

FONAR CORP
Form SC 13D
March 04, 2011

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No.)*

Fonar Corporation

(Name of Issuer)

Common Stock, \$0.0001 Par Value

(Title of Class of Securities)

344437405

(CUSIP Number)

RED OAK PARTNERS, LLC

Attn: David Sandberg

654 Broadway, Suite 5

New York, NY 10012

(212) 614-8952

Edgar Filing: FONAR CORP - Form SC 13D

(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)

February 24, 2011

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 344437405

1 NAME OF REPORTING PERSONS

David Sandberg

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

AF

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF

7

SOLE VOTING POWER

8

SHARED VOTING POWER

SHARES

442,487

BENEFICIALLY

9

SOLE DISPOSITIVE POWER

10

SHARED DISPOSITIVE POWER

OWNED BY

442,487

EACH

REPORTING

PERSON

WITH:

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

442,487

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.41%¹

14 TYPE OF REPORTING PERSON (See Instructions)

IN

CUSIP No. 344437405

1 NAME OF REPORTING PERSONS

Red Oak Partners, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

AF

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

New York

NUMBER OF

7

SOLE VOTING POWER

8

SHARED VOTING POWER

SHARES

442,487

BENEFICIALLY

9

SOLE DISPOSITIVE POWER

10

SHARED DISPOSITIVE POWER

OWNED BY

442,487

EACH

REPORTING

PERSON

WITH:

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

442,487

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.41%¹

14 TYPE OF REPORTING PERSON (See Instructions)

OO

CUSIP No. 344437405

1 NAME OF REPORTING PERSON

The Red Oak Fund, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

WC

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF

7

SOLE VOTING POWER

8

SHARED VOTING POWER

SHARES

221,242

BENEFICIALLY

9

SOLE DISPOSITIVE POWER

10

SHARED DISPOSITIVE POWER

OWNED BY

221,242

EACH

REPORTING

PERSON

WITH:

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

221,242

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.20%¹

14 TYPE OF REPORTING PERSON (See Instructions)

PN

CUSIP No. 344437405

1 NAME OF REPORTING PERSON

Pinnacle Partners, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

AF

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF

7

SOLE VOTING POWER

8

SHARED VOTING POWER

SHARES

221,245

BENEFICIALLY

9

SOLE DISPOSITIVE POWER

10

SHARED DISPOSITIVE POWER

OWNED BY

221,245

EACH

REPORTING

PERSON

WITH:

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

221,245

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.20%¹

14 TYPE OF REPORTING PERSON (See Instructions)

OO

CUSIP No. 344437405

1 NAME OF REPORTING PERSON

Pinnacle Fund, LLLP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)

3 SEC USE ONLY

(b)

4 SOURCE OF FUNDS (See Instructions)

WC

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Colorado

NUMBER OF

7

SOLE VOTING POWER

8

SHARED VOTING POWER

SHARES

221,245

BENEFICIALLY

9

SOLE DISPOSITIVE POWER

10

SHARED DISPOSITIVE POWER

OWNED BY

221,245

EACH

REPORTING

PERSON

WITH:

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

221,245

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.20%¹

14 TYPE OF REPORTING PERSON (See Instructions)

PN

Item 1. Security and Issuer.

This statement on Schedule 13D (this Statement) relates to the common stock, par value \$0.0001 per share (Common Stock), of Fonar Corporation (the Issuer), with its principal executive offices located at 110 Marcus Drive, Melville, New York 11747.

Item 2. Identity and Background.

(a)-(c) and (f) The names of the persons filing this Statement (the Reporting Persons) are:

The Red Oak Fund, LP, a Delaware limited partnership (Red Oak Fund);

Pinnacle Fund, LLLP, a Colorado limited liability limited partnership (Pinnacle Fund);

Red Oak Partners, LLC, a New York limited liability company (Red Oak Partners);

Pinnacle Partners, LLC, a Colorado limited liability company (Pinnacle Partners); and

David Sandberg, a United States citizen.

This Statement is being filed by David Sandberg, the controlling member of Red Oak Partners, which manages each of Red Oak Fund and Pinnacle Fund (each a Fund and, collectively, the Funds). The Funds are private investment vehicles formed for the purpose of investing and trading in a wide variety of securities and financial instruments. The Funds directly own the shares as reported in this Statement. Each of the filers hereto disclaims beneficial ownership with respect to any shares other than shares owned directly by such filer.

The principal office or business address of Red Oak Fund, Red Oak Partners and David Sandberg is 654 Broadway, Suite 5, New York, NY 10012. The principal office or business address of Pinnacle Partners and Pinnacle Fund is 32065 Castle Court, Suite 100, Evergreen, CO 80439.

(d)-(e)

During the last five years, none of the Reporting Persons have been (a) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (b) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order

enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

The source of cash funds for the purchased securities was the working capital of the Funds, and the amount of funds totaled \$871,850.76.

Item 4. Purpose of Transaction.

The Reporting Persons purchased the Common Stock subject to this Statement for investment purposes. The Reporting Persons will review their investments in the Common Stock from time to time, and, subject to applicable law and regulation and depending upon certain factors, including, without limitation, the financial performance of the Company, the availability and price of the Common Stock or other securities related to the Company, and other general market and investment conditions, the Reporting Persons may determine to:

.
acquire additional Common Stock through open market purchases or otherwise;

.
sell Common Stock through the open market or otherwise; or

.
otherwise engage or participate in a transaction with the purpose or effect of changing or influencing the control of the Company.

Such transactions may take place at any time and without prior notice. There can be no assurance, however, that any Reporting Person will take any such actions.

Item 5. Interest in Securities of the Issuer.

(a)

The aggregate percentage of the Company's outstanding shares of Common Stock reported owned by each Reporting Person is based on 5,264,315 shares of common stock of Fonar Corporation outstanding at January 31, 2011, as reported by the Company on its 10-Q for the quarter ended December 31, 2010. Each Reporting Person disclaims beneficial ownership with respect to any shares of Common Stock other than the shares owned directly and of record by such Reporting Person.

Red Oak Partners beneficially owns 442,487 shares of Common Stock, representing 8.41% of all the outstanding shares of Common Stock. The Funds are each controlled by Red Oak Partners. Therefore, Red Oak Partners may be

deemed to beneficially own (i) the 221,242 shares of Common Stock held by Red Oak Fund, and (ii) the 221,245 shares of Common Stock held by Pinnacle Fund.

Mr. Sandberg beneficially owns 442,487 shares of Common Stock, representing 8.41% of all the outstanding shares of Common Stock. Mr. Sandberg, as the managing member of Red Oak Partners may be deemed to beneficially own the 442,487 shares of Common Stock beneficially owned by Red Oak Partners through the Funds.

Red Oak Fund may be deemed to beneficially own 221,242 shares of Common Stock, representing 4.20% of all the outstanding shares of Common Stock. Pinnacle Fund may be deemed to beneficially own 221,245 shares of Common Stock, representing 4.20% of all the outstanding shares of Common Stock.

(b)

Each of Red Oak Partners and Mr. Sandberg may be deemed to have shared voting and dispositive power with respect to (i) the 221,242 shares of Common Stock held by Red Oak Fund, and (ii) the 221,245 shares of Common Stock held by Pinnacle Fund. No Fund shares with any other Fund voting or dispositive power with respect to the shares such Fund beneficially owns.

(c)

Transactions by the Reporting Persons effected in Common Stock that have taken place in the last sixty days are attached as Exhibit A.

(d)

Not applicable.

(e)

Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

The relationships between Mr. Sandberg, Red Oak Partners and the Funds are described above under Item 2 above.

Item 7. Material to be Filed as Exhibits.

Exhibit A Transactions In the Past 60 Days.

SIGNATURE

After reasonable inquiry and to best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: March 4, 2011

By: /s/ David Sandberg
Name:

David Sandberg

RED OAK PARTNERS, LLC

By: /s/ David Sandberg
Name:

David Sandberg
Title:

Managing Member

THE RED OAK FUND, L.P.

By:

RED OAK PARTNERS, LLC,

its general partner

By: /s/ David Sandberg
Name: David Sandberg
Title: Managing Member

PINNACLE PARTNERS, LLP

By:

RED OAK PARTNERS, LLC,

its general partner

By: /s/ David Sandberg
Name: David Sandberg
Title: Managing Member

PINNACLE FUND, LLLP

By:

RED OAK PARTNERS, LLC,

its general partner

By: /s/ David Sandberg
Name: David Sandberg
Title: Managing Member

Footnotes

¹ Based on 5,264,315 shares of common stock outstanding at January 31, 2011, as reported by the Company on its 10-Q for the quarter ended December 31, 2010.