

RECOM MANAGED SYSTEMS INC DE/  
Form SB-2/A  
November 05, 2004

As filed with the Securities and Exchange Commission on November 5, 2004

Commission File No. 333 111683

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

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**Pre-Effective Amendment No. 5  
to  
Form SB-2  
Registration Statement Under The Securities Act Of 1933**

**Recom Managed Systems, Inc.**  
(Name of small business issuer in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**3845**  
(Primary Industrial Code)

**87-0441351**  
(I.R.S. Employer Identification  
No.)

**Marvin H. Fink**  
Chief Executive Officer

**4705 Laurel Canyon Boulevard, Suite 203**  
**Studio City, California 91607**  
**(818) 432-4560**  
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)  
(Name, address, including zip code, and telephone number, including area code, of agent for service of process)

Copies to  
**John M. Woodbury, Jr., Esq.**  
Of Counsel  
**Richardson & Patel LLP**  
**10900 Wilshire Boulevard, Suite 500**  
**Los Angeles, California 90024**  
**Telephone (310) 208-1182**

Approximate date of proposed sale to 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:

If this Form is a post effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, 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 of 1933, 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 this prospectus is expected to be made pursuant to Rule 434, please check the following box:

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## Calculation of Registration Fee

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Offering Price Per Share	Proposed Aggregate Offering Price	Amount of Registration Fee
Common stock	88,000	\$ 7.23 (2)	\$ 636,240	\$ 170.45 (5)
Common stock issued upon conversion of underlying series A convertible preferred stock (1)	950,778	\$ 3.15 (3)	\$ 2,994,951	\$ 242.29 (4)
Common stock underlying series A convertible preferred stock	55	\$ 7.23 (2)	\$ 398	\$ 0.11
Common stock underlying series A convertible preferred stock	842,142	\$ 3.15 (3)	\$ 2,652,747	\$ 214.61 (4)
Common stock underlying class C warrants	28	\$ 7.23 (2)	\$ 202	\$ 0.05
Common stock underlying class C warrants	896,460	\$ 3.15 (3)	\$ 2,823,849	\$ 228.45 (4)
Common stock underlying series A convertible preferred stock underlying placement agent s warrants	179,292	\$ 3.15 (3)	\$ 564,770	\$ 45.69 (4)
Common stock underlying placement agent s warrants	89,646	\$ 3.15 (3)	\$ 282,385	\$ 22.84 (4)
<b>Total</b>	<b>3,046,401</b>		<b>\$ 9,955,542</b>	<b>\$ 924.49</b>

(1) Included in prior filing of this registration statement as common stock underlying series A convertible preferred stock.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) of Regulation C as of the close of the market on April 30, 2004, based upon the average of the high and low prices for that date.

(3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) of Regulation C as of the close of the market on December 26, 2003 based upon the average of the high and low prices for that date.

(4) Previously paid in connection with the initial filing of this registration statement on January 2, 2004.

(5) Previously paid in anticipation of the filing of amendment no. 2 to this registration statement.

**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 this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

The information in this prospectus is not complete and may be changed. We have filed a registration statement containing this prospectus with the Securities and Exchange Commission. The common stock offered for sale under this prospectus may not be offered for sale or sold until that registration statement is declared effective by the Securities and Exchange Commission. This prospectus is not an offer to sell the common shares and doesn't solicit an offer to purchase the common shares in any jurisdiction where this offer or sale is not otherwise permitted.

**PRELIMINARY PROSPECTUS SUBJECT TO COMPLETION, DATED NOVEMBER \_\_, 2004**

*Prospectus*

***3,046,401 Common Shares***

This prospectus relates to the offer and sale by some of our shareholders during the period in which the registration statement containing this prospectus is effective of up to 3,046,401 common shares, consisting of:

- 1,038,778 common shares;
- 842,197 common shares underlying series A convertible preferred shares issued on October 2, 2003 to a number of investors pursuant to a private placement effected through Maxim Group, LLC, as placement agent;
- 896,488 common shares underlying class C common share purchase warrants issued to those investors under that private placement;
- 179,292 common shares underlying series A convertible preferred shares issuable under placement agent's unit purchase warrants granted to Maxim Group as agent's compensation under that private placement; and
- 89,646 common shares underlying class C common share purchase warrants also issuable under those placement agent's warrants.

This offering is not being underwritten. The common shares offered under this prospectus may be sold by the selling shareholders on the public market, in negotiated transactions with a broker-dealer or market maker as principal or agent, or in privately negotiated transactions not involving a broker or dealer. We will not receive any of the proceeds from those sales.

Our common shares trade on the Over-The-Counter Bulletin Board, also called the OTCBB, under the trading symbol RECM .

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**An investment in the common shares offered for sale under this prospectus involves a high degree of risk. See Risk Factors beginning on page 8 of this prospectus.**

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**Neither the United States Securities and Exchange Commission nor any state securities commission has approved or disapproved of the common shares offered for sale under this prospectus or the merits of that offering, or has determined that this prospectus is truthful or complete.  
Any representation to the contrary is a criminal offense.**

The date of this prospectus is \_\_\_\_\_, 2004

**4705 Laurel Canyon Boulevard, Suite 203, Studio City, California 91607  
(818) 432-4560**

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## PROSPECTUS SUMMARY

This summary highlights important information about our company and business. Because it is a summary, it may not contain all of the information that is important to you. To understand this offering fully, you should read this entire prospectus and the financial statements and related notes included in this prospectus carefully. Unless the context requires otherwise, *Recom*, *we*, *us*, *our* and similar terms refer to Recom Managed Systems, Inc.

On April 11, 2003, we effected a split in our common shares on a 3:1 forward basis through the mechanism of a stock dividend. Whenever we make any reference in this prospectus to the grant or issuance of common shares or options or warrants to purchase common shares, such reference shall, for comparison purposes, be made in reference to post-split numbers and, in the case of options and warrants, exercise prices, unless we state otherwise.

### The Company And Business

Recom is a development stage medical device company focused on researching, developing and marketing medical devices which monitor and measure physiological signals in order to detect diseases that impact an individual's health. Physiological signals are small bioelectrical signals generated by the body. Our initial product will be patient modules used as part of a heart monitor system to acquire, amplify and process physiological signals associated with a patient's cardiovascular system. Heart monitor systems are used by heart specialists known as cardiologists to collect physiological data for electrocardiogram or ECG tests for the purpose of detecting and identifying cardiovascular disease. Our patient module will operate using a proprietary and patented amplification technology which provides the capability to enlarge and process the physiological signals to discriminate them from ambient or background electromagnetic noise and to facilitate the examination of the signal data for diagnostic purposes. Our amplification technology is an enhancement of an amplification technology first developed for the United States Air Force to record bioelectrical signals from a pilot's brain, known as an electroencephalogram or EEG. The technology was also used by the National Institute of Health as well as companies such as Titan Systems and Teledyne, Inc. for purposes of monitoring different physiological signals.

We are in the process of completing development work on our first product for commercialization, our battery-operated, digital 12-lead Recom Model 100 Patient Module or Model 100 Module. The Model 100 Module will be used as the primary component of a 12-lead ambulatory heart monitor system, referred to as the Model 100 Monitor System. The Model 100 Monitor System is an ambulatory patient heart monitor or recording system that will allow a patient's heart to be continuously monitored over a period of 24 to 48 hours while the patient carries out his or her daily activities away from the physician's office or hospital. We anticipate that we will complete a pre production model of the Model 100 Module by the end of 2004, and that we will commence marketing the Model 100 Module by the end of 2005.

As of October 31, 2004, we had issued and outstanding 34,477,539 common shares, 842,197 series A preferred shares, and common share purchase options and warrants entitling the holders to purchase up to 4,816,610 common shares.

Our corporate offices are located at 4705 Laurel Canyon Boulevard, Suite 203, Studio City, California 91607. Our telephone number is (818) 432-4560.





## The Offering

This prospectus relates to the offer and sale by some of our shareholders during the period in which the registration statement containing this prospectus is effective of up to 3,046,401 common shares, consisting of:

- 1,038,778 common shares;
- 842,197 common shares underlying series A convertible preferred shares issued on October 2, 2003 to a number of investors pursuant to a private placement effected through Maxim Group, LLC, as placement agent;
- 896,488 common shares underlying class C common share purchase warrants issued to those investors under that private placement;
- 179,292 common shares underlying series A convertible preferred shares issuable under placement agent's unit purchase warrants granted to Maxim Group as agent's compensation under that private placement; and
- 89,646 common shares underlying class C common share purchase warrants also issuable under those placement agent's warrants.

The common shares offered under this prospectus may be sold by the selling shareholders on the public market, in negotiated transactions with a broker-dealer or market maker as principal or agent, or in privately negotiated transactions not involving a broker or dealer. Information regarding the selling shareholders, the common shares they are offering to sell under this prospectus, and the times and manner in which they may offer and sell those shares is provided in the sections of this prospectus captioned *Selling Shareholders*, *Registration Rights* and *Plan of Distribution*. We will not receive any of the proceeds from those sales. Should the selling shareholders in their discretion exercise the class C common share purchase warrants underlying the common shares offered under this prospectus, we would, however, receive the exercise price for those warrants. The registration of common shares pursuant to this prospectus does not necessarily mean that any of those shares will ultimately be offered or sold by the selling shareholders.

## Summary Financial Data

The following tables summarize the consolidated statements of operations and balance sheet data for our company for the periods or as of the dates indicated, respectively:

	<b>Six-Month Interim</b>		<b>Year Ended</b>	
	<b>Period Ended</b>		<b>December 31,</b>	
	<b>June 30,</b>		<b>2003</b>	<b>2002</b>
	<b>2004</b>	<b>2003</b>		
<b>Consolidated Statements of Operations Data:</b>				
Revenue	\$	\$	\$	\$
Research and development expenses	\$ (432,444)	\$ (81,749)	\$	