

SCANNER TECHNOLOGIES CORP
Form SB-2
June 15, 2005

As filed with the Securities and Exchange Commission on June 15, 2005

Registration No. 333-_____

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM SB-2
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Scanner Technologies Corporation

(Name of small business issuer in its charter)

New Mexico
(State or Other Jurisdiction
of Incorporation
or Organization)

3559
(Primary Standard
Industrial Classification
Code Number)

85-0169650
(I.R.S. Employer
Identification Number)

Scanner Technologies Corporation
14505 21st Avenue North, Suite 220
Minneapolis, Minnesota 55447
(763) 476-8271

(Address and telephone number of principal executive offices and principal place of business)

Elwin M. Beaty, President, Chief Executive Officer and Chief Financial Officer
Scanner Technologies Corporation
14505 21st Avenue North, Suite 220
Minneapolis, Minnesota 55447
(763) 476-8271

(Name, address and telephone number of agent for service)

Copies to:

Robert K. Ranum, Esq.
Barbara Müller, Esq.
Fredrikson & Byron, P.A.
200 South Sixth Street, Suite 4000
Minneapolis, Minnesota 55402
Telephone: (612) 492-7000

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

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, 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 post-effective amendment filed pursuant to Rule 462(d) 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:

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered ⁽¹⁾	Proposed maximum offering price per unit ⁽²⁾	Proposed maximum aggregate offering price ⁽²⁾	Amount of Registration Fee ⁽¹⁾
Common stock, no par value, to be sold by selling shareholders ⁽³⁾	3,163,921	\$ 1.275	\$4,033,999.28	\$ 474.80
Common stock, no par value, to be sold by selling shareholders ⁽⁴⁾	155,000	\$ 1.275	\$ 197,625.00	\$ 23.26
Total				\$ 498.06

- (1) Pursuant to Rule 429 under the Securities Act of 1933, this amount does not include \$759.70 previously paid relating to 2,750,500 shares of common stock registered pursuant to Registration Statement No. 333-119294, of which 2,386,423 shares remain unsold as of the close of business on May 31, 2005, which shares, along with the 3,318,921 shares being registered hereby, are included in the prospectus contained herein.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457.
- (3) Represents shares of common stock issuable to selling shareholders pursuant to outstanding warrants held by such selling shareholders, which shares are being registered for resale on a delayed basis pursuant to Rule 415.
- (4) Represents shares of common stock owned by selling shareholders, which shares are being registered for resale on a delayed basis pursuant to Rule 415.

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 that 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.

The information in this prospectus is not complete and may be changed. These securities may not be sold 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 June 15, 2005

PROSPECTUS

[SCANNER logo]

Scanner Technologies Corporation

**5,705,344 Shares
of
Common Stock**

Shareholders of Scanner Technologies Corporation identified in this prospectus are offering all of the shares to be sold in the offering. These shares may be offered at any time after the date of this prospectus as set forth under Plan of Distribution on page 30 of this prospectus. Prices for the shares may be the market prices prevailing at the time of sale or may be negotiated by the selling shareholder and the buyer. Scanner Technologies Corporation will not receive any of the proceeds from the offering.

The common stock is quoted on the OTC Bulletin Board under the symbol SCNI. The closing sale price of the common stock on June 10, 2005 was \$1.35 per share.

The common stock is a risky investment. Before investing, you should read the Risk Factors section, which begins 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 determined if this prospectus is truthful and complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus is _____ 2005

You should rely only on the information contained in this document. We have not authorized anyone to provide any different or additional information. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is illegal. The information in this prospectus is complete and accurate as of the date on the cover, but the

The date of this Prospectus is _____ 2005

information may change in the future.

TABLE OF CONTENTS

	Page
<u>Forward Looking Statements</u>	1
<u>Summary</u>	2
<u>Risk Factors</u>	3
<u>Dilution</u>	11
<u>Use of Proceeds</u>	11
<u>Market for Common Equity, Related Stockholder Matters and Small Business Issuer Purchases of Equity Securities</u>	11
<u>Management's Discussion and Analysis or Plan of Operation</u>	12
<u>Description of Business</u>	18
<u>Description of Property</u>	21
<u>Legal Proceedings</u>	22
<u>Certain Relationships and Related Transactions</u>	22
<u>Directors, Executive Officers, Promoters and Control Persons</u>	23
<u>Executive Compensation</u>	23
<u>Security Ownership of Certain Beneficial Owners and Management</u>	26
<u>Selling Shareholders</u>	27
<u>Plan of Distribution</u>	30
<u>Description of Securities</u>	32
<u>Legal Matters</u>	33
<u>Experts</u>	33
<u>Disclosure of Commission Position on Indemnification for Securities Act Liabilities</u>	33
<u>Financial Statements</u>	F-1

FORWARD LOOKING STATEMENTS

This prospectus, including the information incorporated by reference herein and the exhibits hereto, may include forward-looking statements. Forward-looking statements broadly involve our current expectations for future results. Our forward-looking statements generally relate to our financing plans, trends affecting our financial condition or results of operations, our growth and operating strategy, product development, competitive strengths, the scope of our intellectual property rights, sales efforts, and the declaration and payment of dividends. Words such as anticipates, believes, could, estimates, expects, forecast, intend, may, plan, possible, project, should, will, and may generally identify our forward-looking statements. Any statement that is not a historical fact, including estimates, projections, future trends and the outcome of events that have not yet occurred, are forward-looking statements. Our ability to actually achieve results consistent with our current expectations depends significantly on certain factors that may cause actual future results to differ materially from our current expectations. These factors include, but are not limited to, the factors discussed below under Risk Factors.

Edgar Filing: SCANNER TECHNOLOGIES CORP - Form SB-2

You must carefully consider forward-looking statements and understand that such statements involve a variety of risks and uncertainties, known and unknown, and may be affected by inaccurate assumptions. It is not possible to foresee or identify all factors that may affect our forward-looking statements, and you should not consider any list of such factors to be an exhaustive list of all risks, uncertainties or potentially inaccurate assumptions affecting such forward-looking statements.

We caution you to consider carefully these factors as well as any other specific factors discussed with each specific forward-looking statement in this prospectus. In some cases, these factors have affected, and in the future (together with other unknown factors) could affect, our ability to implement our business strategy and may cause actual results to differ materially from those contemplated by such forward-looking statements. No assurance can be made that any expectation, estimate or projection contained in a forward-looking statement can be achieved.

We also caution you that forward-looking statements speak only as of the date made. We undertake no obligation to update any forward-looking statement, but investors are advised to consult any further disclosures by us on this subject in our filings with the Securities and Exchange Commission, especially on Forms 10-KSB, 10-QSB and 8-K (if any), in which we discuss in more detail various important factors that could cause actual results to differ from expected or historic results. We intend to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 regarding our forward-looking statements, and are including the preceding cautionary language for the express purpose of enabling us to use the protections of the safe harbor with respect to all forward-looking statements.

1

SUMMARY

We encourage you to read the entire prospectus carefully before investing in our common stock. The following summary is qualified in its entirety by the more detailed information, including the Financial Statements and the Notes thereto, included elsewhere in this Prospectus.

Our Company

Scanner Technologies Corporation was formerly known as Southwest Capital Corporation (Southwest Capital) and was incorporated in 1964 under the laws of New Mexico. Originally formed to provide financial services to small businesses, we divested ourselves of such operations in 1990 and did not operate any business from 1992 until July 2002 when we merged with Scanner Technologies Corporation, a privately held Minnesota corporation (Scanner Minnesota). Scanner Minnesota had been formed in 1990 for the purpose of inventing, developing and marketing vision inspection solutions for the semiconductor industry. We are the legal entity surviving such merger; we changed our name to Scanner Technologies Corporation at the merger and have continued to operate the business acquired from Scanner Minnesota.

Our principal offices are located at 14505 21st Avenue N., Suite 220, Minneapolis, Minnesota 55447 (telephone 763-476-8271). Outside of the U.S., we have an office in Singapore, which is primarily engaged in sales of our products. To comply with local laws, the office in Singapore is operated by our wholly-owned subsidiary, Scanner Technologies Corporation International, a Minnesota corporation.

The Offering

Securities registered	3,318,921 shares of common stock. ⁽¹⁾
Securities outstanding as of May 31, 2005	12,216,068 ⁽²⁾
Options and warrants to purchase	5,026,432 shares of common stock. ⁽¹⁾
Use of Proceeds	Scanner Technologies will not receive any proceeds from the sale of common stock in the offering. See Use of Proceeds.

