

LRAD Corp
Form S-3
March 02, 2011
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As filed with the Securities and Exchange Commission on March 1, 2011

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3
REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

LRAD CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other jurisdiction of

87-0361799
(I.R.S. Employer

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incorporation or organization)

Identification Number)

15378 Avenue of Science, Suite 100 San Diego, California 92128

(858) 679-2114

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Copies to:

THOMAS R. BROWN
President and Chief Executive Officer,
LRAD CORPORATION
15378 Avenue of Science, Suite 100
San Diego, California 92128
(858) 676-1112

(Name, address, including zip code, and telephone number, including area code, of agent for service)

JOSHUA E. LITTLE, ESQ.
Durham Jones & Pinegar, P.C.
192 E. 200 N., Third Floor
St. George, Utah 84770
(435) 674-0400

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box:

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

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

Large accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)

Accelerated filer
Smaller reporting company

CALCULATION OF REGISTRATION FEE

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Title of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share(2)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$0.00001 par value	3,227,945	\$2.10	\$6,618,685	\$768.43

- (1) Pursuant to Rule 416(a), this Registration Statement shall also cover any additional shares of the Registrant's Common Stock that become issuable by reason of any stock dividend, stock split, recapitalization or other similar transaction effected without receipt of consideration that increases the number of the Registrant's outstanding shares of common stock.
- (2) Pursuant to Rule 457(c), for all shares of Common Stock being registered hereunder with sales a price which cannot be presently determined, the Proposed Maximum Offering Price Per Share is \$2.10 per share of Common Stock, which is based on the average of the high and low prices for the Registrant's common stock as reported on the Nasdaq Capital Market on February 25, 2011.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MARCH 1, 2011

PRELIMINARY PROSPECTUS

3,227,945 Shares

Common Stock

This prospectus may be used only for the sale or other disposition of up to 3,227,945 shares of common stock or interests therein by the selling stockholders identified in this prospectus.

We will not receive any of the proceeds from the sale of the shares of our common stock by the selling stockholders. We will, however, receive the proceeds from the sale of shares of our common stock to some of the selling stockholders to the extent they exercise for cash their warrants identified in this prospectus. We will pay the expenses incurred in registering the shares, including legal and accounting fees.

Except as set forth below, the price or prices at which the selling stockholders may sell the shares will be determined by the prevailing market price for the shares or in negotiated transactions. The selling stockholders may sell shares directly to purchasers or through brokers or dealers. Brokers or dealers may receive compensation in the form of discounts, concessions or commissions from the selling stockholders. See the Plan of Distribution on page 7.

One of the selling stockholders, Elwood G. Norris, has agreed to sell all of the 1,600,000 shares beneficially owned by him that are included in this prospectus and registered hereby, in negotiated transactions with institutional investment funds affiliated with Manatuck Hill Scout Fund, L.P. and with Narragansett Strategic Master Fund, L.P. on the third business day following the effectiveness of the registration statement of which this prospectus is a part. Mr. Norris has agreed to sell his shares at a price per share equal to \$2.00. Mr. Norris currently beneficially owns approximately 14.6% of our common stock. Following the sale of his 1,600,000 shares of common stock under this prospectus, he will beneficially own approximately 9.8% of our common stock.

Our common stock is traded on the Nasdaq Capital Market under the symbol LRAD. On February 25, 2011, the last reported sales price for the common stock was \$2.11 per share.

INVESTING IN THE COMMON STOCK OFFERED IN THIS PROSPECTUS INVOLVES A HIGH DEGREE OF RISK. SEE RISK FACTORS ON PAGE 3 OF THIS PROSPECTUS.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is [], 2011.

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. The selling stockholders are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information in this registration statement or any related prospectus, including any information incorporated herein by reference, is accurate as of any date other than the date on the front of the applicable document, or such earlier date as is expressly stated or otherwise apparent with respect to such incorporated information in the applicable document, regardless of the time of delivery of this prospectus or any sale of our common stock. Our business, financial condition, results of operations and prospects may have changed since any such date.

The terms we, us, our and the company, as used in this prospectus, refer to LRAD Corporation, unless otherwise indicated.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements in this prospectus and in the documents incorporated by reference constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act. We use words like anticipates, believes, plans, expects, future, intends, may, will, should, would, could, potential, continue, ongoing, estimates and similar expressions to identify statements.

You should not place undue reliance on our forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. However, our actual results could differ materially from those anticipated in these forward-looking statements as a result of numerous risks and uncertainties that are beyond our control, including those we discuss in Risk Factors, the information incorporated therein by reference and elsewhere in this prospectus and in the documents incorporated by reference in this prospectus. The information in this prospectus speaks only as of the date of this prospectus and the information incorporated herein by reference speaks only as of its date. Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise. You should not rely on these statements without also considering the risks and uncertainties associated with these statements and our business.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and in the documents incorporated by reference. This summary does not contain all the information that you should consider before investing in our common stock. You should read this entire prospectus, including all documents incorporated by reference, carefully, especially Risk Factors and our consolidated financial statements and related notes incorporated by reference herein. Please see the section entitled Where You Can Find More Information on page 9 of this prospectus.

Our Business

We develop and deliver innovative directed acoustic products that beam, focus and control sound over short and long distances. We offer a variety of directional sound products which meet a broad range of requirements from communicating with and deterring threats over distances up to 300 meters with our hand-held LRAD 100X to distances greater than 1,500 meters with our LRAD-RX. Since 1996, we have been at the forefront developing new acoustic innovations to project, focus, shape and control sound and we believe we have established a significant competitive advantage in our principal markets. Our Long Range Acoustic Device® or LRAD® pioneered a new worldwide market for directional long-range acoustic hailing and warning devices (AHDs) capable of communicating with authority and clarity over 1,500 meters.

Our common stock trades on the NASDAQ Capital Market under the symbol LRAD. We had 32,325,734 shares issued and outstanding by 1,018 holders of record of our common stock as of February 28, 2011.

Our address is 15378 Avenue of Science, Suite 100, San Diego, California, 92128. Our telephone number is (858) 676-1112, and our internet website is located at www.lradx.com. The information on our website is not incorporated by reference into this prospectus nor is it part of this prospectus. See the section entitled Where You Can Find More Information on page 9 of this prospectus.

The Offering

Warrant Shares

This prospectus covers up to 1,627,945 shares of common stock issuable upon exercise of warrants which we issued on February 4, 2011 to certain of the selling stockholders, which we refer to as the warrant selling stockholders. The warrant selling stockholders previously held warrants issued in August 2006 as part of a financing transaction, which we refer to as the 2006 Warrants. On February 4, 2011, the warrant selling stockholders exercised their 2006 Warrants to purchase an aggregate of 1,627,945 shares of our common stock at an exercise price of \$2.67 per share. We received \$4,346,613 in aggregate proceeds upon exercise of the 2006 Warrants.

On February 4, 2011, in consideration of the warrant selling stockholders exercising the 2006 Warrants at an exercise price above the current market price of our common stock, we issued to the warrant selling stockholders new warrants exercisable for an aggregate of 1,627,945 shares of common stock at an exercise price of \$2.67 per share, which we refer to as the 2011 Warrants. The 2011 Warrants are exercisable from August 4, 2011 through February 4, 2016. The 2011 Warrants contain provisions which would adjust the exercise price, and in inverse proportion adjust the number of shares subject to the 2011 Warrants, in the event we pay stock dividends, effect stock splits or complete other transactions specified in the 2011 Warrants.

We also agreed to file a registration statement, of which this prospectus is a part, on or before March 6, 2011, to register for resale the shares that may be issued upon exercise of the 2011 Warrants. We have also agreed to have the registration statement declared effective as soon as possible and in any event within 90 days

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after February 4, 2011. Once the registration statement is declared effective, we have agreed to use our best efforts to keep it effective for five years after the date the registration statement is declared effective, or the earlier date when all of the shares covered by this prospectus have been sold or may be sold without volume restrictions in accordance with Rule 144 under the Securities Act. If the registration statement is not declared effective within 90 days following the date of issuance of the securities, or the warrant selling stockholders are otherwise unable to re-sell the shares purchased upon exercise of the 2011 Warrants, we will be obligated to pay liquidated damages to the warrant selling stockholders in the amount of \$0.01335 per day per applicable share until 180 days after the date the registration statement is required to be filed, and \$0.0267 per day per applicable share thereafter, but not to exceed a total of \$0.0534 per applicable share.

Elwood G. Norris Shares

This prospectus also covers up to 1,600,000 shares of common stock held by Elwood G. Norris, our former Chairman of the Board and a director of LRAD until June 4, 2010. These shares are held by a family trust for which Mr. Norris serves as trustee. Mr. Norris acquired the shares offered by this prospectus from time to time in private transactions exempt from the registration requirements of the Securities Act and upon the exercise of stock options.

We will not receive any proceeds from the sale of securities by any of these selling stockholders. See **Use of Proceeds** on page 4 of this prospectus.

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RISK FACTORS

Before deciding to purchase, hold or sell our common stock, you should carefully consider the risks, cautionary statements and other information contained in this prospectus and in our other filings with the SEC that we incorporate by reference, including our Annual Report on Form 10-K for the fiscal year ended September 30, 2010. The risks and uncertainties described in these documents are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business. If any of these known or unknown risks or uncertainties actually occurs with material adverse effects on our company, our business, financial condition, results of operation and/or liquidity could be seriously harmed. In that event, the market price for our common stock will likely decline, and you may lose all or part of your investment.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

We have elected to incorporate by reference certain information into this prospectus. By incorporating by reference, we can disclose important information to you by referring you to another document we have filed with the SEC. The information incorporated by reference is deemed to be part of this prospectus, except for information incorporated by reference that is superseded by information contained in this prospectus. This prospectus incorporates by reference the documents set forth below that we have previously filed with the SEC:

Our Annual Report on Form 10-K for the fiscal year ended September 30, 2010 filed with the SEC on December 1, 2010;

Our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2010 filed with the SEC on February 3, 2011;

Our Current Reports on Form 8-K filed with the SEC on December 7, 2010 (as amended on December 8, 2010), January 11, 2011 and February 8, 2011; and

The description of our common stock contained in our registration statement on Form 10-SB, effective August 1, 1994, including any amendment or report filed for the purpose of updating such description.

Certain Current Reports on Form 8-K dated both prior to and after the date of this prospectus are or will be furnished to the SEC and shall not be deemed filed with the SEC and will not be incorporated by reference into this prospectus. However, all other reports and documents filed by us after the date of this prospectus under Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, prior to the termination of the offering of the securities covered by this prospectus will also be deemed incorporated by reference in this prospectus and considered to be part of this prospectus from the date those documents are filed.

You should read the information relating to us in this prospectus together with the information in the documents incorporated by reference.

You may obtain a copy of any of the above-referenced documents, at no cost, from our website at www.lradx.com. The information contained in, or that can be accessed through, our website is not part of this prospectus. We will also furnish without charge to you, on written or oral request, a copy of any or all of the documents incorporated by reference, including exhibits to these documents. You should direct your requests for documents to:

Director, Investor Relations

LRAD Corporation

15378 Avenue of Science, Suite 100

San Diego, California 92128

(858) 676-1112

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USE OF PROCEEDS

We will not receive any proceeds from the sale or other disposition of the shares of common stock or interests therein offered by this prospectus. We will issue an aggregate of 1,627,945 shares of common stock potentially offered by this prospectus only upon the exercise of stock purchase warrants by the warrant selling stockholders. If the warrant selling stockholders exercise all of the stock purchase warrants, we would receive proceeds of approximately \$4.3 million. There can be no assurance that the warrant selling stockholders will exercise any of these warrants, or, if exercised, that any of the underlying shares of common stock will be sold under this prospectus.

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We are registering for sale or other disposition shares of our common stock held by the selling stockholders. The term selling stockholders includes the stockholders listed below and their transferees, pledgees, donees or other successors.

The following table sets forth information regarding beneficial ownership of our common stock which is based on information provided by the selling stockholders as of March 1, 2011 (except as otherwise noted) and additional shares purchasable upon exercise of outstanding warrants, unless otherwise noted. This information is based upon information provided by the selling stockholders. The selling stockholders identified below may have sold, transferred or otherwise disposed of all or a portion of their shares of common stock in transactions exempt from the registration requirements of the Securities Act since the date as of which they provided this information.

Except as described below, none of the selling stockholders has held any position or office or had any other material relationship with us or any of our predecessors or affiliates within the past three years other than as a result of the ownership of our securities. We may amend or supplement this prospectus from time to time to update the disclosure set forth in it.

Elwood G. Norris served as a director of LRAD from 1980 until June 2010. During that time, he also served in various executive roles, including as Chairman of our Board of Directors, an executive position, in which he served in a technical advisory role to our company and acted as a spokesman for our products from September 2000 to April 2009.

Each of the selling stockholders that is affiliated with a registered broker-dealer purchased the securities offered hereby in the ordinary course of business and does not have any agreement or understandings, directly or indirectly, to distribute the shares offered by this prospectus.

Name of Selling Stockholder	Total Common Stock	Shares	Shares of	Percent of
	Beneficially		Common Stock	
	Owned	Offered	Beneficially	Beneficially
	Before Offering	Hereby	Owned After	Owned
			Offering (1)	After
				Offering
				(1)
Elwood G. Norris (2)	4,850,624	1,600,000	3,250,624	9.8%
Special Situations Fund III QP, L.P.(3)	2,204,723(4)	372,466	1,832,257	5.7%
Special Situations Private Equity Fund, L.P.(3)	715,553(4)	102,564	612,989	1.9%
Special Situations Technology Fund, L.P.(3)	256,808(4)	43,385	213,423	*
Special Situations Technology Fund II, L.P.(3)	1,596,277(4)	269,675	1,326,602	4.1%
Iroquois Master Fund LTD	1,193,327(4)	388,766	804,561	2.5%
Scot Cohen	1,031,998(4)	252,214	779,784	2.4%
Jonathan Manela	320,512(4)	50,256	270,256	*
American Capital Management LLC	218,279(4)	45,037	173,242	*
Scot Jason Cohen Foundation	61,812(4)	18,015	43,797	*
Richard K. Abbe (Custodian of Bennett Abbe)	61,431(4)	15,012	46,419	*
Richard K. Abbe (Custodian Samantha Abbe)	61,431(4)	15,012	46,419	*
Richard K. Abbe (Custodian of Talia Abbe)	61,431(4)	15,012	46,419	*
Colman Abbe	18,014(4)	9,007	9,007	*
Abbe Berman Foundation Trust	18,014(4)	9,007	9,007	*
Merav Abbe Trust	118,755(4)	9,007	109,748	*
Philip Mirabelli	68,014(4)	9,007	59,007	*
Joshua Silverman	25,650(4)	4,503	21,147	*
Total		3,227,945		

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* Less than 1%.

- (1) Assumes that all shares included in this prospectus are sold, and any other shares held before the commencement of this offering are not sold and that the selling stockholders do not acquire any additional shares of our common stock. Percent of common stock beneficially owned is based on 32,325,734 shares outstanding as of February 28, 2011, and does not include shares of common stock issuable upon exercise of the 2011 Warrants.
- (2) As of March 1, 2011, Mr. Norris beneficially owned approximately 14.6% of our outstanding common stock. Includes 3,925,629 shares held by a family trust for which Mr. Norris serves as trustee, 44,995 shares held by an investment company controlled by Mr. Norris, and 880,000 shares issuable upon the exercise of outstanding stock options within 60 days of March 1, 2011.
- (3) MGP Advisors Limited Partnership, or MGP, is the general partner of the Special Situations Fund III QP, L.P. AWM Investment Company, Inc., or AWM, is the general partner of MGP. SST Advisers, L.L.C., or SSTA, is the general partner of the Special Situations Technology Fund, L.P. and Special Situations Technology Fund II, L.P. MG Advisers, L.L.C., or MG, is the general partner of the Special Situations Private Equity Fund, L.P. AWM is the investment adviser to Special Situations Fund III QP, L.P., Special Situations Technology Fund, L.P., Special Situations Technology Fund II, L.P. and Special Situations Private Equity Fund, L.P. Austin W. Marxe and David M. Greenhouse are the principal owners of MGP, AWM, SSTA and MG, and are principally responsible for the selection, acquisition, voting and disposition of the portfolio securities by each investment adviser on behalf of its fund. Both Messrs. Marxe and Greenhouse share voting and dispositive power with respect to shares held by these selling stockholders. Includes, as applicable, shares issuable upon exercise of outstanding options and warrants within 60 days of March 1, 2011.
- (4) Assumes the exercise by the selling stockholder of all 2011 Warrants and issuance of all shares of common stock issuable upon exercise of the 2011 Warrants to the selling stockholder.

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PLAN OF DISTRIBUTION

The selling stockholders may, from time to time, sell any or all of their shares of common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These sales may be at fixed or negotiated prices. The selling stockholders may use any one or more of the following methods when selling shares:

ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;

block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;

purchases by a broker-dealer as principal and resale by the broker-dealer for its account;

an exchange distribution in accordance with the rules of the applicable exchange;

privately negotiated transactions;

short sales;

through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;

broker-dealers may agree with the selling stockholders to sell a specified number of such shares at a stipulated price per share; and

a combination of any such methods of sale.

The selling stockholders may also sell shares under Rule 144 under the Securities Act, if available, rather than under this prospectus.

The selling stockholders may also engage in short sales against the box, puts and calls and other transactions in our securities or derivatives of our securities and may sell or deliver shares in connection with these trades.

Broker-dealers engaged by the selling stockholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the selling stockholders (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated. The selling stockholders do not expect these commissions and discounts to exceed what is customary in the types of transactions involved. Any profits on the resale of shares of common stock by a broker-dealer acting as principal might be deemed to be underwriting discounts or commissions under the Securities Act. Discounts, concessions, commissions and similar selling expenses, if any, attributable to the sale of shares will be borne by the applicable selling stockholder. The selling stockholders may agree to indemnify any agent, dealer or broker-dealer that participates in transactions involving sales of the shares if liabilities are imposed on that person under the Securities Act.

In connection with the sale of our common stock or interests therein, the selling stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the common stock in the course of hedging the positions they assume. The selling stockholders may also sell shares of our common stock short and deliver these securities to close out their short positions, or loan or pledge the common stock to broker-dealers that in turn may sell these securities. The selling stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which

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require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The selling stockholders may from time to time pledge or grant a security interest in some or all of the shares of common stock owned by them and, if they default in the performance of their secured obligations, the

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pledgees or secured parties may offer and sell the shares of common stock from time to time under this prospectus after we have filed an amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus.

The selling stockholders also may transfer the shares of common stock in other circumstances, in which case the transferees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus and may sell the shares of common stock from time to time under this prospectus after we have filed an amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus.

The selling stockholders and any broker-dealers or agents that are involved in selling the shares of common stock may be deemed to be underwriters within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares of common stock purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

We are required to pay all fees and expenses incident to the registration of the shares of common stock. We have agreed to indemnify the selling stockholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

The selling stockholders have advised us that they have not entered into any agreements, understandings or arrangements with any underwriters or broker-dealers regarding the sale of their shares of common stock, nor is there an underwriter or coordinating broker acting in connection with a proposed sale of shares of common stock by any selling stockholder. If we are notified by any selling stockholder that any material arrangement has been entered into with a broker-dealer for the sale of shares of common stock, if required, we will file a supplement to this prospectus. If the selling stockholders use this prospectus for any sale of the shares of common stock, they will be subject to the prospectus delivery requirements of the Securities Act.

Mr. Norris has advised us that he has entered into agreements with Manatuck Hill Scout Fund, L.P. and with Narragansett Strategic Master Fund, L.P. to sell all of the 1,600,000 shares of common stock owned by him included in this prospectus and registered hereby to institutional investors affiliated with such funds at a purchase price equal to \$2.00 per share. The agreements require Mr. Norris to sell and the purchasers to purchase the shares of common stock to be sold thereunder on the third business day following the effectiveness of the registration statement of which this prospectus is a part. The agreements contain customary representations and warranties of the parties regarding power and authority to enter into the agreements, the absence of finders or brokers in the transaction, the ownership of the shares of common stock by Mr. Norris and the accredited investor status of the purchasers. The agreements contain closing conditions based upon the representations and warranties being true and correct and the registration statement of which this prospectus is a part being declared effective and the subject shares of common stock being freely tradable without restrictive legend. The agreements permit either party to terminate the agreement in the event that the transaction does not occur prior to April 25, 2011 and contain customary indemnity by the parties in the event of breaches of the representations or covenants of the other parties.

The anti-manipulation rules of Regulation M under the Securities Exchange Act may apply to sales of our common stock and activities of the selling stockholders.

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LEGAL MATTERS

The validity of our common stock offered hereby will be passed upon for us by Durham, Jones & Pinegar, St. George, Utah.

EXPERTS

Squar, Milner, Peterson, Miranda and Williamson, LLP, an independent registered public accounting firm, has audited our consolidated financial statements included in our Annual Report on Form 10-K as of and for the fiscal years ended September 30, 2010 and 2009 as set forth in their report dated December 1, 2010, which is incorporated herein by reference in this prospectus and elsewhere in the registration statement. Such consolidated financial statements are incorporated herein by reference in reliance on Squar, Milner, Peterson, Miranda and Williamson, LLP's aforementioned report, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-3 under the Securities Act with respect to the shares of common stock being offered by this prospectus. Certain information in the registration statement has been omitted from this prospectus in accordance with the rules and regulations of the SEC. For further information with respect to the company and the common stock offered by this prospectus, we refer you to the registration statement and its exhibits. Statements contained in this prospectus as to the contents of any contract or any other document referred to are not necessarily complete, and in each instance, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference.

We electronically file annual, quarterly and special reports, proxy and information statements and other information with the SEC. You may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of that website is www.sec.gov.

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The following table lists the costs and expenses payable by the registrant in connection with the sale of the common stock covered by this prospectus other than any sales commissions or discounts, which expenses will be paid by the selling stockholders. All amounts shown are estimates except for the SEC registration fee.

Commission Registration Fee	\$ 768
Printing and Related Fees	3,000
Legal Fees and Expenses	15,000
Accounting Fees and Expenses	4,000
Miscellaneous fees and expenses	1,232
 Total	 \$ 24,000

Item 15. Indemnification of Directors and Officers.

Our Certificate of Incorporation provides that we will indemnify our officers, directors, employees and agents against attorneys' fees and other expenses, fines, settlements and liabilities he or she incurs to defend, settle or satisfy any administrative, civil or criminal action brought against him or her arising out of his or her association with or activities on our behalf, so long as he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to our interests and, in the case of a criminal proceeding, he or she had no reasonable cause to believe that his or her conduct was unlawful. In addition, if the officer, director, employee or agent is successful on the merits or otherwise, we are obligated to indemnify him or her against his or her costs, charges and expenses, including attorneys' fees. We may also advance the expenses of any litigation to any of these persons upon his or her promise to repay the advances if it is ultimately determined that he or she is not entitled to indemnification. These expenditures could be substantial and may not be recouped, even if we are so entitled. The foregoing provisions of our Certificate of Incorporation are similar to the provisions of Section 145 of the Delaware General Corporation Law.

Pursuant to the Delaware General Corporation Law, our Certificate of Incorporation excludes personal liability on the part of our directors to our company or our stockholders for monetary damages based upon any violation of their fiduciary duties as directors, except as to liability for any breach of the duty of loyalty, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, acts in violation of Section 174 of the Delaware General Corporation Law, or any transaction from which a director receives an improper personal benefit. This exclusion of liability does not limit any right which a director may have to be indemnified and does not affect any director's liability under federal or applicable state securities laws. If any amendment to the Delaware General Corporation Law authorizes the further elimination of liability of our directors, then the liability of our directors will be limited to the fullest extent permitted by the Delaware General Corporation Law as so amended.

We currently have directors' and officers' liability insurance to provide our directors and officers with insurance coverage for losses arising from claims based on breaches of duty, negligence, errors and other wrongful acts.

Item 16. Exhibits.

Exhibit Number	Description of Document
5.1	Opinion of Durham, Jones & Pinegar, P.C.
23.1	Consent of Squar, Milner, Peterson, Miranda & Williamson, LLP.
24.1	Power of Attorney. Included on signature page.

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Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) of this section do not apply if the registration statement is on Form S-3 or Form F-3 and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act to any purchaser:

(i) If the registrant is relying on Rule 430B (§230.430B of this chapter):

(A) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 4115(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration

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statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; or

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(ii) If the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness; provided, however, that no statement made in the registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the rr"> **Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)**

(a)

(b)

(c)

Equity compensation plans approved by security holders

0

0

0

Equity compensation plans not approved by security holders

1,955,000

\$0.65

0

Total

1,955,000

\$0.65

0

Item 12. Certain Relationships and Related Transactions.

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During FY 2007, the Company received, for working capital needs, advances, totaling \$43,693, due on demand and without interest, from James Martell, President and CEO of the Company. The Company repaid the advances to Mr. Martell in FY 2008.

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Item 13. Exhibits.

Exhibit No.

3.1	Articles of Incorporation
3.2	Bylaws, as amended
10.1	Employment Agreement dated March 27, 2008 between the Company and Douglas D. Burkett*
10.2	Employment Agreement dated March 31, 2008 between the Company and James Martell*
10.3	Employment Agreement dated March 26, 2008 between the Company and Durwood C. Settles*
14	Code of Ethics*
21	Subsidiaries of the Registrant
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer*
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer*
32.1	Section 1350 Certifications*

*Filed herewith

Item 14. Principal Accountant Fees and Services.

The following is a summary of the fees billed to the Company by its principal accountants during the fiscal years ended April 30, 2008, and April 30, 2007:

Fee Category	FY 2008	FY 2007
Audit fees	\$5,000	\$8,000
Audit-related fees	\$3,550	\$4,500
Tax fees	\$0	\$0
All other fees	\$0	\$0
Total fees	\$8,550	\$12,500

Audit fees. Consists of fees for professional services rendered by our principal accountants for the audit of the annual financial statements.

Audit-related fees. Consists of fees for assurance and related services by our principal accountants that are reasonably related to the performance of the audit or review of financial statements and are not reported under "Audit fees."

Tax fees. Consists of fees for professional services rendered by our principal accountants for tax compliance, tax advice and tax planning.

All other fees. Consists of fees for products and services provided by our principal accountants, other than the services reported under "Audit fees," "Audit-related fees" and "Tax fees" above.

Audit Committee Policies and Procedures.

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CHAMPIONS BIOTECHNOLOGY, INC.
FORMERLY CHAMPIONS SPORTS, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
APRIL 30, 2008 AND 2007

CHAMPIONS BIOTECHNOLOGY, INC.
FORMERLY CHAMPIONS SPORTS, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
APRIL 30, 2008 AND 2007

CONSOLIDATED FINANCIAL STATEMENTS:

Report of Independent Registered Public Accounting Firm	F3
Consolidated Balance Sheet as of April 30, 2008 and 2007	F4
Consolidated Statements of Income for the Years Ended April 30, 2008 and 2007	F5
Consolidated Statement of Stockholders' Equity (Deficit) for the Years ended April 30, 2008 and 2007	F6
Consolidated Statements of Cash Flows for the Years Ended April 30, 2008 and 2007	F7
Notes to Consolidated Financial Statements	F8- F21

BAGELL, JOSEPHS, LEVINE & COMPANY, L.L.C.
Certified Public Accountants

406 Lippincott Drive, Ste. J
Marlton, NJ 08053-4168
(856) 346-2828 Fax (856) 396-0022

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Champions Biotechnology, Inc.
1400 N. 14th Street
Arlington, VA 22209-3693

We have audited the accompanying consolidated balance sheets of Champions Biotechnology, Inc., as of April 30, 2008 and 2007, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years in the two-year period ended April 30, 2008. Champions Biotechnology, Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,

assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Champions Biotechnology, Inc. as of April 30, 2008 and 2007, and the results of its operations and its cash flows for each of the years in the two-year period ended April 30, 2008 in conformity with accounting principles generally accepted in the United States of America.

/s/ BAGELL, JOSEPHS, LEVINE & COMPANY, L.L.C.
Bagell, Josephs, Levine & Company, L.L.C.
Marlton, NJ 08053

July 28, 2008

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS (AICPA)
CENTER FOR AUDIT QUALITY (CAQ)
NEW JERSEY SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
PENNSYLVANIA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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CHAMPIONS BIOTECHNOLOGY, INC.
FORMERLY CHAMPIONS SPORTS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
FOR THE YEARS ENDED APRIL 30, 2008 AND 2007

ASSETS

	2008		2007
CURRENT ASSETS			
Cash and cash equivalents	\$ 3,709,136	\$	3,758
Prepaid expenses		52,873	-
Total Current Assets		3,762,009	3,758
Intangibles assets		227,465	180,000
Goodwill		661,909	-
TOTAL ASSETS	\$	4,651,383	\$ 183,758

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES

Accounts payable	\$ 147,971	\$	49,736
Deferred revenue	504,622		-
Other accrued expenses	361,275		351,394
Officer loans payable	-		43,693
Total current liabilities	1,013,868		444,823

COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS' EQUITY (DEFICIT)

Preferred stock, \$10 par value; 56,075 shares authorized; 0 and 32,450 shares issued and outstanding	-		-
Common stock, \$.001 par value; 50,000,000 shares authorized; 33,247,718 and 27,624,658 shares issued and outstanding	33,248		27,625

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Additional paid-in capital	11,715,182	6,848,693
Accumulated deficit	(7,068,547)	(7,104,245)
	4,679,883	(227,927)
Less: prepaid consulting	(1,042,368)	(33,138)
Total stockholders' equity (deficit)	3,637,515	(261,065)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 4,651,383	\$ 183,758

The accompanying notes are an integral part of these consolidated financial statements.

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CHAMPIONS BIOTECHNOLOGY, INC
FORMERLY CHAMPIONS SPORTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED APRIL 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
OPERATING REVENUE		
Personalized Oncology services	\$ 1,399,940	\$ -
Total operating revenue	1,399,940	-
COSTS AND OPERATING EXPENSES		
Service expenses	490,435	-
Research and development	199,743	
General and administrative	703,176	170,058
Total costs and operating expenses	1,393,354	170,058
INCOME (LOSS) BEFORE OTHER INCOME	6,586	(170,058)
Other income		
Interest income	29,112	-
Total other income	29,112	-
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	35,698	(170,058)
Provision for income taxes	-	-
NET INCOME (LOSS) APPLICABLE TO COMMON STOCKHOLDERS	\$ 35,698	\$ (170,058)
BASIC AND DILUTED INCOME (LOSS) PER COMMON SHARE		
	\$ 0.00	\$ (0.01)
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC	31,494,025	20,459,726
WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED	34,279,537	-

The accompanying notes are an integral part of these consolidated financial statements.

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CHAMPIONS BIOTECHNOLOGY, INC.
FORMERLY CHAMPIONS SPORTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED APRIL 30, 2008 AND 2007

	Series A, 12%		Convertible Cumulative		Paid-in Capital	Accumulated Deficits	Total
	Preferred Stock		Common Stock				
	Shares	Amount	Shares	Amount			
Balance, April 30, 2006	32,450	\$ 324,500	16,824,658	\$ 16,825	\$ 5,922,349	\$ (6,934,187)	\$ (670,513)
Issued 1,000,000 common shares and 1,000,000 warrants in exchange for 32,450 preferred shares	(32,450)	(324,500)	1,000,000	1,000	673,960	-	350,460
Issued common stock for cash	-	-	7,000,000	7,000	21,000	-	28,000
Issued common stock for cash	-	-	2,500,000	2,500	7,500	-	10,000
Issued Common stock for patents rights	-	-	300,000	300	179,700	-	180,000
Stock issued for consulting services (prepaid consulting)	-	-	-	-	44,184	-	44,184
Net loss	-	-	-	-	-	(170,058)	(170,058)
Balance, April 30, 2007	-	\$ -	27,624,658	\$ 27,625	\$ 6,848,693	\$ (7,104,245)	\$ (227,927)
Issued 4,000,000 common shares for 100% of Biomerk, Inc.	-	-	4,000,000	4,000	1,156,000	-	1,160,000
Stock issued for exercise of warrants	-	-	169,488	170	28,335	-	28,505
Stock issued for exercise of options	-	-	25,000	25	4,225	-	4,250
Issued common stock for cash	-	-	1,428,572	1,428	2,498,572	-	2,500,000
Stock issued for consulting services (prepaid consulting)	-	-	-	-	1,179,357	-	1,179,357
Net income	-	-	-	-	-	35,698	35,698
Balance, April 30, 2008	-	\$ -	33,247,718	\$ 33,248	\$ 11,715,182	\$ (7,068,547)	\$ 4,679,883

The accompanying notes are an integral part of these consolidated financial statements.

CHAMPIONS BIOTECHNOLOGY, INC
FORMERLY CHAMPIONS SPORTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2008 AND 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) from operating activities	\$ 35,698	\$ (170,058)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
(Increase) in prepaid expenses	(52,873)	-
Increase in accounts payable	107,341	16,485
Increase in deferred revenue	504,623	-
Increase in other accrued expenses	27,488	64,052
Amortization of prepaid consulting services	170,127	11,046
Total adjustments	756,706	91,583
Net cash provided (used in) operating activities	792,404	(78,475)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in intangible assets	(47,465)	-
Increase in cash from acquisition	471,377	-
Net cash provided by investing activities	423,912	-
CASH FLOWS FROM FINANCING ACTIVITIES		
(Payment of) proceeds from officers loan payable	(43,693)	43,693
Proceeds from sale of common stock and exercise of options	2,504,250	38,000
Proceeds from exercise of warrants	28,505	-
Net cash provided by financing activities	2,489,062	81,693
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,705,378	3,218
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	3,758	540
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,709,136	\$ 3,758
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest paid	\$ 997	\$ 3,287

Income Tax Paid

\$

-

\$

-

SUPPLEMENTAL SCHEDULE OF NON-CASH FLOW INVESTING AND FINANCING ACTIVITIES:

In January 2007, the Company issued 340,000 stock options for prepaid consulting services valued at \$44,184.

In May 2007, the Company issued 525,000 stock options for prepaid consulting valued at \$157,473.

In May 2007, the Company issued 4,000,000 shares for 100% of the shares of Biomerk, Inc.

In October 2007, the Company issued 500,000 stock options for prepaid consulting services valued at \$336,287.

In November 2007, the Company issued 61,632 shares for warrants exercised at \$9,245.

In January 2008, the Company issued 107,856 shares for warrants exercised at \$19,260.

In March 2008, the Company issued 25,000 shares for \$4,250.

In March 2008, the Company issued 615,000 stock options for prepaid consulting services valued at \$685,597.

In April 2008, the Company issued 1,428,572 shares for \$2,500,000.

The accompanying notes are an integral part of these consolidated financial statements.

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CHAMPIONS BIOTECHNOLOGY, INC.
FORMERLY CHAMPIONS SPORTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
APRIL 30, 2008 AND 2007

NOTE 1- ORGANIZATION AND BASIS OF PRESENTATION

Champions Biotechnology, Inc., (the "Company") is a biotechnology company that is engaged in the development of advanced preclinical platforms and predictive tumor specific data to enhance and accelerate the value of oncology drugs. Champions Biotechnology, Inc. was incorporated as a merger and acquisition company under the laws of the State of Delaware on June 4, 1985 under the name "International Group, Inc." In September 1985 the Company completed a public offering and shortly thereafter acquired the world-wide rights to the Champions sports theme restaurant concept and changed its name to "Champions Sports, Inc." In 1997, the Company sold its Champions service mark and concept to Marriott International, Inc. and until 2005, was a consultant to Marriott International, Inc. and operated one Champions Sports Bar Restaurant. In January 2007, the Company changed its business direction to focus on biotechnology and subsequently changed its name to Champions Biotechnology, Inc. In February 2007 the Company acquired the patent rights to two Benzoylphenylurea (BPU) sulfur analog compounds. On May 18, 2007, the Company acquired Biomerk, Inc. from Dr. David Sidransky and issued 4,000,000 restricted shares of its common stock. On April 30, 2008, the Company issued 1,428,572 restricted shares of the Company's common stock at \$1.75 per share pursuant to the terms of a private investment financing.

ALLEVIATION OF GOING CONCERN

At April 30, 2007, the Company reported that it had incurred substantial net losses for the years ended April 30, 2007 and April 30, 2006 and the Company had not commenced operations to have a revenue stream to support itself. These factors raised substantial doubt about the Company's ability to continue as a going concern at that time.

During the three months ended April 30, 2008 the Company raised \$2.5 million dollars in cash through a private placement of common stock. With this additional capital and projected cash flow expenditures over the next twelve months, Company's management considers the facts and circumstances which raised substantial doubt about the Company's ability to continue as a going concern to be alleviated.

The Company has sufficient resources to provide for the next twelve months of operations based on its current level of expenditure, its anticipated level of future expenditure and revenue growth and its ability to curtail expenditures if needed.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All material intercompany transactions have been eliminated in consolidation.

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**CHAMPIONS BIOTECHNOLOGY, INC.
FORMERLY CHAMPIONS SPORTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
APRIL 30, 2008 AND 2007**

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Company derives revenue from its Personalized Oncology services which assist physicians by providing information that may enhance personalized treatment options for their cancer patients through access to expert medical information panels and tumor specific data. Revenues are also derived from the Company's Preclinical Evaluation services which offer the benefits of its Preclinical Platform to pharmaceutical and biotechnology companies using Biomerk Tumorgraft studies which have been shown to be predictive of how drugs perform in clinical settings. The Company's revenue is described as Personalized Oncology services in the Consolidated Statements of Income.

Revenue is recognized in accordance with the SEC's Staff Accounting Bulletin No. 104, "Revenue Recognition" ("SAB 104"). SAB 104 requires that four basic criteria be met before revenue can be recognized: 1) persuasive evidence of an arrangement exists; 2) delivery has occurred or services rendered; 3) the fee is fixed and determinable; and 4) collectability is reasonably assured. As to 1), our business practices require that our services be performed pursuant to contracts with our customers. As to 2), we recognize revenue when services are rendered to our customers. As to 3), the fee is determined and fixed at the time the contract is executed. As to 4), our business practices require that fees for services be remit upon execution of the contract, either in full or in contractual amounts based on management's judgments regarding the fixed nature of our arrangements taking into account termination provisions and the collectability of fees under our arrangements.

The Company's revenue was solely derived from its Personal Oncology services during the year ended April 30, 2008.

Goodwill and Other Intangible Assets

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement No. 142 "Goodwill and Other Intangible Assets". This statement addresses financial accounting and reporting for acquired goodwill and other intangible assets and supersedes APB Opinion No. 17, "Intangible Assets". It addresses how intangible assets that are acquired individually or with a group of other assets (but not those acquired in a

business combination) should be accounted for in financial statements upon their acquisition. This Statement also addresses how goodwill and other intangible assets should be accounted for after they have been initially recognized in the financial statements.

Intangible Assets

Intangible assets represent costs incurred for patent applications. The costs incurred were valued at the fair value of the stock at the time of issuance. The Company will establish its estimated useful life upon approval of the application, which will begin the period of amortization of its cost. The Company will estimate the fair value of this asset annually.

Accounting for Acquisition

The Company has accounted for its acquisition under the purchase method of accounting for business combinations. Under the purchase method of accounting, the cost, including transaction costs, are allocated to the underlying net assets, based on their respective estimated fair values. The excess of the purchase price over the estimated fair values of the net assets acquired is recorded as goodwill.

Impairment of Goodwill and Other Intangible Assets

Goodwill and other intangible assets are tested annually for impairment and are tested for impairment more frequently if events and circumstances indicate that the asset might be impaired. An impairment loss is recognized to the extent that the carrying amount exceeds the asset's fair value. The Company assesses the recoverability of its goodwill and other intangible assets by comparing the projected undiscounted

net cash flows associated with the related asset, over the remaining lives, in comparison to their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets.

Deferred Revenue

Deferred revenue represents payments received in advance for services to be performed. When services are rendered, deferred revenue is then recognized as earned.

Research and Development

Research and development costs are expensed as incurred.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Income (Loss) Per Share

Historical net income (loss) per common share is computed using the weighted average number of common shares outstanding. Diluted earnings per share (EPS) include additional dilution from common stock equivalents, such as stock issuable pursuant to the exercise of stock options and warrants. Common stock equivalents were not included in the computation of diluted earnings per share when the Company reported a loss in 2007 because to do so would be antidilutive for the year presented.

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**CHAMPIONS BIOTECHNOLOGY, INC.
FORMERLY CHAMPIONS SPORTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
APRIL 30, 2008 AND 2007**

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following is a reconciliation of the computation for basic and diluted EPS:

	April 30, 2008	April 30, 2007
Net income (loss)	\$ 35,698	\$ (170,058)
Weighted-average common shares outstanding (basic)	31,494,025	20,459,726
Weighted-average common stock Equivalents		
Stock options	1,955,000	-
Warrants	830,512	-
Weighted-average common shares outstanding (diluted)	34,279,537	20,459,726

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flow, the Company considers all highly liquid debt instruments purchased with a maturity of six months or less, unless restricted as to use, to be cash equivalents. At various times throughout the years the Company had amounts on deposit

at financial institutions in excess of federally insured limits.

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**CHAMPIONS BIOTECHNOLOGY, INC.
FORMERLY CHAMPIONS SPORTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
APRIL 30, 2008 AND 2007**

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company has adopted the provisions of Statement of Financial Accounting Standards No. 109 (the Statement), Accounting for Income Taxes. The Statement requires an asset and liability approach for financial accounting and reporting for income taxes, and the recognition of deferred tax assets and liabilities for the temporary differences between the financial reporting bases and tax bases of the Company's assets and liabilities at enacted tax rates expected to be in effect when such amounts are realized or settled.

Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments, including cash and cash equivalents, accounts payable, and accrued expenses, officer loans payable approximate fair values because of the short maturities of these instruments.

Stock-Based Compensation

Employee stock awards under the Company's compensation plans are accounted for in accordance with Statement of Financial Accounting Standards No. 123 (Revised 2004), "Share-Based Payment" ("SFAS 123R"). SFAS 123R requires that compensation cost related to share-based payment transactions be recognized in the financial statements. Share-based payment transactions within the scope of SFAS 123R include stock options, restricted stock plans, performance-based awards, stock appreciation rights, and employee share purchase plans. The provisions of SFAS 123R, as amended, are effective for small business issuers beginning as of the next fiscal year after December 15, 2005. Accordingly, the Company implemented the revised standard in the first quarter of fiscal year 2007.

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**CHAMPIONS BIOTECHNOLOGY, INC.
FORMERLY CHAMPIONS SPORTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
APRIL 30, 2008 AND 2007**

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Stock-Based Compensation (Continued)

The Company measures compensation expense for its non-employee stock-based compensation under the Financial Accounting Standards Board (FASB) Emerging Issues Task Force (EITF) Issue No. 96-18, "Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services". The fair value of the option issued is used to measure the transaction, as this is more reliable than the fair value of the services received. The fair value is measured at the value of the Company's common stock on the date that the commitment for performance by the counterparty has been reached or the counterparty's performance is complete. The fair value of the equity instrument is charged directly to compensation expense and additional paid-in capital.

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**CHAMPIONS BIOTECHNOLOGY, INC.
FORMERLY CHAMPIONS SPORTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
APRIL 30, 2008 AND 2007**

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recent Accounting Pronouncements

In September 2006, The Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurement" ("SFAS No. 157"). This standard provides guidance for using fair value to measure assets and liabilities. SFAS No. 157 applies whenever other standards require (or permit) assets or liabilities to be measured at fair value but does not expand the use of fair value in any new circumstances. Prior to SFAS No. 157, the methods for measuring fair value were diverse and inconsistent, especially for items that are not actively traded. The standard clarifies that for items that are not actively traded, such as certain kinds of derivatives, fair value should reflect the price in a transaction with a market participant, including an adjustment for risk, not just the company's mark-to-model value. SFAS No. 157 also requires expanded disclosure of the effect on earnings for items measured using unobservable data. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company is currently evaluating the impact of this statement on its financial statements and expects to adopt SFAS No.157 during the quarter ending July 31, 2008.

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**CHAMPIONS BIOTECHNOLOGY, INC.
FORMERLY CHAMPIONS SPORTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
APRIL 30, 2008 AND 2007**

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans -- An Amendment of FASB Statements No. 87, 88, 106, and 132R." This standard requires an employer to: (a) recognize in its statement of financial position an asset for a plan's overfunded status or a liability for a plan's underfunded status; (b) measure a plan's assets and its obligations that determine its funded status as of the end of the employer's fiscal year (with limited exceptions); and (c) recognize changes in the funded status of a defined benefit postretirement plan in the year in which the changes occur. Those changes will be reported in comprehensive income. The requirement to recognize the funded status of a benefit plan and the disclosure requirements are effective as of the end of the fiscal year ending after December 15, 2006. The requirement to measure plan assets and benefit obligations as of the date of the employer's fiscal year-end statement of financial position is effective for fiscal years ending after December 15, 2008. The Company is evaluating the impact of this statement on its financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Liabilities, including an amendment of FASB Statement No. 115" ("SFAS No. 159"). SFAS No. 159 permits entities to choose, at specified election dates, to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. Unrealized gains and losses shall be reported on items for which the fair value option has been elected in earnings at each subsequent reporting date. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of SFAS No. 157 "Fair Value Measurements" ("SFAS No. 157"). The Company is currently assessing the impact that SFAS No. 159 will have on its financial statements.

NOTE 3- COMMITMENTS AND CONTINGENCIES

Operating leases

The Company leases, as tenant, space under an operating lease, which expires September 30, 2008. The Company also leases, as tenant, space under an operating lease which expires August 31, 2008.

Rental expense during the year ended April 30, 2008 and 2007 was \$8,500 and \$420, respectively.

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**CHAMPIONS BIOTECHNOLOGY, INC.
FORMERLY CHAMPIONS SPORTS, INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
APRIL 30, 2008 AND 2007

NOTE 4- OTHER ACCRUED EXPENSES

This account represents accrued officer's payroll and related payroll taxes. This liability was paid in full in May 2008.

NOTE 5- OFFICER LOANS PAYABLE

For the year ended April 30, 2007, the Company received working capital advances from an officer of the Company which were repaid during the year ended April 30, 2008 without interest.

NOTE 6- STOCKHOLDERS' EQUITY (DEFICIT)

Common Stock

The Company has 50,000,000 shares authorized and 33,247,718 shares issued and outstanding at April 30, 2008.

There were 5,623,060 shares of common stock issued during the year ended April 30, 2008 and 10,800,000 in 2007.

During the year ended April 30, 2008, the Company issued 1,623,060 shares of restricted stock for cash of \$2,532,755.

During the year ended April 30, 2007, the Company issued 9,500,000 shares of restricted stock for cash of \$38,000.

In October 2006, the Company issued 1,000,000 shares of common stock, a five-year warrant to purchase up to 500,000 shares of common stock at an exercise price of \$0.15 per share, and a five-year warrant to purchase up to 500,000 shares of common stock at an exercise price of \$0.25 per share in exchange for the cancellation of all the 32,450 shares of preferred stock outstanding and the waiver of all accrued and unpaid dividends on such shares which totaled \$350,460.

On February 14, 2007 the Company acquired all of the patent rights underlying a pending U.S. Patent Application. The purchase price for the patent rights consisted of an aggregate of up 550,000 restricted shares of common stock, of which 300,000 were issued to four individuals upon execution of the acquisition agreement and 250,000 restricted shares are

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CHAMPIONS BIOTECHNOLOGY, INC.
FORMERLY CHAMPIONS SPORTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
APRIL 30, 2008 AND 2007

NOTE 6- STOCKHOLDERS' DEFICIT (CONTINUED)

Common Stock (Continued)

issuable upon the issuance of the patent based on the U.S. Patent Application.

On May 18, 2007, the Company entered into an Agreement and Plan of Merger with Biomerk, Inc., a privately owned company, whereby the Company issued 4,000,000 restricted shares of its common stock to acquire 100% of the outstanding stock of Biomerk, Inc.

Preferred Stock

The Company has 56,075 shares of preferred stock authorized and 0 shares issued and outstanding at April 30, 2008.

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There were no issuances of preferred stock during the year ended April 30, 2008. The 32,450 shares as of July 31, 2006 were cancelled in October 2006.

Stock Options

On January 15, 2007, the Company entered into various agreements with consultants to issue three hundred and forty thousand options, exercisable over a five year period based on a fair value exercise price on the date of issuance (\$0.17) exercisable expiring through January 15, 2012 for services to be rendered in one year. The options vest on January 15, 2008 and have been valued at \$44,184 using the Black-Scholes Model with an annualized volatility rate of 100% and a bond interest rate of 4.43%. Amortization expense for services rendered was \$33,138 for the year ended April 30, 2008. Amortization expense for services rendered was \$11,046 for the year ended April 30, 2007. On May 15, 2007, the Company entered into a consulting agreement to issue five hundred thousand options, exercisable over a five-year period based on a fair value exercise price on the date of issuance (\$0.30) exercisable expiring through May 15, 2012 for services to be rendered over three years. The options vest as follows: 166,665 upon the first anniversary of the grant date, 166,665 upon the second anniversary of the grant date and 16,670 upon the third anniversary of the grant date and have been valued at \$149,974 using the Black-Scholes Model with an annualized volatility rate of 270% and a bond interest rate of 4.35%. Amortization expense for services rendered was \$48,072 for the year ended April 30, 2008. On May 15, 2007, the Company entered into a consulting agreement to issue twenty-five thousand options, exercisable over a five-year period based on a fair value exercise price on the date of issuance (\$0.30) exercisable expiring through May 15, 2012 for services to be rendered over one year. The options vest on May 15, 2008 and have been valued at \$7,499 using the Black-Scholes Model with an annualized volatility rate of 270% and a bond interest rate of 4.35%. Amortization expense for services rendered was \$7,214 for the year ended April 30, 2008. On October 10, 2007, the Company entered into a consulting agreement to issue five hundred thousand options, exercisable over a five-year period based on a fair value exercise price on the date of issuance (\$0.75) exercisable expiring through October 10, 2012 for services to be rendered over three years. The options vest as follows: 166,665 upon the first anniversary of the grant date, 166,665 upon the second anniversary of the grant date and 166,670 upon the third anniversary of the grant date and have been valued at \$336,287 using the Black-Scholes Model with an annualized volatility rate of 141% and a bond interest rate of 4.38%. Amortization expense for services rendered was \$62,343 for the year ended April 30, 2008. On March 27, 2008, the Company entered into a consulting agreement to issue two hundred thousand options, exercisable over a five-year period based on a fair value exercise price on the date of issuance (\$1.05) exercisable expiring through March 27, 2013 for services to be rendered over three years. The options vest as follows: 66,666 upon the first anniversary of the grant date, 66,666 upon the second anniversary of the grant date and 66,668 upon the third anniversary of the grant date and have been valued at \$209,494 using the Black-Scholes Model with an annualized volatility rate of 270% and a bond interest rate of 2.25%. Amortization expense for services rendered was \$6,314 for the year ended April 30, 2008. On March 31, 2008, the Company entered into consulting agreements to issue four hundred fifteen thousand options, exercisable over a five-year period based on a fair value exercise price on the date of issuance (\$1.15) exercisable expiring through March 31, 2013 for services to be rendered over three years. The options vest as follows: 138,333 upon the first anniversary of the grant date, 138,333 upon the second anniversary of the grant date and 138,334 upon the third anniversary of the grant date and have been valued at \$476,103 using the Black-Scholes Model with an annualized volatility rate of 270% and a bond interest rate of 2.25%. Amortization expense for services rendered was \$13,046 for the year ended April 30, 2008.

Warrants

As noted above, in October 2006, the Company issued 1,000,000 shares of common stock, a five-year warrant to purchase up to 500,000 shares of common stock at an exercise price of \$0.15 per share, and a five-year warrant to purchase up to 500,000 shares of common stock at an exercise price of \$0.25 per share in exchange for the cancellation of all the 32,450 shares of preferred stock outstanding and the waiver of all accrued and unpaid dividends on such shares which totaled \$350,460. The warrants were valued using the Black-Scholes pricing model using the following assumptions: interest rate 4.43%, dividend yield 0%, volatility 100% and expected life of five years.

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CHAMPIONS BIOTECHNOLOGY, INC.
FORMERLY CHAMPIONS SPORTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
APRIL 30, 2008 AND 2007

NOTE 6- STOCKHOLDERS' DEFICIT (CONTINUED)

Warrants (Continued)

The Company has the following warrants outstanding for the purchase of its common stock:

Exercise Price	Expiration Date	Year Ended April 30,
		2008

\$0.15	January 15, 2012	361,328
\$0.25	January 15, 2012	469,184
		830,512
	Weighted Average exercise price	\$0.20

As of April 30, 2008, 830,312 warrants are exercisable.

There were 830,512 warrants outstanding for the year ended April 30, 2008.

Prepaid Consulting

Prepaid consulting represents options granted to consultants and directors for services to be rendered in the future, to be amortized over the life of the contract or according to the terms of the options grant.

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**CHAMPIONS BIOTECHNOLOGY, INC.
FORMERLY CHAMPIONS SPORTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
APRIL 30, 2008 AND 2007**

NOTE 7- PROVISION FOR INCOME TAXES

Deferred income taxes are determined using the liability method for the temporary differences between the financial reporting basis and income tax basis of the Company's assets and liabilities. Deferred income taxes are measured based on the tax rates expected to be in effect when the temporary differences are included in the Company's consolidated tax return. Deferred tax assets and liabilities are recognized based on anticipated future tax consequences attributable to differences between financial statement carrying amounts of assets and liabilities and their respective tax bases.

At April 30, 2008 and 2007, deferred tax assets consist of the following:

	<u>2008</u>		<u>2007</u>
Deferred tax asset	\$ 2,473,991	\$	2,467,155
Less: valuation allowance	(2,473,991)		(2,467,155)
Net deferred tax asset	\$ -0-	\$	-0-

At April 30, 2008 and 2007, the Company had federal net operating loss carryforwards in the approximate amounts of \$7,068,547 and \$7,104,245 available to offset future taxable income subject to Section 382 analysis limitations. The Company established valuation allowances equal to the full amount of the deferred tax assets due to the uncertainty of the utilization of the operating losses in future periods.

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**CHAMPIONS BIOTECHNOLOGY, INC.
FORMERLY CHAMPIONS SPORTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
APRIL 30, 2008 AND 2007**

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SIGNATURES

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In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CHAMPIONS BIOTECHNOLOGY, INC.

By: /s/ Douglas D. Burkett
Douglas D. Burkett
President and Principal Executive
Officer
Date: July 29, 2008

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Durwood C. Settles
Durwood C. Settles
Chief Financial Officer
Date: July 29, 2008

By: /s/ David Sidransky
Chairman
Director
Date: July 29, 2008

By: /s/ James Martell
Chief Administrative Officer
Director
Date: July 29, 2008

By: Abba Poliakoff
Director
Date: July 29, 2008

By: Ana Stancic
Director
Date: July 29, 2008

EXHIBIT 14

CHAMPIONS BIOTECHNOLOGY, INC. CODE OF BUSINESS CONDUCT AND ETHICS

The Board of directors of **Champions Biotechnology, Inc.** (with its subsidiaries, the "**Company**") has adopted this Code of Business Conduct and Ethics ("**Code**") to:

- Promote honest and ethical conduct, including fair dealing and the ethical handling of conflicts of interest;
- Promote full, fair, accurate, timely and understandable disclosure;
- Promote compliance with applicable laws and governmental rules and regulations;
- Ensure the protection of the Company's legitimate business interests, including corporate opportunities, assets and confidential information; and
- Deter wrongdoing.

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All directors, officers and employees of the Company are expected to be familiar with the Code and to adhere to those principles and procedures set forth in the Code that apply to them. This Code is meant to address the general ethical requirements of business conducted by the Company, but is not all-inclusive. Particular areas of conduct, such as harassment, confidential employee complaints, and other conduct which affects the workplace are addressed separately in other Company policies included in the Company's Employee Manual.

For purposes of this Code, the "Code of Ethics Contact Person" is Ana Stancic.

From time to time, the Company may waive some provisions of this Code. Any waiver of the Code for executive officers or directors of the Company may be made only by the Board of Directors and must be promptly disclosed as required by SEC or American Stock Exchange rules. Any waiver for other employees may be made only by the Code of Ethics Contact Person.

I. HONEST AND CANDID CONDUCT

Each director, officer and employee owes a duty to the Company to act with integrity. Integrity requires, among other things, being honest and candid. Deceit and subordination of principle are inconsistent with integrity.

Each director, officer and employee must:

- Act with integrity, including being honest and candid while still maintaining the confidentiality of information where required or consistent with the Company's policies.
- Observe both the form and spirit of laws and governmental rules and regulations, accounting standards and Company policies.
- Adhere to a high standard of business ethics.

II. CONFLICTS OF INTEREST

A "conflict of interest" occurs when an individual's private interest interferes or appears to interfere with the interests of the Company. A conflict of interest can arise when a director, officer or employee takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. For example, a conflict of interest would arise if a director, officer or employee, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. Any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest should be discussed with the Code of Ethics Contact Person.

Service to the Company should never be subordinated to personal gain and advantage. Conflicts of interest should, wherever possible be avoided.

In particular, clear conflict of interest situations involving directors, executive officers and other employees who occupy supervisory positions or who have discretionary authority in dealing with any third party specified below may include the following:

- Any significant ownership interest in any supplier or customer;
- Any consulting or employment relationship with any customer, supplier or competitor;
- Any outside business activity that detracts from an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company;
- The receipt of non-nominal gifts or excessive entertainment from any company with which the Company has current or prospective business dealings;
- Being in the position of supervising, reviewing or having any influence on the job evaluation, pay or benefit of any immediate family member; and
- Selling anything to the Company or buying anything from the Company, except on the same terms and conditions as comparable directors, officers or employees are permitted to so purchase or sell.

Such situations, if material, must always be approved in advance by the Code of Ethics Contact Person.

Anything that would present a conflict for a director, officer or employee would likely also present a conflict if it is related to a member of his or her family.

III. DISCLOSURE

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Each director, officer or employee involved in the Company's disclosure process, including the Chief Executive Officer and the Chief Financial Officer (the "**Senior Financial Officers**"), is required to be familiar with and comply with the Company's disclosure controls and procedures and internal control over financial reporting, to the extent relevant to his or her area of responsibility, so that the Company's public reports and documents filed with the SEC comply in all material respects with the applicable federal securities laws and SEC rules. In addition, each such person having direct or supervisory authority regarding these SEC filings or the Company's other public communications concerning its general business, results, financial condition and prospects should, to the extent appropriate within his or her area of responsibility, consult with other Company officers and employees and take other appropriate steps regarding these disclosures with the goal of making full, fair, accurate, timely and understandable disclosure.

Each director, officer or employee who is involved in the Company's disclosure process, including without limitation, the Senior Financial Officers, must:

- Familiarize himself or herself with the disclosure requirements applicable to the Company as well as the business and financial operations of the Company.
- Not knowingly misrepresent, or cause others to misrepresent, facts about the Company to others, whether within or outside the Company, including to the Company's independent auditors, governmental regulators and self-regulatory organizations.
- Properly review and critically analyze proposed disclosure for accuracy and completeness (or, where appropriate, delegate this task to others).

IV. COMPLIANCE

It is the Company's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of each employee, officer and director to adhere to the standards and restrictions imposed by those laws, rules and regulations.

It is against Company policy and in many circumstances illegal for a director, officer or employee to profit from undisclosed information relating to the Company or any other company. Any director, officer or employee may not purchase or sell any of the Company's securities while in possession of material nonpublic information relating to the Company. Also, any director, officer or employee may not purchase or sell securities of any other company while in possession of any material nonpublic information relating to that company.

Any director, officer or employee who is uncertain about the legal rules involving a purchase or sale of any Company securities or any securities in companies that he or she is familiar with by virtue of his or her work for the Company, should consult with the Company's Chief Operating Officer before making any such purchase or sale.

V. REPORTING AND ACCOUNTABILITY

The Audit Committee of the Company's Board of Directors is responsible for applying this Code to specific situations presented to it for review and has the authority to interpret this Code in any particular situation. Any director, officer or employee who becomes aware of any existing or potential violation of this Code is required to notify the Code of Ethics Contact Person promptly. Failure to do so is itself a violation of this Code.

Any questions relating to how this Code should be interpreted or applied should be addressed to the Code of Ethics Contact Person. A director, officer or employee who is unsure of whether a situation violates this Code should discuss the situation with the Code of Ethics Contact Person to prevent possible misunderstandings and embarrassment at a later date.

Each director, officer or employee must:

- Notify the Code of Ethics Contact Person promptly of any existing or potential violation of this Code.
- Not retaliate against any other director, officer or employee for reports of potential violations that are made in good faith.

The Audit Committee shall take all action they consider appropriate to investigate any violations reported to them. If a violation has occurred, the Company will take such disciplinary or preventive action as it deems appropriate, after consultation with the Audit Committee, in the case of a director or executive officer, or after consultation with the President, in the case of any other employee.

VI. CORPORATE OPPORTUNITIES

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Directors, officers and employees owe a duty to the Company to advance the Company's business interests when the opportunity to do so arises. Directors', officers and employees are prohibited from taking (or directing to a third party) a business opportunity that is discovered through the use of corporate property, information or position, unless the Company has already been offered the opportunity and turned it down. More generally, directors, officers and employees are prohibited from using corporate property, information or position for personal gain and from competing with the Company.

Sometimes the line between personal and Company benefits is difficult to draw, and sometimes there are both personal and Company benefits in certain activities. Directors, officers and employees who intend to make use of Company property or services in a manner not solely for the benefit of the Company should consult beforehand with the Code of Ethics Contact Person.

VII. CONFIDENTIALITY

In carrying out the Company's business, directors, officers and employees often learn confidential or proprietary information about the Company, its customers, suppliers or joint venture parties. Directors, officers and employees must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally mandated. Confidential or proprietary information of the Company, and of other companies, includes any non-public information that would be harmful to the relevant company or useful or helpful to competitors if disclosed.

VIII. FAIR DEALING

We have a history of succeeding through honest business competition. We do not seek competitive advantages through illegal or unethical business practices. Each director, officer and employee should endeavor to deal fairly with the Company's service providers, suppliers, competitors and employees. No director, officer or employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

IX. PROTECTION AND PROPER USE OF COMPANY ASSETS

All directors, officers and employees should protect the Company's assets and ensure their efficient use. All Company assets should be used only for legitimate business purposes.

EXHIBIT 21

SUBSIDIARIES OF CHAMPIONS BIOTECHNOLOGY, INC.

<u>Name</u>	<u>Incorporated in</u>
Biomerk, Inc.	Maryland

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER Section 302 Certification

I, DOUGLAS D. BURKETT, certify that:

1. I have reviewed this Annual Report on Form 10-KSB of CHAMPIONS BIOTECHNOLOGY, INC., a Delaware corporation;

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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 principals;
 - (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 (the Registrant's fourth fiscal quarter in the case of an annual report) 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 Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent function):
 - (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: July 29, 2008

/s/ Douglas D. Burkett
Douglas D. Burkett
Principal Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Section 302 Certification

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I, DURWOOD C. SETTLES, certify that:

1. I have reviewed this Annual Report on Form 10-KSB of CHAMPIONS BIOTECHNOLOGY, INC., a Delaware corporation;
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 principals;
 - (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 (the Registrant's fourth fiscal quarter in the case of an annual report) 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 Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent function):
 - (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: July 29, 2008

/s/ Durwood C. Settles
Durwood C. Settles
Chief Financial Officer

EXHIBIT 32.1

**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 annual report of Champions Biotechnology, Inc. (the "Company") on Form 10-KSB for the year ended April 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to their knowledge:

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

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

Date: July 29, 2008

By: /s/ Douglas D. Burkett
Douglas D. Burkett
Principal Executive Officer

/s/Durwood C. Settles

Durwood C. Settles

Chief Financial Officer