

INVIVO THERAPEUTICS HOLDINGS CORP.

Form 424B3

April 30, 2012

Table of Contents

Filed Pursuant to Rule 424(b)(3)  
Registration No. 333-171998

PROSPECTUS

## 26,047,200 Shares of Common Stock

### INVIVO THERAPEUTICS HOLDINGS CORP.

This prospectus relates to the following offerings by certain of our stockholders and warrant holders, which we refer to as Selling Securityholders :

the resale of up to 12,848,600 shares of common stock purchased in a private placement;

the resale of up to 12,848,600 shares of common stock that are issuable on exercise of the investor warrants that were acquired in a private placement; and

the resale of up to 350,000 shares of common stock that are issuable on exercise of the new bridge warrants that were issued to warrant holders in connection with our merger in 2010.

Holders of the investor warrants and new bridge warrants may currently purchase one share of common stock for each warrant exercised. The exercise price and number of shares of common stock issuable upon exercise of the warrants is subject to further adjustment in certain circumstances.

We will not receive any proceeds from the sale of these securities, although we will receive the exercise price for any warrants that are exercised. We are registering securities for resale by the Selling Securityholders, but that does not necessarily mean that they will sell any of the securities. The Selling Securityholders, or their pledgees, donees, transferees or other successors-in-interest, may offer the shares from time to time through public or private transactions, at prevailing market prices, at prices related to prevailing market prices or at privately negotiated prices.

The investor warrants and the new bridge warrants are exercisable at \$1.40 per share and \$1.00 per share, respectively, at any time on or before the fifth anniversary of the date of issuance.

Our common stock is currently available for trading in the over-the-counter market and is quoted on the OTC Bulletin Board under the symbol NVIV.OB . The last sale price of our common stock on March 13, 2012 was \$2.49.

**Investing in our common stock involves a high degree of risk. We urge you to carefully read the section entitled Risk Factors beginning on page 3 of this prospectus and all other information included or incorporated by reference in this prospectus in its entirety before you decide whether to buy our common stock.**

**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.**

**The date of this prospectus is April 23, 2012.**

**Table of Contents**

**TABLE OF CONTENTS**

<u>About this Prospectus</u>	i
<u>Prospectus Summary</u>	1
<u>Risk Factors</u>	3
<u>Cautionary Note Regarding Forward-Looking Statements</u>	3
<u>Use of Proceeds</u>	4
<u>Selling Securityholders</u>	4
<u>Plan of Distribution</u>	11
<u>Legal Matters</u>	13
<u>Experts</u>	13
<u>Where You Can Find More Information</u>	13
<u>Incorporation by Reference</u>	14

**ABOUT THIS PROSPECTUS**

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus to InVivo Therapeutics, InVivo, the Company, our company, we, us, our or similar references mean collectively InVivo Therapeutics Holdings Corp. and its subsidiaries.

**We and the Selling Securityholders have not authorized any dealer, salesman or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus, any accompanying prospectus supplements or any free writing prospectus delivered by or on behalf of us. You must not rely upon any information or representation not contained or incorporated by reference in this prospectus, any accompanying prospectus supplements or any free writing prospectus delivered by or on behalf of us. This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the registered securities to which it relates. The Selling Securityholders are offering to sell, and seeking offers to buy, shares of our common stock, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is accurate only as of the date on the front of this prospectus and any information we have incorporated by reference in this prospectus is accurate only as of the date of the document incorporated by reference, 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 those dates.**

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**Table of Contents**

**PROSPECTUS SUMMARY**

*This summary highlights information contained elsewhere in this prospectus or incorporated by reference therein. This summary may not contain all of the information that you should consider before deciding whether or not you should invest in our common stock. You should read the entire prospectus carefully, including the section entitled "Risk Factors" beginning on page 3 of this prospectus and all other information included or incorporated herein by reference in its entirety before you decide whether to invest in our common stock.*

**InVivo Therapeutics Holdings Corp.**

**Business Overview**

We develop and commercialize new technologies for the treatment of spinal cord injuries. Our proprietary technology was co-invented by Robert S. Langer, ScD, Professor at Massachusetts Institute of Technology, and Joseph P. Vacanti, MD, affiliated with Massachusetts General Hospital. The intellectual property rights that are the basis for our products are licensed under an exclusive, world-wide license from Children's Medical Center Corporation ( CMCC ) and Massachusetts Institute of Technology ( MIT ).

We intend to create new treatments for spinal cord injury. Current treatments consist of a collection of approaches that only focus on symptoms of spinal cord injury. To date, we are not aware of any product on the market that addresses the underlying pathology of spinal cord injury.

Currently, there are no successful spinal cord injury treatment options for spinal cord injury patients. We take a different approach to spinal cord injury and focus on protection of the spinal cord and prevention of secondary injury rather than regeneration. Our platform technologies focus on minimizing tissue damage sustained following acute injury and promoting neural plasticity of the spared healthy tissue, which may result in full or partial functional recovery. The technologies encompass multiple strategies involving biomaterials, U.S. Food & Drug Administration ( FDA ) approved drugs, growth factors, and human neural stem cells. We believe our approach could become a standard treatment for both acute and chronic spinal cord injuries.

We intend to leverage our primary platform technology to develop and commercialize several products as follows:

A biocompatible polymer scaffolding device to treat acute spinal cord injuries.

A biocompatible hydrogel for local controlled release of methylprednisolone to treat acute spinal cord injuries and peripheral nerve injuries.

A biocompatible polymer scaffolding device seeded with autologous human neural stem cells to treat acute and chronic spinal cord injuries.

Our biopolymer-based devices are surgically implanted or injected into the lesion created during traumatic injury, or the primary injury. We expect the biopolymer scaffolding devices will protect the damaged spinal cord by mitigating the progression of secondary injury resulting from the body's inflammatory and immune response to injury, and will promote neuroplasticity, a process where functional recovery (the recovery of motor movement or sensation) may occur through the rerouting of signaling pathways to the spared healthy tissue. Achieving these results is essential to the recovery process, as secondary injury can significantly worsen the immediate damage sustained during trauma. The additional damage dramatically reduces patient quality of life post-injury.

Our first product, the biocompatible polymer scaffolding device to treat acute spinal cord injuries is expected to be regulated by the FDA as a Class III medical device. A Class III medical device will require FDA approval of a Pre-Market Approval Application ( PMA ) before we can start selling the product in the U.S. We will be required to demonstrate safety and efficacy in human clinical studies before we can submit a PMA to the FDA. Before clinical studies can commence, we must submit an Investigational Device Exemption application ( IDE ) to the FDA and the FDA must approve the IDE. Once the IDE has been filed with the FDA, the FDA has a thirty-day period to approve the IDE, or disapprove the IDE, in which case the applicant is provided the opportunity to provide additional information to the FDA to respond to the filing deficiencies. We have conducted a Pre-IDE meeting with the FDA at which we reviewed the pre-clinical data and the clinical trial protocol. At the meeting, the FDA provided us observations and guidance concerning the pre-clinical data required for the IDE submission, the description of the manufacturing methods used to make the device and the proposed clinical study protocol.

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We submitted an IDE application for our biopolymer scaffolding device to the FDA on July 7, 2011. The FDA has provided us with comments to the IDE filing and we are in the process of responding to the FDA comments. We

## **Table of Contents**

anticipate that the IDE will be approved by the FDA during 2012, but we can give no assurance that the IDE will be approved. We plan to first conduct a pilot study in ten acute spinal cord patients followed by a larger pivotal study. The completion of the human clinical studies and the FDA approval of the PMA could take between three to five years to achieve, depending on a number of factors including the FDA review and clearance process for the IDE, the clinical trial designs and amount of time it will take to enroll and treat patients, and the FDA review and approval process for the PMA. The FDA regulatory approval process is lengthy, and the outcome is highly uncertain. The risk exists that the first product may never be approved, or that the approval is significantly delayed such that we are unable to raise additional capital to continue to fund the Company.

If the product is approved by the FDA, we will need to expand manufacturing capacity, and establish sales, marketing and distribution channels to sell the product. We intend to retain manufacturing rights and plan to market and sell the product through a direct sales force in the United States. For major markets outside the United States, we plan to seek regulatory approvals after the clinical trials are conducted in the United States.

Additional applications of our platform technologies include the potential treatment for spinal cord injury following tumor removal, peripheral nerve damage, and postsurgical treatment of any transected nerve. Our first product, the biocompatible scaffolding device for the treatment of acute spinal cord injury, is regulated as a Class III medical device by the FDA. The product has been evaluated in a number of animal studies, including a third primate study which began in 2011. The data collected from this study is intended to support results from previous pre-clinical studies. The study includes 24 additional primates utilizing the same trial design as the second African green monkey study. Initial results are consistent with data from prior monkey and rodent studies. The biocompatible hydrogel for the local release of methylprednisolone to treat acute spinal cord and peripheral nerve injuries and the biocompatible polymer scaffolding device seeded with autologous human neural stem cells to treat acute and chronic spinal cord injuries are likely to be regulated as combination drug/devices and as such will require significantly longer regulatory approval times than the biopolymer scaffolding device.

We are a development stage company, and as such face significant uncertainty regarding our future capital needs and timelines for our intended products.

## **Corporate Information**

InVivo Therapeutics Corporation ( InVivo Corporation ) was incorporated on November 28, 2005 under the laws of the State of Delaware. On October 26, 2010, InVivo Corporation completed a reverse merger transaction (the Merger ) with InVivo Therapeutics Holdings Corp. (formerly Design Source, Inc.), a publicly traded company incorporated under the laws of the State of Nevada. As a result of the Merger, InVivo Corporation became a wholly owned subsidiary of InVivo Therapeutics Holdings Corp., which continues to operate the business of InVivo Corporation.

Our principal executive offices are located at One Broadway, 14th Floor, Cambridge, Massachusetts 02142. Our telephone number is (617) 475-1520. We maintain a website at [www.invivotherapeutics.com](http://www.invivotherapeutics.com). Information contained on, or accessible through, our website is not a part of, and is not incorporated by reference into, this prospectus.

## **Relevant Transactions**

Simultaneously with the Merger, concurrently with the conversion of all other equity securities of InVivo Corporation into our equity securities, all of the issued and outstanding bridge warrants to purchase shares of InVivo Corporation's common stock, converted, respectively, into new bridge warrants (the New Bridge Warrants ) to purchase shares of our common stock. The number of shares of common stock issuable under, and the price per share upon exercise of, the New Bridge Warrants were calculated based on the terms of the warrants of InVivo Corporation, as adjusted by the conversion ratio in the Merger. As a result of the Merger, among other things, New Bridge Warrants for the purchase of 600,000 shares of common stock were issued to holders of outstanding InVivo warrants. The New Bridge Warrants are exercisable at a price of \$1.00 per share.

In connection with the Merger, on October 26, November 10 and December 3, 2010, we completed a private offering of 13,000,000 units of our securities ( Units ), at a price of \$1.00 per Unit. Each Unit consisted of one share of common stock and a warrant to purchase one share of common stock. The warrants (the Investor Warrants ) are exercisable for a period of five years at a purchase price of \$1.40 per share of Common Stock.

**Table of Contents**

**RISK FACTORS**

Investing in our common stock involves a high degree of risk. You should carefully consider the specific risks described in our filings with the SEC pursuant to Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), that are incorporated herein by reference before making an investment decision. See the section of this prospectus entitled Where You Can Find More Information. Any of the risks we describe in the information incorporated herein by reference could cause our business, financial condition, or operating results to suffer. The market price of our common stock could decline if one or more of these risks and uncertainties develop into actual events. You could lose all or part of your investment. Please also refer to the section of this prospectus entitled Cautionary Note Regarding Forward-Looking Statements.

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus and the documents we have filed with the SEC that are incorporated by reference into this prospectus contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Exchange Act. These statements relate to future events or to our future operating or financial performance and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. Forward-looking statements may include, but are not limited to, statements about:

the progress, timing and results of pre-clinical and clinical trials and research and development efforts involving our product candidates;

the submission of applications for and receipt of regulatory clearances and approvals;

our ability to commercialize our product candidates;

our business strategy and our expectations with respect to the implementation of our business strategy;

our expectations with respect to the potential therapeutic and commercial value of our product candidates;

the benefits we expect to derive from relationships with our collaborators;

our expectations with respect to our intellectual property position; and

our estimates regarding our capital requirements and our need for additional financing.

In some cases, you can identify forward-looking statements by terms such as may, will, should, could, would, expects, plans, anticipates, believes, estimates, projects, predicts, potential and similar expressions intended to identify forward-looking statements. These statements represent our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements. We discuss many of these risks in greater detail under the heading Risk Factors on page 3 of this prospectus and in our SEC filings. Also, these forward-looking statements represent our estimates and assumptions only as of the date of the document containing the applicable statement.

You should read this prospectus and the documents we have filed with the SEC that are incorporated by reference into this prospectus completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of the forward-looking statements in the foregoing documents by these cautionary statements.

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You should rely only on the information contained in 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. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and the documents incorporated by reference in this prospectus is accurate only as of the date of those respective documents. Our business, financial condition, results of operations and prospects may have changed since those dates. Unless required by law, we undertake no obligation to update or revise any forward-looking statements to reflect new information or future events or developments. Thus, you should not assume that our silence over time means that actual events are bearing out as expressed or implied in such forward-looking statements.



**Table of Contents**

**USE OF PROCEEDS**

We will not receive any proceeds from the sale of shares by the Selling Securityholders. The Selling Securityholders will pay any underwriting discounts and commissions and expenses incurred by the Selling Securityholders for brokerage, accounting, tax or legal services or any other expenses incurred by the Selling Securityholders in disposing of the shares. We will bear all other costs, fees and expenses incurred in effecting the registration of the shares covered by this prospectus, including, without limitation, all registration and filing fees and fees and expenses of our counsel and our accountants.

We may receive gross proceeds of up to \$18,700,000, before deducting expenses estimated at \$20,000, from the exercise of the Investor Warrants and New Bridge Warrants. We will retain discretion over the use of the net proceeds we may receive from such exercises, but we currently intend to use such proceeds, if any, for general corporate and for working capital purposes.

**SELLING SECURITYHOLDERS**

Below is information with respect to the beneficial ownership of our securities by the Selling Securityholders as of July 18, 2011. Except as described below, the Selling Securityholders do not have, or have had, any position, office or other material relationship with us or any of our affiliates beyond their investment in, or receipt of, our securities. Beneficial ownership has been determined in accordance with the rules of the SEC, and includes voting or investment power with respect to the securities. Our registration of these securities does not necessarily mean that the Selling Securityholders will sell any or all of the securities covered by this prospectus.

We are registering 26,047,200 shares of common stock underlying the Units, the Investor Warrants and the New Bridge Warrants, issued to the Selling Securityholders, in each case, for resale from time to time by the Selling Securityholders identified in this prospectus.

The information set forth in the following table regarding the beneficial ownership after the offering of securities assumes that the Selling Securityholder will purchase the maximum number of shares of common stock provided for by the Investor Warrants and New Bridge Warrants and will sell all of the shares of common stock owned by that Selling Securityholder covered by this prospectus. There is no assurance that any of the warrants will be exercised.

**Table of Contents**

Name	Securities Beneficially Owned Prior to the Offering		Securities Offered Hereby Common Stock		Securities Beneficially Owned After this Offering	
	Common	Warrants	Common	underlying Warrants	Common Stock	Warrants
	Stock(1)		Stock			
John E. Dell	651,400	801,400	651,400	801,400		
Lester Petracca	650,000	650,000	650,000	650,000		
Jerome Z. Ginsburg	600,000	600,000	600,000	600,000		
Richard Neustadter	500,000	500,000	500,000	500,000		
Gibralt Capital Corp.(2)	500,000	500,000	500,000	500,000		
Dr. Jan Arnett	400,000	400,000	400,000	400,000		
Craig Whited	350,000	350,000	350,000	350,000		
Mark Tompkins	300,000	300,000	300,000	300,000		
John Derby	250,000	250,000	250,000	250,000		
Edward M. Dunn	250,000	250,000	250,000	250,000		
Craig A.T. Jones	250,000	250,000	250,000	250,000		
Michael E. Pauly & Patricia R. Pauly JTWROS	250,000	250,000	250,000	250,000		
Ralph Pastore	250,000	250,000	250,000	250,000		
RRC Bio Fund LP(3)	250,000	250,000	250,000	250,000		
Daniel Salvas	250,000	250,000	250,000	250,000		
Michael Willis and Sharon Willis JTWROS	200,000	200,000	200,000	200,000		
White Rock Capital Partners, LP(4)	200,000	200,000	200,000	200,000		
Paul J. Kilgallon	200,000	200,000	200,000	200,000		
Ligi Realty Limited Partnership(5)	200,000	200,000	200,000	200,000		
Wealth Concepts LLC(6)	200,000	200,000	200,000	200,000		
Kevin Carnahan	200,000	200,000	200,000	200,000		
James Byron Moore III	145,000	145,000	145,000	145,000		
Bonanno Family Partnership LLP(7)	125,000	125,000	125,000	125,000		
Jon O Connor	125,000	125,000	125,000	125,000		
Harry L. Shufflebarger Revocable Trust(8)	125,000	125,000	125,000	125,000		
ACP X, LP(9)	100,000	100,000	100,000	100,000		

**Table of Contents**

Name	Securities Beneficially Owned Prior to the Offering		Securities Offered Hereby Common Stock		Securities Beneficially Owned After this Offering	
	Common	Warrants	Common	underlying Warrants	Common	Warrants
	Stock(1)		Stock		Stock	
Harvey Arbesman and Marian C. Arbesman JTWROS	100,000	100,000	100,000	100,000		
Fairfield Investment Group LLC(10)	100,000	100,000	100,000	100,000		
Kaaren L. Finnieston	100,000	100,000	100,000	100,000		
Andrew Fisher	100,000	100,000	100,000	100,000		
Sean Fitzpatrick	100,000	100,000	100,000	100,000		
Dean G. Holland and Annette B. Holland JTWROS	100,000	100,000	100,000	100,000		
John D. Long	100,000	100,000	100,000	100,000		
Michael J. Pierce	100,000	100,000	100,000	100,000		
QIP Holdings LLC(11)	100,000	100,000	100,000	100,000		
Nadine Smith	100,000	100,000	100,000	100,000		
FMTC as Custodian FBO Thomas C. Stephens Roth IRA	100,000	100,000	100,000	100,000		
Garretson B. Trudeau	100,000	100,000	100,000	100,000		
Jeffrey D. Vaught	100,000	100,000	100,000	100,000		
Andrew Brenner	100,000	100,000	100,000	100,000		
Banque de Luxembourg Client Account	100,000	100,000	100,000	100,000		
George Karfunkel	100,000	100,000	100,000	100,000		
Edward S. Rosenthal	100,000	100,000	100,000	100,000		
Todd Stuart	85,794	170,794	85,794	170,794		
Robert B. Baker	75,000	75,000	75,000	75,000		
Erich J. Weidenbener	75,000	75,000	75,000	75,000		
Richard Scheffel	70,000	70,000	70,000	70,000		
Philip A. Serbin	70,000	70,000	70,000	70,000		
Anthony Ameduri	60,000	60,000	60,000	60,000		
HRMG Inc. Profit Sharing 401K Plan DTD 7104 FBO James Moore(12)	55,000	55,000	55,000	55,000		
Humboldt Radiology Medical Group PSP 401 (K) FBO Donald C. Wheeler(13)	52,750	52,750	52,750	52,750		
Andrew Meade	50,267	100,267	50,267	100,267		
Lon E. Bell	50,000	50,000	50,000	50,000		
FMTC as Custodian FBO Gerald C. Chichester	50,000	50,000	50,000	50,000		
Lee Harrison Corbin	50,000	50,000	50,000	50,000		
FMTC as Custodian FBO Wendy Flath Roth IRA	50,000	50,000	50,000	50,000		
Aubrey W. Gladstone	50,000	50,000	50,000	50,000		
Mark Harger	50,000	50,000	50,000	50,000		
Daniel W. Hummell & Allaire D. Hummell JTWROS	50,000	50,000	50,000	50,000		
Robert Klein	50,000	50,000	50,000	50,000		

**Table of Contents**

Name	Securities Beneficially Owned Prior to the Offering		Securities Offered Hereby		Securities Beneficially Owned After this Offering	
	Common Stock(1)	Warrants	Common Stock	underlying Warrants	Common Stock	Warrants
Patrick Lorenz, MD	50,000	50,000	50,000	50,000		
Christopher Meyer & Mary Rivet JTWROS	50,000	50,000	50,000	50,000		
John Meyer	50,000	50,000	50,000	50,000		
Robert L. Montgomery	50,000	50,000	50,000	50,000		
Mel Okeon Inc. Profit Sharing Trust(14)	50,000	50,000	50,000	50,000		
FMTC as Custodian FBO Edward N. Robinson Roth IRA	50,000	50,000	50,000	50,000		
Peter Sabo	50,000	50,000	50,000	50,000		
Albert L. Salvatico	50,000	50,000	50,000	50,000		
SavoyCapron LLC(15)	50,000	50,000	50,000	50,000		
Janea Jones-Schenk and Paul Schenk JTWROS	50,000	50,000	50,000	50,000		
FMTC as Custodian FBO Elisabeth A. Stephens IRA	50,000	50,000	50,000	50,000		
FMTC as Custodian FBO Michael Stephens Roth IRA	50,000	50,000	50,000	50,000		
FMTC as Custodian FBO Thomas B. Stephens IRA	50,000	50,000	50,000	50,000		
Richard Weeks	50,000	50,000	50,000	50,000		
Edward A. Weidenbener and Mary Lou Weidenbener JTWROS	50,000	50,000	50,000	50,000		
Jason Willis	50,000	50,000	50,000	50,000		
Paul Tompkins	50,000	50,000	50,000	50,000		
Graham Carlton	50,000	50,000	50,000	50,000		
Edward Moldaver	50,000	50,000	50,000	50,000		
Mitchell L. Lampert	40,373	80,373	40,373	80,373		
T. Shawn Hehir	40,000	40,000	40,000	40,000		
David Hochman	37,500	37,500	37,500	37,500		
CoJack Investment Opportunities, LLC(16)	30,000	30,000	30,000	30,000		
Harold S. Gault and Evelyn Gault JTWROS	30,000	30,000	30,000	30,000		
John Saraceno	30,000	30,000	30,000	30,000		
Mark Saraceno	30,000	30,000	30,000	30,000		
Eric M. Scholtz	30,000	30,000	30,000	30,000		
Highstone Trust(17)	30,000	30,000	30,000	30,000		
Milen Petkov Tzvetanov	25,363	50,363	25,363	50,363		
Harold Ackerstein	25,000	25,000	25,000	25,000		
Lawrence B. Barraza	25,000	25,000	25,000	25,000		
Alan Bilzi	25,000	25,000	25,000	25,000		
Bradley Resources Company(18)	25,000	25,000	25,000	25,000		
William Clifford	25,000	25,000	25,000	25,000		
Timothy Elmes	25,000	25,000	25,000	25,000		
Richard Ernest	25,000	25,000	25,000	25,000		
Reiner Fenske	25,000	25,000	25,000	25,000		

**Table of Contents**

Name	Securities Beneficially Owned Prior to the Offering		Securities Offered Hereby Common Stock		Securities Beneficially Owned After this Offering	
	Common	Warrants	Common	underlying Warrants	Common	Warrants
	Stock(1)		Stock		Stock	
Raymond Dale Hautakamaki and Ann Hautamaki JTWROS	25,000	25,000	25,000	25,000		
Andrew H. Kaufman	25,000	25,000	25,000	25,000		
Douglas P. Kaufman	25,000	25,000	25,000	25,000		
Carol Kubiak and Dr. A. Mitarotondo JTWROS	25,000	25,000	25,000	25,000		
Barry Render Family Trust(19)	25,000	25,000	25,000	25,000		
Vincent G. Scott	25,000	25,000	25,000	25,000		
Steven M. Weisman	25,000	25,000	25,000	25,000		
Richard White	25,000	25,000	25,000	25,000		
Michael Cohen	25,000	25,000	25,000	25,000		
Peter C. Gould	25,000	25,000	25,000	25,000		
Maurice & Stacy Gozlan TIE	25,000	25,000	25,000	25,000		
Donald R. Johnson	25,000	25,000	25,000	25,000		
Susan Chase Lottich	25,000	25,000	25,000	25,000		
Steven Poletti	25,000	25,000	25,000	25,000		
Mark Sainato	25,000	25,000	25,000	25,000		
Northlea Partners Ltd.(20)	25,000	25,000	25,000	25,000		
Stephen De Kanter	25,000	25,000	25,000	25,000		
James W. Dwyer	25,000	25,000	25,000	25,000		
Peter M. Knapp Jr.	25,000	25,000	25,000	25,000		
Reed S. Oslan	25,000	25,000	25,000	25,000		
Henry Rothman	25,000	25,000	25,000	25,000		
Robyn Schreiber Irrevocable Trust, Warren Schreiber TTEE	25,000	25,000	25,000	25,000		
Joe N. & Jamie Behrendt Revocable						
Trust 10/20/96(21)	20,000	20,000	20,000	20,000		
Rene Beuggert	20,000	20,000	20,000	20,000		
Eaglebrook School Special Investment Account(22)	20,000	20,000	20,000	20,000		
Field & Field Limited Partnership(23)	20,000	20,000	20,000	20,000		
World Equity Group FBO Harold Gault IRA(24)	20,000	20,000	20,000	20,000		
Vicki Goggin	20,000	20,000	20,000	20,000		
Karen Otto & Gregory Russell JTWROS	20,000	20,000	20,000	20,000		
Mark A. Wagner & Karen L. Wagner JTWROS	20,000	20,000	20,000	20,000		
Oaktree Financial Group, Inc. Defined Benefit Plan, Michael Balasco TTEE	20,000	20,000	20,000	20,000		
Marvin Boehm Family Trust(25)	20,000	20,000	20,000	20,000		
Marshall N. Dickler	20,000	20,000	20,000	20,000		
David G. Rosen and Julie L. Rosen JTWROS	20,000	20,000	20,000	20,000		
Sean Janzer	20,000	20,000	20,000	20,000		

**Table of Contents**

Name	Securities Beneficially Owned Prior to the Offering		Securities Offered Hereby Common Stock		Securities Beneficially Owned After this Offering	
	Common Stock(1)	Warrants	Common Stock	underlying Warrants	Common Stock	Warrants
	Barclay M. Armitage	15,000	15,000	15,000	15,000	
Bruce Cooper	15,000	15,000	15,000	15,000		
Souheil Haddad	15,000	15,000	15,000	15,000		
WLR Family Partnership, LP(26)	15,000	15,000	15,000	15,000		
Richard Bue and Rachel Bue JTWROS	15,000	15,000	15,000	15,000		
Philip B. Rosen	15,000	15,000	15,000	15,000		
Allen Sessoms	15,000	15,000	15,000	15,000		