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COMPUMED INC
Form SB-2/A
March 25, 2004

As filed with the Securities and Exchange Commission on March 25, 2004

Registration No. 333-113158

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

AMENDMENT 1 TO THE
FORM SB-2

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

COMPUMED, INC.
(Name of small business issuer in its charter)

Delaware	7374	95-2860434
State of other jurisdiction of incorporation)	(Primary Standard Industrial Classification Code Number)	(IRS Employer Identification Number)

5777 WEST CENTURY BLVD., SUITE 1285
LOS ANGELES, CA 90045
(310) 258-5000
(Address and telephone number of principal executive offices)

5777 WEST CENTURY BLVD., SUITE 1285
LOS ANGELES, CA 90045
(Address of principal place of business or intended principal place of business)

JOHN G. MCLAUGHLIN
PRESIDENT AND CHIEF EXECUTIVE OFFICER
5777 WEST CENTURY BLVD., SUITE 1285
LOS ANGELES, CA 90045
(310) 258-5000
(Name, address and telephone number of agent for service)

Copies of communications to:

AMY TROMBLY
80 DORCAR ROAD
NEWTON, MA 02459
(617) 243-0850

Approximate date of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

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 check the following box. [X]

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

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If this Form is 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 delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. []

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.

2

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 declared effective. This prospectus is not an offer to sell these securities, and we are not soliciting offers to buy these securities, in any state where the offer or sale is not permitted.

PROSPECTUS

COMPUMED, INC.

This prospectus relates to the sale of up to 10,000,000 shares of our common stock by a stockholder. We are not selling any securities in this offering and therefore will not receive any proceeds from this offering. We will, however, receive proceeds from the sale of securities under an Investment Agreement, also referred to as an Equity Line of Credit, that we have entered into with Dutchess Private Equities Fund, L.P., which permits us to "put" up to \$5 million in shares of Common Stock to Dutchess Private Equities Fund. All costs associated with this registration will be borne by us.

The shares of Common Stock are being offered for sale by the selling stockholder at prices established on the Over-the-Counter Bulletin Board or in negotiated transactions during the term of this offering. Our Common Stock is quoted on the Over-the-Counter Bulletin Board under the symbol CMPD.OB. On February 20, 2004, the last reported sale price of our Common Stock was \$0.30 per share.

Dutchess Private Equities Fund, LP and Charleston Capital Corporation are "underwriters" within the meaning of the Securities Act of 1933, as amended, in connection with the resale of common stock under the Investment Agreement. Dutchess will pay us 95% of the average of the three lowest closing bid price of the common stock during the five consecutive trading day period immediately following the date of our notice to them of our election to put shares pursuant to the Equity Line of Credit.

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This investment involves a high degree of risk. You should purchase securities only if you can afford a complete loss. SEE "RISK FACTORS" BEGINNING ON PAGE 6.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Subject to Completion, The date of this Prospectus is March 25, 2004

3

TABLE OF CONTENTS

PROSPECTUS SUMMARY	4
RISK FACTORS	6
USE OF PROCEEDS	10
DILUTION	11
CAPITALIZATION	12
DIVIDEND POLICY	13
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	13
DESCRIPTION OF BUSINESS	18
DESCRIPTION OF PROPERTY MANAGEMENT	27
EXECUTIVE COMPENSATION	28
RELATED PARTY TRANSACTIONS	32
MARKET FOR OUR COMMON STOCK	32
REPORTS TO SECURITYHOLDERS	33
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	33
SELLING STOCKHOLDERS	34
DESCRIPTION OF SECURITIES	35
PLAN OF DISTRIBUTION	35
LEGAL PROCEEDINGS	37
LEGAL MATTERS	37
EXPERTS	37
FINANCIAL STATEMENTS	F-1

PROSPECTUS SUMMARY

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE MORE DETAILED INFORMATION AND FINANCIAL STATEMENTS INCLUDING THE NOTES THERETO, APPEARING ELSEWHERE IN THIS PROSPECTUS. BECAUSE IT IS A SUMMARY, IT DOES NOT CONTAIN ALL OF THE INFORMATION YOU SHOULD CONSIDER BEFORE MAKING AN INVESTMENT DECISION.

COMPUMED, INC.

We are a healthcare informatics company that provides medical imaging software solutions and the remote interpretation of electrocardiograms. Our two main products are the OsteoGram (R) and CardioGram systems. The OsteoGram (R) is our proprietary image processing software that utilizes standard or digital x-rays of the hand to screen, diagnose and monitor osteoporosis, a disease that affects over an estimated 200 million people worldwide. The CardioGram consists of computer-aided telemedicine services that offer on-line interpretation of electrocardiograms to physicians and government and corporate healthcare providers. We incorporated in the State of Delaware on July

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21, 1986.

Our principal executive offices are located at 5777 West Century Blvd., Suite 1285, Los Angeles, CA 90045. Our telephone number is (310) 258-5000.

THE OFFERING

This offering relates to the resale of 10,000,000 shares of our Common Stock by Dutchess Private Equities Fund, L.P who will become our stockholder.

We have entered into an Investment Agreement with Dutchess Private Equities Fund, also referred to as an Equity Line of Credit. That agreement provides that, following notice to Dutchess, we may put to Dutchess up to \$5 million in shares of our Common Stock for a purchase price equal to 95% of the average of the three lowest closing bid prices on the Over-the-Counter Bulletin Board of our common stock during the five day period following that notice. The number of shares that we will be permitted to put pursuant to the Investment Agreement will be either: (A) two hundred percent of the average daily volume of our common stock for the ten trading days prior to the applicable put notice, multiplied by the average of the three daily closing best bid prices immediately preceding the day we issue the put, or (B) \$25,000; provided that in no event will the put amount be more than \$1,000,000 with respect to any single Put. In turn, Dutchess has indicated that it will resell our shares in the open market, resell our shares to other investors through negotiated transactions or hold our shares in its portfolio. This prospectus covers the resale of our stock by Dutchess either in the open market or to other investors through negotiated transactions.

4

OUR CAPITAL STRUCTURE AND SHARES ELIGIBLE FOR FUTURE SALE

The following table outlines our capital stock as of January 31, 2004:

Common Stock outstanding	
Before the offering	17,951,034 shares (1)
After the offering	27,951,034 shares (1) (2)