments increased to 466,000 units for the First Half 2007 compared with 315,000 units for the First Half 2006. New products equipped with CCS and launched since the First Half 2006 included the redesigned Cadillac EXT, the Land Rover Range Rover, the Lexus 600HL and the Lincoln MKX. Additionally, two models, the redesigned Cadillac

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Escalade and Cadillac Escalade ESV, were introduced during the First Half 2006 but did not reach full volume levels until the third quarter of 2006. Lower average prices per unit were the result of a change in the mix of products sold being weighted more to CCS systems having lower Amerigon content during the First Half 2007 compared with that of the First Half 2006. Content varies among programs based upon differing customer sourcing patterns of certain components that complement the CCS system. The three vehicles which ended their production life during or after the First Half 2006 were the Cadillac Escalade ESV Platinum, Lincoln LS and Mercury Monterey. No immediate replacements for these models have yet been introduced by our customers. Since the First Half 2006, we began shipping product for three vehicles currently offering CCS that were totally redesigned since the First Half 2006; the Lincoln Navigator, Ford Expedition and Lexus LS460.

Cost of Sales. Cost of sales increased to \$20,962,000 in the First Half 2007 (67%, as a percentage of product revenues) from \$15,659,000 in the First Half 2006 (69%, as a percentage of product revenues). This increase of \$5,303,000, or 34%, is attributable to higher production volumes offset partially by a higher gross margin percentage which was 33% for the First Half 2007 compared with 31% for the First Half 2006. This increase is primarily attributable to a favorable change in the mix of products sold and increased product revenue coverage of fixed costs.

Net Research and Development Expenses. Net research and development expenses increased to \$2,483,000 in the First Half 2007 from \$1,526,000 in the First Half 2006. This \$957,000, or 63%, increase was primarily due to increased research activities associated with our advanced TED program. We expect that our net research and development expenses will increase in the remainder of 2007 as we continue to increase our development activities supporting the advanced TED technology.

On June 29, 2007, our subsidiary BSST modified its exclusive development agreement with Visteon Corporation related to certain proprietary TE technology for automotive applications, permitting BSST to undertake further development with a limited number of additional development partners. Under the terms of the amendment, BSST acquired Visteon's TE-based HVAC systems technology and is now permitted to seek additional partners in Asia and Europe. The cost of the acquisition of these Visteon patents was \$1,500,000 million and has been capitalized in the Amerigon June 30, 2007 balance sheet.

BSST is now working to select additional development partners to expand the market for TE based HVAC systems in the automotive market. There will be a gap in outside funding until these new partnerships are consummated and we are aggressively focused on cost reductions at both Amerigon and BSST to offset the short term gap in funding.

We classify development and prototype costs and related reimbursements as research and development. This is consistent with accounting standards applied in the automotive industry. Depreciation costs for tooling are included in cost of sales.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased to \$4,176,000 in the First Half 2007 compared with \$3,442,000 in the First Half 2006. This \$734,000, or 21%, increase principally reflects an increase in stock option compensation of \$188,000 related to options issued to employees on December 29, 2006, higher costs of the management incentive plan of \$434,000.

Interest Income. We had interest income of \$430,000 for the First Half 2007 compared with \$230,000 for the First Half 2006. The increase of \$200,000 resulted from higher cash and short-term investment balances during the First Half 2007 compared with the First Half 2006 and higher average yields on our cash investments (see "Liquidity and Capital Resources").

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Income Tax Expense. We recorded an income tax expense totaling \$1,690,000 representing an estimated effective tax rate of 40% for the First Half 2007. Our current income tax expense is expected to be substantially offset by our net operating loss carryforwards. Therefore, we do not expect to have a significant cash outlay for income taxes in the current year. The income tax expense for the First Half of 2006 was \$969,000 representing a tax rate of 38%. The higher rate for 2007 is due to the higher amount of non-deductible stock option compensation recorded in 2007 compared with 2006.

Liquidity and Capital Resources

The following table represents our cash and cash equivalents and short-term investments:

	<u>June 30, 2007</u>	<u>December 31, 2006</u>
Cash and cash equivalents	\$ 2,237,000	\$ 2,440,000
Short-term investments	16,162,000	12,076,000
	<u>\$18,399,000</u>	<u>\$14,516,000</u>

We manage our cash, cash equivalents and short-term investments in order to fund operating requirements. Cash and cash equivalents decreased by \$203,000 to \$2,237,000 in the First Half 2007. Short-term investments increased \$4,086,000 to \$16,162,000 during the same period. Our short-term investments are comprised of Auction Rate Securities (“ARS”), US Government Agency Bonds and Municipal Notes. ARS are pools of highly rated corporate debt instruments with a long-term nominal maturity for which the interest rate is set through a “Dutch Auction” process. We invest in ARS that have auctions held every seven days.

Cash provided by operating activities during the First Half 2007 was \$6,268,000 and was attributable to net income, net of non cash adjustments including: deferred taxes of \$1,605,000, stock option compensation of \$400,000, depreciation and amortization of \$256,000, and by a decrease in net operating assets and liabilities of \$1,457,000. The lower net operating assets and liabilities were primarily due to lower inventory and higher accounts payable and accrued liability balances offset partially by higher accounts receivable and prepaid expenses as of June 30, 2007, compared with December 31, 2006.

As of June 30, 2007, working capital was \$26,500,000 and was \$23,765,000 at December 31, 2006, representing an increase of \$2,735,000, or 12%. This increase was primarily due to increases in short-term investments of \$4,086,000, accounts receivable of \$1,625,000 and by an increase in prepaid expenses of \$968,000. These were offset partially by decreases in inventory of \$2,662,000, cash and cash equivalents of \$203,000 and by increases in accounts payable of \$596,000 and accrued liabilities of \$403,000. Accounts receivable increased as a result of the higher sales during the period compared with sales in the fourth quarter of 2006. Inventory decreased by 61% due to management’s efforts to reduce overall inventory levels and a greater percentage of product revenues representing goods that are shipped directly to customers from our contract manufacturers. Additionally, our levels of inventory and accounts payable tend to fluctuate as a result of sourcing products from China and long payment terms with certain suppliers.

Cash used in investing activities was \$6,696,000 during the First Half 2007, reflecting purchases of short-term investments of \$19,837,000, purchases of tooling and equipment totaling \$935,000, and the cost to acquire new patents and patent application filings of \$1,675,000. The new patents included patents acquired from Visteon Corporation by BSST totaling \$1,500,000 in conjunction with the amendment to their development agreement. These amounts were partially offset by sales of short-term investments of

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\$15,751,000. Purchases of tooling and equipment for the period are primarily related to new equipment purchases for newly launched production programs and approximately \$750,000 in leasehold improvements related to a refurbishment and expansion of our engineering and research center located in Irwindale, California. This project is expected to total \$1,500,000 and will be completed during the fourth quarter of this year.

Cash provided by financing activities was \$236,000 during the First Half 2007, representing the proceeds of Common Stock option exercises.

Related Party Transactions

We purchase thermoelectric devices from and have outsourced a portion of our production to Ferrotec Corporation ("Ferrotec"). Ferrotec owned 600,000 shares of our Common Stock as of June 30, 2007. Purchases of labor and services and components from Ferrotec were \$11,028,000 for the First Half 2007. The Company had an accounts payable balance with Ferrotec of \$3,934,000 as of June 30, 2007 and \$3,718,000 as of December 31, 2006.

Recent Accounting Pronouncements

On January 1, 2007, the Company adopted the provisions of Financial Accounting Standards Board ("FASB") Interpretation 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). The Company previously had accounted for tax contingencies in accordance with Statement of Financial Accounting Standards 5, "Accounting for Contingencies". As required by FIN 48, which clarifies FASB Statement No. 109, "Accounting for Income Taxes", the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. At the adoption date, the Company applied FIN 48 to all tax positions for which the statute of limitations remained open. The adoption of FIN 48 did not have a material impact on financial statements. The Company is not currently under any income tax related examinations by the Internal Revenue Service or any state tax authorities.

Critical Accounting Policies

Critical accounting policies are those accounting policies that management believes are important to the portrayal of our financial condition and results and require management's most difficult, subjective or complex judgments, as a result of the need to make estimates about the effect of matters that are inherently uncertain. Our 2006 annual report on Form 10-K includes a description of certain critical accounting policies, including those with respect to warranty reserves, allowances for doubtful accounts, deferred tax asset valuation allowance and inventory reserves.

FORWARD LOOKING STATEMENTS

Certain matters discussed or referenced in this report, including expectations 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", "intend", "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, and we expressly

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disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this report to reflect any change in our expectations with regard to such statements or any change in events, conditions or circumstances on which any such statement is based. 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 factors, risks and uncertainties that could cause our actual results to differ materially from those described in the forward-looking statements, including those described below and in our other filings with the Securities and Exchange Commission.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure to market risk for changes in interest rates relates primarily to our investment portfolio and our debt obligations under our revolving line of credit.

We place our investments in debt instruments of the U.S. government and in high-quality corporate issuers or ARS that hold these types of investments. As stated in our policy, we seek to ensure the safety and preservation of our invested funds by limiting default risk and market risk. We have no investments denominated in foreign country currencies and therefore are not presently subject to foreign exchange risk.

Borrowings under our revolving line of credit bear interest at Comerica Bank's prime rate (8.25% at June 30, 2007). As of June 30, 2007, there were no borrowings outstanding under our line of credit.

The table below presents the carrying value and related weighted average interest rates for our investment portfolio. The Company considers all highly liquid investments purchased with original maturities of less than 90 days to be cash equivalents; consequently, all of the cash equivalents shown in the table below are expected to mature during the next 12 months. Our short-term investments consist of ARS which have stated maturities beyond three months but are priced and traded as short-term instruments due to the liquidity provided through the auction mechanism of seven days. Our short-term investments also include United States Government Agency Bonds that mature during the fourth quarter of 2007 and Municipal Notes that are redeemable on a weekly basis. The carrying value approximates fair value at June 30, 2007.

<u>Marketable Securities</u>	<u>Carrying Value</u>	<u>Average Rate of Return at June 30, 2007 (Annualized)</u>
Cash equivalents	\$ 1,900,000	4.87%
Short-term investments	\$16,162,000	5.21%

ITEM 4. CONTROLS AND PROCEDURES

Management, including the Company's President & Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the period ended June 30, 2007. Based upon, and as of the date of that evaluation, the President & Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective at June 30, 2007.

There was no change in our internal control over financial reporting during our fiscal quarter ended June 30, 2007 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Disclosure controls and procedures are our controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

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Internal control over financial reporting is a process designed by, or under the supervision of, our President & Chief Executive Officer and Chief Financial Officer, and effected by our Board of Directors, management and other personnel, 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 and includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and dispositions of assets, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

PART II OTHER INFORMATION

ITEM 1A. RISK FACTORS

There were no material changes to the risk factors previously disclosed in the Company's Form 10-K for the period ended December 31, 2006. Below are the risk factors applicable to the Company:

Risks Relating to our Business

We have only one commercially successful product in one industry segment and we may not be able to commercialize and market additional products to other industries

We are currently developing advanced designs of TEDs to be used in a wide range of potential products in a number of industries, but to date we have only one commercially successful product. Although we have made significant improvements in TED technology and we believe that a number of new products have become practical at our current stage of TED advancement, additional improvements are necessary to make TED based products commercially attractive in comparison with other technologies for the major markets in which we are targeting. These advancements are dependent on many variables including but not limited to new advanced materials becoming available and efficient and cost effective manufacturing processes for advanced TEDs and the related materials to be developed.

We have incurred substantial operating losses since our inception

Although we have reported operating income during the past three years, prior to that we incurred substantial operating losses since our inception. We had operating losses of \$1,554,000 in 2003, \$6,168,000 in 2002, and \$7,537,000 in 2001. As of June 30, 2007, we had accumulated deficits since inception of \$46,894,000. 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 \$33,000,000 of our accumulated deficit arose from past efforts in electric vehicles, integrated voice technology or radar, all discontinued products as of December 31, 2000.

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 June 30, 2007, we had cash and cash equivalents of \$2,237,000 and short-term investments of \$16,162,000. Based on our current operating plan, we believe cash at June 30, 2007, along with the proceeds from future revenues and borrowings from our \$10,000,000 revolving line of credit will be sufficient to meet operating needs for the foreseeable future.

Our ability to market our products successfully depends on acceptance of our product by original equipment manufactures and consumers

We are engaged in a lengthy development process of our advanced TEDs which involves developing prototypes for proof of concept and then adapting the basic systems to actual products produced by existing manufactures of products that may use TEDs. While we currently have active development programs with Visteon and UTC, no assurance can be given that our advanced TEDs will be implemented in any related products. To date, CCS is our sole commercialized product and there is no assurance that we will be successful in marketing any additional products using TEDs.

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 and market 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 and the specially designed fans used in our CCS product, 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 suppliers.

The outsourcing of production to other countries entails risks of production interruption and unexpected costs

We outsource production of our CCS product to lower cost countries in order to be price competitive and expand our market beyond the luxury vehicle segment. Such production is currently completed by suppliers located in Hangzhou, China. Our use of suppliers located outside of the United States entails risk of production interruption and unexpected costs due to the extended logistics.

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 overtime costs and overnight air freighting of 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 future commercial prospects.

We may not 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 have been, and will continue to 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 manufacturers in other industries 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 successfully so as to generate meaningful product sales increases or to continue at existing sales volumes.

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 four 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.

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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.

Other TED products that we develop are also likely to have a lengthy sales cycle. Because such technology is new and evolving, and because customers will likely require that any new product we develop pass certain feasibility and economic viability tests before committing to purchase, it is expected that any new products we develop will take some years before they are sold to customers.

The automotive industry is subject to intense competition and our current 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, and have more extensive experience and records of successful operations than we do. Competitors are promoting new products that may compete with our CCS product. Additionally, heat only devices are readily available from our competitors at relatively low prices. 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 new or maintaining existing 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 December 31, 2006, we owned fifteen U.S. patents and had twenty-five U.S. patents pending and our subsidiary BSST owned nine U.S. patents, one foreign patent and had eleven U.S. patents pending and thirty-two 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 patents. We also owned thirty-eight foreign patents and had twelve foreign patent applications pending. We believe that patents and proprietary rights have

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been and will continue to be very important in enabling us to compete. The first of the three licensed patents expires on November 17, 2008. 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 those international markets. We hold current and future rights to licensed technology through licensing agreements requiring the payment of minimum royalties, totaling \$100,000 annually, 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 there under 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. We have not, however, received any notice that our products materially infringe on the proprietary rights of third parties.

We rely on trade secret protection through confidentiality agreements and the 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.

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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 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. To date, we have not experienced such a cancellation and no such costs have been incurred.

The third parties that contract with our subsidiary, BSST, for research and development purposes generally also reserve the right to unilaterally terminate those contracts. There can be no assurance that BSST will continue to receive the third party reimbursements it has received over the past several years.

Our success will depend in large part on retaining key personnel

Our success will depend to a large extent upon the continued contributions of key personnel in Amerigon and our research and development subsidiary, BSST. The loss of the services of Dr. Lon E. Bell, the President of BSST, could have a material adverse effect on the success of BSST.

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.

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

We have engaged outside contractors to perform product assembly and other production functions for us. We believe that there are other outside contractors that provide services of the kind that are used by us 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 reduces our control over the manufacture of our products and makes 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 exposes us to potential product liability risks which are inherent in the manufacturing, marketing and sale of automotive components. In particular, there are substantial warranty and liability risks associated with our products. If available, product liability insurance generally is expensive. While we presently have product liability coverage at amounts we currently consider adequate, 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 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.

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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 or that existing contracts will be honored by our suppliers or customers.

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

We engage 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 quarterly results may fluctuate significantly, and the relatively small average daily trading volume of our Common Stock may adversely affect the 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 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.

Historically, the average daily trading volume of our Common Stock has been relatively low as compared to the total number of outstanding shares of Common Stock. Without a significantly larger number of shares made available for trading by the public, our Common Stock is less liquid than stocks with more trading activity, and as a result, trading prices of our 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.

Our Board of Directors has the authority to issue up to 4,991,000 shares of Preferred Stock and to determine the price, rights (including conversion 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.

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.

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 Stock Market, there can be no assurance that we now, or in the future will be able to, meet all requirements for continued quotation thereon. If we fail to meet NASDAQ's requirements on an ongoing basis, our Common Stock would likely be delisted from The NASDAQ Stock Market. In the absence of an active trading market or if our Common Stock cannot be traded on The NASDAQ Stock Market, our Common Stock could instead be traded on secondary markets, 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.

PART II OTHER INFORMATION**ITEM 6. EXHIBITS**

Exhibits to this Report are as follows:

<u>Exhibit Number</u>	<u>Description</u>
3.1.1	Articles of Incorporation (1)
3.1.2	Plan of Merger dated March 23, 2005 by which the Articles of Incorporation were amended effective as of May 20, 2005(1)
3.2.1	Bylaws of the Company(1)
3.2.2	First Amendment to Bylaws of the Company (14)
10.1*	1993 Stock Option Plan(4)
10.2.1*	Amended and Restated 1997 Stock Incentive Plan(5)
10.2.2*	First Amendment to Amended and Restated 1997 Stock Incentive Plan(1)
10.2.3*	Second Amendment to Amended and Restated 1997 Stock Incentive Plan(1)
10.3.1*	2006 Equity Incentive Plan (12)
10.3.2*	Amendment to 2006 Equity Incentive Plan (13)
10.3.3*	Second Amendment to 2006 Equity Incentive Plan (14)
10.4.1	Option and License Agreement dated as of November 2, 1992 between the Company and Feher Design, Inc.(4)
10.4.2	Amendment to Option and License Agreement between the Company and Feher Design dated September 1, 1997(6)
10.5	Manufacturing and Supply Agreement between the Company and Ferrotec Corporation dated March 28, 2001(7)
10.6.1	Investors Rights among the Company, Big Beaver Investments LLC and Westar Capital II LLC dated June 8, 1999(8) (includes preemption rights in favor of the investors thereunder)
10.6.2	First Amendment to Investors Rights Agreement among the Company, Big Beaver Investments LLC and Westar Capital II LLC dated March 16, 2000(3)
10.7.1*	Assignment and Subscription Agreement between BSST LLC and Dr. Lon E. Bell dated September 4, 2000(9)
10.7.2*	First Amendment to Assignment and Subscription Agreement between BSST LLC and Dr. Lon E. Bell dated September 4, 2000(11)
10.8	Employment Agreement between Dr. Lon E. Bell and BSST LLC dated May 30, 2001(9)
10.9	Revenue Sharing Agreement between BSST LLC and Dr. Lon E. Bell dated September 4, 2000(9)
10.10.1	Amended and Restated Operating Agreement of BSST LLC dated May 30, 2001(8)
10.10.2	First Amendment dated November 13, 2001 to Amended and Restated Operating Agreement of BSST LLC (11)
10.10.3	Second Amendment dated June 1, 2005 to Amended and Restated Operating Agreement of BSST LLC (11)
10.10.4	Third Amendment dated May 17, 2007 to Amended and Restated Operating Agreement of BSST LLC
10.11	Cross License Agreement between the Company and BSST LLC dated November 19, 2002 (10)
10.12	Reversionary Rights Agreement between BSST LLC and Dr. Lon E. Bell dated May 17, 2007
31.1	Certification of Chief Executive Officer Required by Rule 13a-14(a)/15d-14(a)
31.2	Certification of Chief Financial Officer Required by Rule 13a-14(a)/15d-14(a)
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Indicates management contract or compensatory plan or arrangement.

- (1) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed May 25, 2005 and incorporated herein by reference.
- (2) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2000 and incorporated herein by reference.
- (3) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2001 and incorporated herein by reference.
- (4) Previously filed as an exhibit to the Company's Registration Statement on Form SB-2, as amended, File No. 33-61702-LA, and incorporated by reference.

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- (5) Previously filed as an exhibit to the Company's Definitive Proxy Statement on Schedule 14A with respect to the Company's 2001 Annual Meeting of Stockholders and incorporated herein by reference.
- (6) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 1997 and incorporated herein by reference.
- (7) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2001 and incorporated herein by reference.
- (8) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed June 18, 1999 and incorporated herein by reference.
- (9) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2001 and incorporated herein by reference.
- (10) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2004 and incorporated herein by reference.
- (11) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed June 6, 2005 and incorporated herein by reference.
- (12) Previously filed as an exhibit to the Company's Definitive Proxy Statement on Schedule 14A with respect to the Company's 2006 Annual Meeting of Stockholders and incorporated herein by reference
- (13) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 2006 and incorporated herein by reference.
- (14) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed March 20, 2007 and incorporated herein by reference.

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)

/s/ DANIEL R. COKER
Daniel R. Coker
Chief Executive Officer
(Duly Authorized Officer)

Date: August 6, 2007

/s/ BARRY G. STEELE
Barry G. Steele
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Date: August 6, 2007

**THIRD AMENDMENT TO
AMENDED AND RESTATED OPERATING AGREEMENT**

THIS THIRD AMENDMENT TO AMENDED AND RESTATED OPERATING AGREEMENT (this “**Amendment**”) is dated as of May 17, 2007 and entered into by and among the Members of BSST LLC, a Delaware limited liability company (the “**Company**”), and is made with reference to that certain Amended and Restated Operating Agreement, dated as of May 30, 2001 and amended on November 13, 2001 (the “**First Amendment**”) and June 1, 2005 (the “**Second Amendment**”) (as amended, the “**Operating Agreement**”), by and among the Members. Capitalized terms used herein without definition shall have the same meanings set forth in the Operating Agreement.

RECITALS

WHEREAS, the Members desire to revise certain provisions of the Operating Agreement with respect to the Company’s Board of Directors.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

Section 1. BOARD OF DIRECTORS

Section 6.2(a) of the Operating Agreement is hereby deleted and replaced, in its entirety, with the following:

“(a) Designated Board. The Board shall consist of Dr. Lon E. Bell and each of the members (or each of the *other* members, if Dr. Bell is a member) of the Board of Directors of Amerigon Incorporated . At each meeting of the Members for the election of directors or any solicitation of written consents for such purpose, the Class A Member and the Series A Member hereby agree to vote all Voting Interests entitled to vote in the election of directors now owned or hereafter acquired or controlled by them (collectively, the “**Members Voting Interests**”), and otherwise use their best efforts as Members to elect the Designated Board (as defined below), which shall constitute the entire Board. The “**Designated Board**” shall consist of (i) Dr. Bell or, if he is unable to serve in such capacity, then one individual designated by the Class A Member and (ii) all of the members of the Board of Directors of Amerigon Incorporated (excluding Dr. Lon E. Bell, if he is a member of such Board of Directors); provided that, if any such member of the Board of Directors of Amerigon is unable to serve in such capacity, then the Series A Member shall be entitled to designate a substitute individual to serve on the Board. The Members hereby agree that the size of the Board will be increased or decreased to provide for increases or decreases in the size of the Amerigon Incorporated Board of Directors. Notwithstanding the foregoing, if the Class A Member’s Percentage Interest is ever less than 5%, the Designated Board shall consist of members designated entirely by the Series A Member.”

Section 2. REPURCHASE RIGHTS

The following sentence is added to the end of Section 15.10:

(1)

“Notwithstanding anything in this Section 15.10 to the contrary, the Company’s repurchase rights set forth in this Section 15.10 shall not apply with respect to any Employee Member who has been an employee of the Company for at least 5 consecutive years as of the date of his or her termination, provided that such Employee Member is in “good standing” at the time of such termination (as determined by the Board in its sole discretion); furthermore, the Chairman of the Series A Member and the Chief Executive Officer of the Company may, by joint action, reduce the 5 year period described above to 4 years with respect to mutually agreed-upon Employee Members.”

Section 3. ANTI-DILUTION PROTECTION

Section 4.1(b) of the Operating Agreement is hereby deleted and replaced, in its entirety, with the following:

“(b) Expiration. Notwithstanding any other provision of this Agreement, the anti-dilution rights of the Class A Member may not be assigned or transferred other than to a person in the Family Group of the initial Class A Member and shall expire on the earlier of (i) the consummation of a Qualified IPO or (ii) the receipt by the Company of \$10,000,000 in aggregate gross proceeds from (A) the sale of New Securities after the Effective Date plus (B) additional funding provided by the Series A Member to the Company after the Effective Date in the form of additional capital contributions not exchanged for additional Units.”

Section 4. REPRESENTATIONS AND WARRANTIES

In order to induce the parties to enter into this Amendment, each party hereby represents and warrants to each other party that:

(a) such party has all requisite power and authority to enter into this Amendment and to carry out the transactions contemplated by, and perform its obligations under, the Operating Agreement as amended by this Amendment (the “**Amended Agreement**”);

(b) the execution and delivery of this Amendment and the performance of the Amended Agreement have been duly authorized by all necessary action on the part of such party;

(c) the execution and delivery by each party of this Amendment and the performance by each party of the Amended Agreement do not and will not (i) violate any provision of any law or any governmental rule or regulation applicable to such party, the organizational documents, if any, of such party or any order, judgment or decree of any court or other agency of government binding on such party, (ii) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any contractual obligation of such party, (iii) result in or require the creation or imposition of any lien upon any of the properties or assets of such party, or (iv) if applicable, require any approval of stockholders or members, other than consents that have been obtained, or any approval or consent of any person under any contractual obligation of such party;

(d) the execution and delivery by each party of this Amendment and the performance by such party of the Amended Agreement do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any federal, state or other governmental authority or regulatory body; and

(e) this Amendment and the Amended Agreement have been duly executed and delivered by such party and are the legally valid and binding obligations of such party enforceable against such party in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors’ rights generally or by equitable principles relating to enforceability.

Section 5. MISCELLANEOUS

A. Reference to and Effect on the Operating Agreement.

(i) Except as specifically amended by this Amendment, the Operating Agreement shall remain in full force and effect and is hereby ratified and confirmed.

(ii) The execution, delivery and performance of this Amendment shall not, except as expressly provided herein, constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy under, the Operating Agreement by any Member.

B. Headings. Section and subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute part of this Amendment for any other purpose or be given any substantive effect.

C. Applicable Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

D. Effectiveness. This Amendment shall become effective upon the execution of counterparts hereof by all of the Members.

E. Counterparts. This Amendment may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

F. Officer Authority. Any officer of BSST is hereby authorized and directed to take any and all action he or she deems necessary and appropriate to effectuate the terms of this Amendment and the Operating Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to Amended and Restated Operating Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

AMERIGON INCORPORATED,

as the sole Series A Member

By: _____ /s/ D. R. Coker

Daniel R. Coker, President and CEO

DR. LON E. BELL,

as the sole Class A Member

_____/s/ Lon E. Bell

REVERSIONARY RIGHTS AGREEMENT

THIS REVERSIONARY RIGHTS AGREEMENT (this “**Agreement**”) is dated as of May 17, 2007 and entered into by and among BSST LLC, a Delaware limited liability company (“**BSST**”), Dr. Lon E. Bell (“**Bell**”) and Amerigon Incorporated (“**Amerigon**”).

RECITALS

WHEREAS, Bell and Amerigon are Members of BSST;

WHEREAS, Bell and BSST have entered into a number of agreements by which Bell has a right to receive, upon the occurrence of certain events, certain intellectual property rights that currently reside or will reside in BSST (the “**Reversionary Rights**”). The Reversionary Rights arise from or are referenced in the following agreements, which may or may not be a complete list of all of the agreements containing a reference to the Reversionary Rights: the Amended and Restated Operating Agreement of BSST, dated as of May 30, 2001, as amended (the “**Operating Agreement**”), the Assignment and Subscription Agreement between Bell and BSST, dated as of September 4, 2000, as amended (the “**Subscription Agreement**”), the Revenue Sharing Agreement between Bell and BSST, dated as of September 4, 2000 (the “**Revenue Sharing Agreement**”), and the Employment Agreement by and between Bell and BSST, dated as of May 30, 2001 (the “**Employment Agreement**”);

WHEREAS, the parties hereto intend that any and all Reversionary Rights enjoyed by Bell are the subject of this Agreement, whether or not referred to in the Operating Agreement, Subscription Agreement, Revenue Sharing Agreement, Employment Agreement or elsewhere (collectively, the “**Applicable Agreements**”); and

WHEREAS, Bell, Amerigon and BSST have agreed to certain modifications to the Reversionary Rights as described in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. PURCHASE OF REVERSIONARY RIGHTS

At any time from and after the date of this Agreement, either BSST or Amerigon may elect to purchase the Reversionary Rights from Bell at the Valuation Amount (as defined below). Such election shall be made in writing and given to Bell at his last known address. Payment of the Valuation Amount shall be in cash by wire transfer to an account designated by Bell and the closing of such purchase shall be not more than 120 days after the date such election is made. For purposes of this Agreement, “**Valuation Amount**” shall mean \$5,000,000 less \$100,000 for each \$1,000,000 that Amerigon funds to BSST from and after May 30, 2001, whether in the form of equity, debt or a combination of equity and debt. As an example of the above, if cumulative funding by Amerigon was \$3,200,000, the Valuation Amount would be \$4,680,000.

Section 2. SALE OF BSST OR AMERIGON

Without limiting or modifying the provisions of Section 1 above, if, at any time after the date hereof, there shall occur a Sale Transaction (as defined below) in which the total outstanding equity interests in BSST are valued at \$40,000,000 or more, the Reversionary Rights shall automatically terminate upon the consummation of such Sale Transaction without payment of any consideration therefor. For purposes of the foregoing, the valuation of the equity interests in BSST shall be based on the consideration paid to the holders of the outstanding equity interests in BSST in connection with such Sale Transaction or, if no consideration is paid or if such amount cannot be easily determined, than such valuation shall be as mutually determined by Amerigon and Bell in good faith or, if they cannot agree, than by a majority of three qualified independent appraisers, one selected by Amerigon, one selected by Bell and a third selected by the first two appraisers. As used in this Agreement, "**Sale Transaction**" means (a) the sale, exchange, transfer or other disposition of assets constituting all or substantially all of the assets of Amerigon or BSST, (b) the sale, exchange, transfer or other disposition of all or substantially all of the equity in Amerigon or BSST, or (c) any merger, consolidation or other business combination or recapitalization that results in the holders of the issued and outstanding voting securities of Amerigon or BSST immediately prior to such transaction beneficially owning or controlling less than a majority of the outstanding voting securities of the continuing or resulting entity immediately following such transaction.

Section 3. MISCELLANEOUS

A. Reference to and Effect on the Operating Agreement.

(i) Except as specifically amended by this Agreement, the Applicable Agreements shall remain in full force and effect and is hereby ratified and confirmed.

(ii) The execution, delivery and performance of this Agreement shall not, except as expressly provided herein, constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy under, any of the Applicable Agreements.

B. Headings. Section and subsection headings in this Agreement are included herein for convenience of reference only and shall not constitute part of this Agreement for any other purpose or be given any substantive effect.

C. Applicable Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

D. Effectiveness. This Agreement shall become effective upon the execution of counterparts hereof by all of the parties hereto.

E. Counterparts. This Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

[signatures appear on the following page]

IN WITNESS WHEREOF, the parties hereto have caused this Reversionary Rights Agreement to be duly executed and delivered as of the date first written above.

/s/ Lon. E Bell

DR. LON E. BELL

AMERIGON INCORPORATED

By: /s/ D. R. Coker

Daniel R. Coker, President

BSST LLC

By: /s/ Lon E. Bell

Dr. Lon E. Bell, President

(3)

CHIEF EXECUTIVE OFFICER'S CERTIFICATION

I, Daniel R. Coker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Amerigon Incorporated;
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 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 registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-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 registrant 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 registrant, including its consolidated subsidiaries, 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant'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 registrant's internal control over financial reporting.

Date: August 6, 2007

/s/ Daniel R. Coker

Daniel R. Coker
President & Chief Executive Officer

CHIEF FINANCIAL OFFICER'S CERTIFICATION

I, Barry G. Steele, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Amerigon Incorporated;
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 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 registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-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 registrant 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 registrant, including its consolidated subsidiaries, 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant'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 registrant's internal control over financial reporting.

Date: August 6, 2007

/s/ Barry G. Steele

Barry G. Steele
Chief Financial 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 the Quarterly Report of Amerigon Incorporated (the "Company") on Form 10-Q for the period ended June 30, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel R. Coker, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (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 result of operations of the Company.

/s/ Daniel R. Coker

Daniel R. Coker
President and Chief Executive Officer
August 6, 2007

**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 the Quarterly Report of Amerigon Incorporated (the "Company") on Form 10-Q for the period ended June 30, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Barry G. Steele, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (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 result of operations of the Company.

/s/ Barry G. Steele

Barry G. Steele

Chief Financial Officer

August 6, 2007