APEX BIOVENTURES ACQUISITION CORP
Form S-1/A
April 11, 2007

As filed with the Securities and Exchange Commission on April 11, 2007

Registration No. 333-135755

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 2

TO

FORM S-1

REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

APEX BIOVENTURES ACQUISITION CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**6770**	**20-4997725**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

18 Farm Lane
Hillsborough, California 94010
415-602-8319

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Darrell J. Elliott
Chairman and Chief Executive Officer
18 Farm Lane
Hillsborough, California 94010
650-344-3029

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement 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. ý

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. ¨

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.

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 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.

PROSPECTUS **Subject To Completion, Dated** April 11, 2007

$60,000,000

APEX BIOVENTURES ACQUISITION CORPORATION

7,500,000 Units

Apex Bioventures Acquisition Corporation is a newly organized blank check company formed for the purpose of acquiring, through a merger, capital stock exchange, asset acquisition, stock purchase or other similar business combination, one or more domestic or foreign operating businesses in the healthcare industry. We do not have any specific merger, capital stock exchange, asset acquisition, stock purchase or other similar business combination under consideration and we have not, nor has anyone on our behalf, directly or indirectly, contacted any prospective target business or had any discussions, formal or otherwise, with respect to such a transaction.

This is an initial public offering of our securities. Each unit has an offering price of $8.00 and consists of:

- one share of our common stock; and
- one warrant.

We are offering 7,500,000 units. We expect that the public offering price will be $8.00 per unit. Each warrant entitles the holder to purchase one share of our common stock at a price of $6.00. Each warrant will become exercisable on the later of our completion of a business combination or [_____], 2008 **[one year from the date of this prospectus]**, and will expire on [_____], 2011 **[four years from the date of this prospectus]** or earlier upon redemption.

Our officers, directors and existing stockholders have agreed to purchase 1,700,000 warrants from us, at a purchase price of $1.00 per warrant, in a private placement that will occur immediately prior to this offering. All such warrants will be identical to the warrants sold in this offering, except that such warrants will be non-redeemable and can be exercised on a cashless basis as long as these persons hold such warrants. In addition, subject to certain limited exceptions, none of the warrants to be purchased by our officers, directors and existing stockholders will be transferable or salable until six months after the consummation of a business combination.

We have granted the underwriters a 45-day option to purchase up to 1,125,000 additional units to cover over-allotments, if any. We have also agreed to sell to the underwriters, for $100, as additional compensation, an option to purchase up to a total of 450,000 units at a price of $10.00 per unit. The option can be exercised on a cashless basis commencing on the 90th day following the consummation of a business combination. We may call the option for redemption, for $100, if the volume weighted average price of our common stock equals or exceeds $11.50 per share for any 20 trading days within any 30 trading day period ending three business days before we send the notice of redemption. The units issuable upon exercise of this option are identical to those offered by this prospectus. The purchase option and its underlying securities have been registered under the registration statement of which this

prospectus forms a part.

There is presently no public market for our units, common stock or warrants. We anticipate that the units will be traded on the American Stock Exchange under the symbol [____] and will begin trading on or promptly after the date of this prospectus. The common stock and warrants comprising the units will begin separate trading as promptly as practicable after the earlier to occur of the expiration or termination of the underwriters option to purchase up to 1,125,000 additional units to cover over-allotments or the exercise in full by the underwriters of such option, subject in either case to our filing a Current Report on Form 8-K with the Securities and Exchange Commission, containing an audited balance sheet reflecting our receipt of the gross proceeds of this offering and issuing a press release announcing when such separate trading will begin. Once the securities comprising the units begin separate trading, the common stock and warrants will be traded on the American Stock Exchange under the symbols [____] and [____], respectively. We cannot assure you that our securities will be or continue to be listed on the American Stock Exchange.

Investing in our securities involves a high degree of risk. See Risk Factors beginning on page 12 of this prospectus for a discussion of information that should be considered in connection with an investment in our securities.

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.

	Per Unit	Total Proceeds
Public offering price	$ 8.00	$ 60,000,000
Underwriting discounts and commissions(1)(2)	0.56	4,200,000
Total	$ 7.44	$ 55,800,000

(1)

Includes $0.24 per unit, or $1,800,000 ($2,070,000 if the underwriters over-allotment option is exercised in full), payable to the underwriters for deferred underwriting discounts and commissions from the funds to be placed in a trust account at J.P. Morgan Chase N.A., to be maintained by Continental Stock Transfer & Trust Company, acting as trustee, and invested by Morgan Stanley. Such funds will be released to the underwriters only upon completion of an initial business combination as described in this prospectus.

(2)

No discount or commissions are payable with respect to the warrants purchased in the private placement.

Of the net proceeds after expenses we receive from this offering and the private placement, approximately $7.81 per unit, or $58,590,000 ($67,230,000 if the underwriters over-allotment option is exercised in full), will be deposited into a trust account at J.P. Morgan Chase N.A., maintained by Continental Stock Transfer & Trust Company, acting as trustee, and invested by Morgan Stanley. This amount includes the deferred underwriting discounts and commissions of $1,800,000 and the $1,700,000 of net proceeds from the private placement in which our officers, directors and existing stockholders purchased 1,700,000 founder warrants.

We are offering the units for sale on a firm-commitment basis. The underwriters expect to deliver the units to investors in the offering on or about [____], 2007.

The date of this prospectus is [_____], 2007

LAZARD CAPITAL MARKETS

LADENBURG THALMANN & CO. INC.

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus.

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Until [_____], 2007 (__ days after the date of this prospectus), all dealers that buy, sell or trade our securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PROSPECTUS SUMMARY

This summary highlights certain information appearing elsewhere in this prospectus. As this is a summary, it does not contain all of the information that you should consider in making an investment decision. You should read the entire prospectus carefully, including the information under Risk Factors and our financial statements and the related notes included in this prospectus, before investing. Unless otherwise stated in this prospectus:

- references to we, us or our company refer to Apex Bioventures Acquisition Corporation;
- the term existing stockholders refers to the persons that held shares of our common stock immediately prior to the date of this offering and the private placement;
- the term public stockholders means the holders of common stock sold as part of the units in this offering or in the aftermarket, including any existing stockholders, to the extent that they purchase or acquire such units in this offering or in the aftermarket;
- the term private placement refers to the purchase by our existing stockholders in a private placement that will occur immediately prior to this offering, of an aggregate of 1,700,000 warrants, at a purchase price of $1.00 per warrant to purchase an aggregate of 1,700,000 shares of our common stock;
- the term founder warrants refers to the warrants to purchase an aggregate of 1,700,000 shares of our common stock being purchased by our officers, directors and existing stockholders in the private placement.

Except as otherwise specified, all information in this prospectus and all per share information has been adjusted to reflect a 1 for 1.086956522 reverse stock split of our outstanding common stock that was effected on April 5, 2007. In addition, unless we tell you otherwise, the information in this prospectus assumes that the underwriters will not exercise their over-allotment option.

Our Business

We were formed on June 1, 2006 as a blank check company for the purpose of acquiring through a merger, capital stock exchange, asset acquisition, stock purchase or other similar business combination, one or more domestic or foreign operating businesses in the healthcare industry. To date, our efforts have been limited to organizational activities and do not have any specific merger, capital stock exchange, asset acquisition, stock purchase or other business combination transaction under consideration and neither we nor any representative acting on our behalf has had any contacts or discussions with any target business with respect to such a transaction. We intend to utilize cash derived from the proceeds of this offering, our capital stock, debt or a combination of cash, capital stock and debt, to effect a business combination.

While we may seek to effect business combinations with more than one target business, our initial business combination must be with a target business or businesses whose collective fair market value is equal to at least 80% of

our net assets (excluding deferred underwriting discounts and commissions of approximately $1,800,000, or $2,070,000 if the over-allotment option is exercised in full) at the time of such acquisition. The fair market value of a target business will be determined by our board of directors based upon standards generally accepted by the financial community, such as actual and potential sales, earnings and cash flow and book value and the fair market value of comparable businesses. If our board is not able to independently determine that the target business has a sufficient fair market value (for example, if the financial analysis is too complicated for our board of directors to perform on their own), we will obtain an opinion from an unaffiliated, independent investment banking firm which is a member of the National Association of Securities Dealers, Inc. with respect to the satisfaction of such criteria. As used in this prospectus, a target business shall include one or more domestic or foreign operating businesses in the healthcare industry, and a business combination shall mean the acquisition by us of such a target business, through a merger, capital stock exchange, asset acquisition, stock purchase or other similar business combination.

We have not, nor has anyone on our behalf, either directly or indirectly, contacted any potential target businesses or their representatives or had any discussions, formal or otherwise, with respect to effecting any potential business combination with our company. Moreover, we have not engaged or retained any agent or other representative to identify or locate any suitable acquisition candidate for us. Our management team is aware of the restrictions that apply to the identification of, and negotiations and agreements with, prospective target businesses and the disclosure required when there is an agreement pertaining to an acquisition or an acquisition is probable.

Following completion of this offering and until we consummate a business combination, our officers and directors will not receive any compensation other than reimbursement for out-of-pocket expenses incurred by them on our behalf in connection with identifying potential target businesses and performing due diligence. However, Apex Bioventures, LLC, a company controlled by K. Michael Forrest, our President and Chief Operating Officer and one of our directors, may receive payments for providing office space and related services. All transactions between us and Apex Bioventures, LLC or any other affiliate of our officers, directors or existing stockholders will be on terms believed by us to be no less favorable than are available from unaffiliated third parties and such transactions will require prior approval in each instance by a majority of our disinterested independent directors, or if there are no disinterested independent directors, the members of our board who do not have an interest in the transactions. In addition, any or all of our officers and directors may be paid consulting, management, director or other fees from target businesses as a result of the business combination, with any and all amounts being fully disclosed to stockholders, to the extent then known, in the proxy solicitation materials furnished to our stockholders.

Our offices are located at 18 Farm Lane, Hillsborough, California 94010, and our telephone number is 650-344-3029.

Private Placement

Our officers, directors and existing stockholders have agreed to purchase from us an aggregate of 1,700,000 founder warrants, at a purchase price of $1.00 per warrant in a private placement that will occur immediately prior to this offering. All such founder warrants will be identical to the warrants offered in this offering, except that the founder warrants will be non-redeemable and can be exercised on a cashless basis as long as our officers, directors and existing stockholders (or the permitted transferees described below) hold such warrants. Exercising warrants on a cashless basis means that in lieu of paying the aggregate exercise price for the shares of common stock being purchased upon exercise of the founder warrants in cash, the holder will forfeit a number of shares underlying the founder warrants with a market value equal to such aggregate exercise price. Accordingly, we would not receive additional proceeds to the extent the founder warrants are exercised on a cashless basis. Warrants included in the units sold in this offering are not exercisable on a cashless basis and the exercise price, if any, with respect to those warrants will be paid directly to us.

In addition, none of the founder warrants are transferable or salable until six months after the consummation of a business combination, except that a purchaser of founder warrants that is an entity may transfer the founder warrants to persons or entities that are controlling, controlled by, or under common control with such entity, or to any stockholder, member, partner or limited partner of such entity, and a purchaser of founder warrants that is an individual may transfer founder warrants to family members and trusts for estate planning purposes, or, upon death, to an estate of beneficiaries. The purchase price of these founder warrants will be added to the proceeds from this offering to be held in the trust account pending the consummation of our initial business combination.

THE OFFERING

Securities offered:	7,500,000 units, at $8.00 per unit, each unit consisting of: • one share of common stock; and • one warrant.
Trading commencement and separation of common stock and warrants:	The units will begin trading on or promptly after the date of this prospectus. Each of the common stock and warrants will begin separate trading as promptly as practicable after the earlier to occur of the expiration or termination of the underwriters option to purchase up to 1,125,000 additional units to cover over-allotments or the exercise in full by the underwriters of such option, subject in either case to our having filed the Form 8-K described below and having issued a press release announcing when such separate trading will begin.
Separate trading of the common stock and warrants:	In no event will separate trading of the common stock and warrants occur until we have filed an audited balance sheet reflecting our receipt of the gross proceeds of this offering. We will file a Current Report on Form 8-K, including an audited balance sheet, upon the consummation of this offering, which is anticipated to take place three business days from the date of this prospectus. The audited balance sheet will include proceeds we receive from the exercise of the over-allotment option if the over-allotment option is exercised prior to the filing of the Current Report on Form 8-K. If the over-allotment option is exercised following the initial filing of such Form 8-K, an additional Current Report on Form 8-K will be filed to provide updated financial information to reflect the exercise of the over-allotment option.
Common stock:	
Number outstanding before this offering and the private placement:	1,875,000 shares(1)
Number to be outstanding after this offering and the private placement:	9,375,000 shares(1)
Warrants:	
Number outstanding before the date of this prospectus:	1,700,000 warrants
Number to be outstanding after this offering and the private placement:	9,200,000 warrants

Exercisability:	Each warrant is exercisable for one share of our common stock
Exercise price:	$6.00
Exercise period for the warrants included in the units sold in this offering:	The warrants will become exercisable on the later of: • the consummation of a business combination; and • [_____], 2008 **[one year from the date of this prospectus]**. All warrants will expire at 5:00 p.m., New York City time, on [_____], 2011 **[four years from the date of this prospectus]**, or earlier upon redemption or upon our dissolution.

(1)

After giving effect to the forfeiture of 281,250 shares of common stock by our existing stockholders to the extent the underwriters over-allotment option is not exercised so that our existing stockholders will own 20% of the issued and outstanding shares of our common stock. See Principal Stockholders.

Redemption:	Once the warrants become exercisable, we may redeem the outstanding warrants (including any warrants issued upon exercise of the underwriters unit purchase option): • in whole and not in part; • at a price of $.01 per warrant; • upon a minimum of 30 days prior written notice of redemption; and • only if the volume weighted average price of our common stock equals or exceeds $11.50 per share for any 20 trading days within a 30 trading day period ending three business days before we send the notice of redemption. In the event that the common stock issuable upon exercise of the warrants has not been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the holder of the warrants, we will not have the right to redeem the warrants. We have established the above conditions to provide warrant holders with a reasonable premium to the initial warrant exercise price as well as a reasonable cushion against a negative market reaction, if any, to our redemption call. If the foregoing conditions are satisfied and we call the warrants for redemption, each warrant holder shall then be entitled to exercise his or her warrant prior to the date scheduled for redemption. However, there can be no assurance that the price of the common stock will exceed the $11.50 trigger price for redemption or the warrant exercise price after the redemption call is made. The founder warrants are non-redeemable so long as such warrants are held by our officers, directors and existing stockholders.
Private placement of founder warrants to officers, directors and existing stockholders:	Our officers, directors and existing stockholders have agreed

to purchase from us an aggregate of 1,700,000 founder warrants, at a purchase price of $1.00 per warrant, in a private placement that will occur immediately prior to this offering. The aggregate proceeds from the private placement will be added to the proceeds from this offering to be held in the trust account pending our completion of a business combination. If we do not complete a business combination that meets the criteria described in this prospectus, then the amount held in the trust account, including the proceeds from the private placement, will become part of the distribution of our assets to our public stockholders upon our dissolution, and the founder warrants will expire worthless.

The founder warrants have terms and provisions that are identical to the warrants included in the units offered pursuant to this prospectus, except that the founder warrants will be non-redeemable and can be exercised on a cashless basis as long as our officers, directors and existing stockholders (or the permitted transferees described below) hold such warrants. Exercising warrants on a cashless basis means that in lieu of paying the aggregate exercise price for the shares of common stock being purchased upon exercise of the founder warrants in cash, the holder will forfeit a number of shares underlying the founder warrants with a market value equal to such aggregate exercise price. Accordingly, we would not receive additional proceeds to the extent the founder warrants are exercised on a cashless basis. Warrants included in the units sold in this offering are not exercisable on a cashless basis and the exercise price, if any, with respect to those warrants will be paid directly to us.

	In addition, the founder warrants purchased in the private placement will not be transferable or salable by our officers, directors and existing stockholders until six months after the consummation of a business combination, except that a purchaser of founder warrants that is an entity may transfer the founder warrants to persons or entities that are controlling, controlled by, or under common control with such entity, or to any stockholder, member, partner or limited partner of such entity, and a purchaser of founder warrants that is an individual may transfer founder warrants to family members and trusts for estate planning purposes, or, upon death, to an estate of beneficiaries. Commencing on the date immediately following consummation of a business combination, the founder warrants and the shares of common stock underlying the founder warrants are entitled to registration rights pursuant to the registration rights agreement to be entered into on or before the date of this prospectus in connection with the private placement.
Proposed American Stock Exchange symbols for our securities:	
Units	
Common stock	
Warrants	
Offering and private placement proceeds to be held in the trust account:	$58,590,000 of the proceeds of this offering and the private placement (or $67,230,000, if the over-allotment option is exercised in full), or approximately $7.81 per unit, will be placed in a trust account at J.P. Morgan Chase N.A. maintained by Continental Stock Transfer & Trust Company, as trustee, and invested by Morgan Stanley pursuant to an agreement to be signed on the date of this prospectus. These proceeds include the $1,700,000 in proceeds from the private placement and $1,800,000 in deferred underwriting discounts and commissions (or $2,070,000, if the underwriters over-allotment option is exercised in full). We believe that the inclusion in the trust account of the proceeds from the private placement and the deferred underwriting discounts and commissions is a benefit to our stockholders because additional proceeds will be available for distribution to our public stockholders upon our dissolution if we are unable to complete a business combination within the required time period. These proceeds will not be released until the earlier of (i) the completion of a business combination on the terms described

in this prospectus or (ii) our dissolution and implementation of our plan for the distribution of our assets. Therefore, unless and until a business combination is consummated, the proceeds held in the trust account will not be available for our use for any purpose, including the payment of any expenses related to this offering or expenses which we may incur related to the investigation and selection of a target business or the negotiation of an agreement to effect the business combination, except there can be released to us from the trust account $1,600,000 of the interest earned, net of taxes payable on such interest, to fund these expenses or our other working capital requirements or to pay for the costs associated with our dissolution and the distribution of our assets if we do not consummate a business combination. With these exceptions, expenses incurred by us while seeking a business combination may be paid prior to a business combination only

	from the net proceeds of this offering not held in the trust account (initially, approximately $50,000 after the payment of the expenses related to this offering). None of the founder warrants may be exercised until six months after the consummation of a business combination and, thus, after the proceeds of the trust account have been disbursed. Accordingly, after the consummation of a business combination, the proceeds from the exercise of the founder warrants will be paid directly to us and not placed in the trust account.
Limited payments to insiders:	There will be no fees or other cash payments paid to our existing stockholders or our officers and directors prior to or in connection with a business combination other than: • repayment of an aggregate of $225,000 of promissory notes payable to K. Michael Forrest, Robert J. Easton and Treasure Road Partners, Ltd., a company controlled by Gary E. Frashier and his wife, Giva H. Frashier; • payment of $7,500 per month to Apex Bioventures, LLC, a company controlled by K. Michael Forrest, our President and Chief Operating Officer, for office space and related services; and • reimbursement of out-of-pocket expenses incurred by them in connection with certain activities on our behalf, such as identifying and investigating possible business targets and business combinations. There is no limit on the amount of out-of-pocket expenses that could be incurred and there will be no review of the reasonableness of the expenses by anyone other than our board of directors, which may include persons who may seek reimbursement, or a court of competent jurisdiction if such reimbursement is challenged.
Conditions to consummating our initial business combination:	Our initial business combination must be with one or more domestic or foreign target businesses that collectively have a fair market value of at least 80% of our net assets (excluding deferred underwriting discounts and commissions of approximately $1,800,000, or approximately $2,070,000 if

	the over-allotment option is exercised in full) at the time of such business combination.
Stockholders must approve business combination:	We will seek stockholder approval before we effect our initial business combination, even if the nature of the acquisition would not ordinarily require stockholder approval under applicable law. In connection with the stockholder vote on our initial business combination, all of our existing stockholders, including all of our officers and directors, have agreed to vote the shares of common stock then owned by them, including any shares of common stock purchased in or following this offering, either for or against the business combination in accordance with the majority of the shares of common stock voted by our public stockholders other than our existing stockholders, officers and directors. We will proceed with the initial business combination only if the following two conditions are met: (i) a majority of the shares of common stock voted by the stockholders are voted in favor of the business combination and (ii) public stockholders owning less than 30% of the shares sold in this offering vote against the business combination and exercise their conversion rights as described below. Public stockholders who convert their stock into a pro rata share of the trust account retain their warrants. For more

	information, see the section entitled Proposed Business Effecting a Business Combination Opportunity for stockholder approval of a business combination.
Conversion rights for stockholders voting to reject a business combination:	Public stockholders voting against a business combination which is approved and consummated will be entitled to convert their stock into a pro rata share of the trust account, before payment of deferred underwriting discounts and commissions and including any interest earned on their pro rata share, net of taxes payable on such interest, and net of interest income (less taxes on such interest) of up to $1,600,000 of the interest income on the trust account balance accrued and reserved or released to us to fund working capital requirements). Our existing stockholders, including all of our officers and directors, will not be able to convert their shares of common stock owned prior to this offering into a pro rata share of the trust account under these circumstances. For more information, see the section entitled Proposed Business Effecting a Business Combination Conversion rights. Public stockholders who convert their common stock into a pro rata share of the trust account will be paid the conversion price promptly after the consummation of the business combination and will continue to have the right to exercise any warrants they own. The initial conversion price is approximately $7.81 per share. Since this amount is less than the $8.00 per unit price in this offering and may be lower than the market price of the common stock on the date of conversion, there may be a disincentive on the part of public stockholders to exercise their conversion rights. Because converting stockholders will receive their proportionate share of the deferred underwriting discounts and commissions and the underwriters will be paid the full amount of their deferred underwriting compensation at the time of the consummation of our initial business combination, we (and therefore, the non-converting stockholders) will bear the financial effect of such payments to both the converting stockholders and the underwriters.
Dissolution and distribution of assets if no business combination:	We will promptly initiate procedures for our dissolution and the distribution of our assets, including the funds held in the trust account, to our public stockholders, if we do not effect a business combination within 18 months after consummation of this offering (or within 24 months after the consummation of this offering if a letter of intent, agreement in principle, or definitive agreement has been executed within 18 months after consummation of this offering and the business

combination related thereto has not been consummated within such 24-month period). Pursuant to our second amended and restated certificate of incorporation , upon the expiration of such time periods, our purpose and powers will be limited to acts and activities relating to dissolving, liquidating and winding up. Our second amended and restated certificate of incorporation also provides that we must comply with Section 281(b) of the Delaware General Corporation Law (DGCL). Section 281(b) requires us to adopt a plan for the distribution of our assets that will provide for the payment to our creditors and potential creditors, based on facts known to us at such time, of (i) all existing claims, (ii) all pending claims and (iii) all claims that may be brought against us in the subsequent 10 years. The plan will also provide that after reserving amounts sufficient

to cover our liabilities and obligations and the costs of dissolution and liquidation, we will distribute our remaining assets, including the amounts held in the trust account, solely to our public stockholders. We will seek stockholder approval for our dissolution and plan for the distribution of our assets. Upon the approval by our stockholders of our dissolution and plan for the distribution of our assets, we will liquidate our assets, including the trust account, and after reserving amounts sufficient to cover our liabilities and obligations and the costs of dissolution and liquidation, distribute those assets solely to our public stockholders. However, we cannot assure you that third parties will not seek to recover from the assets distributed to our public stockholders any amounts owed to them by us. Under the DGCL, our stockholders could be liable for any claims against the corporation to the extent of distributions received by them in dissolution. Further, because our second amended and restated certificate of incorporation provides that we distribute our assets in accordance with Section 281(b) rather than Sections 280 and 281(a), any such liability of our stockholders could extend to claims for which an action, suit or proceeding is begun after the third anniversary of our dissolution.

Our existing stockholders, including all of our officers and directors, have waived their rights to participate in any distributions occurring upon our failure to complete a business combination with respect to shares of common stock acquired by them prior to this offering, and have agreed to vote all of their shares in favor of our dissolution and our plan for the distribution of our assets. We estimate that, in the event we liquidate the trust account and distribute those assets to our public stockholders, each public stockholder will receive approximately $7.81 per share, without taking into account interest earned on the trust account. Our public stockholders may receive less than their proportional share of the trust account if and to the extent that creditors that have claims against us cannot be satisfied by our remaining assets not held in the trust account and attach amounts in the trust account for settlement of their claims. In addition, such holders may be held liable for claims by creditors against us to the extent of distributions received by them in our dissolution. Although we are obligated to seek waivers from all acquisition targets, vendors and service providers to claims to amounts in the trust account, we cannot guarantee that we will be able to obtain any such waiver or that any such waiver will be held valid and enforceable. Our existing stockholders have agreed that they will be personally liable, on a joint and several basis, to cover claims made by such third parties, but

only if, and to the extent, the claims reduce the amounts in the trust account available for payment to our stockholders in the event of a liquidation and the claims are made by a vendor or service provider for services rendered, or products sold, to us or by a prospective acquisition target. However, our existing stockholders will not have any personal liability as to any claimed amounts owed to a third party who executed a waiver (including a prospective acquisition target) or the underwriters.

We expect that all costs associated with implementing our dissolution and plan for the distribution of our assets, including payments to any creditors, will be funded by the proceeds of this offering not held in the trust account, but if we do not have sufficient funds outside of the trust account for those purposes or to

cover our liabilities and obligations, the amount distributed to our public stockholders may be less than $7.81 per share. We estimate that our total costs and expenses for implementing and completing our dissolution and the distribution of our assets will be in the range of $50,000 to $75,000. This amount includes all costs and expenses relating to filing our certificate of dissolution in the State of Delaware, the winding up of our company and the costs of a proxy statement and meeting relating to the approval by our stockholders of our dissolution and plan for the distribution of our assets. We believe that there should be sufficient funds available from the proceeds not held in the trust account and interest earned on the trust account released to us to fund the $50,000 to $75,000 of expenses, although we cannot assure you that there will be sufficient funds for such purposes.

In addition, if we seek approval from our stockholders to consummate a business combination within 90 days of the expiration of 24 months after the consummation of this offering (assuming that the period in which we need to consummate a business combination has been extended, as provided in our second amended and restated certificate of incorporation), the proxy statement related to such business combination will also seek stockholder approval for our dissolution and plan for the distribution of our assets, in the event our stockholders do not approve such business combination. If no proxy statement seeking the approval of our stockholders for a business combination has been filed 30 days prior to the date that is 24 months after the consummation of this offering, our board will, prior to such date, convene, adopt and recommend to our stockholders our dissolution and a plan for the distribution of our assets, and on such date file a proxy statement with the SEC seeking stockholder approval for our dissolution and such plan.

We cannot provide investors with assurances of a specific time frame for the completion of our dissolution and the distribution of our assets to our public stockholders.

For more information regarding the dissolution and distribution procedures and the factors that may impair our ability to distribute our assets, including stockholder approval requirements, or cause distributions to be less than $7.81 per share, please see the sections entitled Risk Factors If third parties bring claims against us, the proceeds held in a trust account could be reduced and the per-share liquidation price received by our stockholders could be less than approximately $7.81 per share, Risk Factors Under Delaware law, our

	dissolution requires the approval of the holders of a majority of our outstanding stock, without which we will not be able to dissolve, liquidate and distribute our assets to our public stockholders, Risk Factors Our stockholders may be held liable for claims by third parties against us to the extent of distributions received by them, and Business Dissolution and Liquidation if No Business Combination.
Escrow of our existing stockholders initial shares and founder warrants:	On the date of this prospectus, all of our existing stockholders, including all of our officers and directors, will place the shares and the founder warrants they owned before this offering into an escrow account maintained by Continental Stock Transfer & Trust Company, acting as escrow agent. The shares will not be released

	from escrow until (1) one year from the date of consummation of the business combination or (2) any time after six months from the consummation of the business combination if the volume weighted average price of our common stock equals or exceeds $11.50 per share for any 20 trading days within any 30 trading day period. The founder warrants will not be released until six months after the consummation of the business combination. The foregoing restrictions are subject to certain limited exceptions. Individuals holding initial shares may transfer shares to family members and trusts for estate planning purposes, or upon death of an escrow depositor, to an estate or beneficiaries. An entity holding initial shares may transfer shares only to persons or entities controlling, controlled by, or under common control with such entity, or to any stockholder, member, partner or limited partner of such entity. Even if transferred under these circumstances, the initial shares will remain in the escrow account. The shares are releasable from escrow prior to the above dates only if following the initial business combination, we consummate a transaction in which all of the stockholders of the combined entity have the right to exchange their shares of common stock for cash, securities or other property. A purchaser of founder warrants that is an entity may transfer the founder warrants to persons or entities that are controlling, controlled by, or under common control with such entity, or to any stockholder, member, partner or limited partner of such entity, and a purchaser of founder warrants that is an individual may transfer founder warrants to family members and trusts for estate planning purposes, or, upon death, to an estate of beneficiaries.
Determination of offering amount:	We based the size of this offering on our belief as to the capital required to facilitate our combination with one or more viable target businesses with sufficient scale to operate as a stand-alone public entity. We also considered the financial resources of competitors, including other blank check companies with no limitation on the industries in which they may acquire businesses and the amounts such blank check companies were seeking to raise or had raised in recent public offerings. In addition, we also considered the past experiences of our officers and directors in operating businesses, and the size of those businesses, in or related to the healthcare industry. The determination of the offering price of our units and the valuation accorded to our company is more arbitrary than the pricing of securities for, or the valuation of, operating companies in the healthcare industry.

Risks

In making your decision on whether to invest in our securities, you should take into account not only the backgrounds of our management team, but also the special risks we face as a blank check company, as well as the fact that this offering is not being conducted in compliance with Rule 419 promulgated under the Securities Act of 1933, as amended (the Securities Act), and, therefore, you will not be entitled to protections normally afforded to investors in Rule 419 blank check offerings. You should carefully consider these and the other risks set forth in the section entitled Risk Factors beginning on page 12 of this prospectus.

SUMMARY FINANCIAL DATA

The following table summarizes the relevant financial data for our business and should be read with our financial statements, which are included in this prospectus. We have not had any significant operations to date, so only balance sheet data is presented. The historical financial information gives retroactive effect to a 1 for 1.086956522 reverse stock split effected on April 5, 2007.

	February 28, 2007	
	Actual	**As Adjusted(1)**
Balance Sheet Data:		
Working capital (deficiency)(2)	$ (361,338)	$ 56,808,351
Total assets(3)	$ 408,103	$ 58,608,351
Total liabilities(4)	$ 439,752	$ 1,800,000
Value of common stock which may be converted for cash	$	$ 17,576,992
Stockholders equity	$ (31,649)	$ 39,231,359

(1)

The as adjusted information gives effect to the sale of the units we are offering pursuant to this prospectus, including the application of the estimated gross proceeds, the receipt of approximately $1,700,000 from the sale of the founder warrants in a private placement immediately prior to this offering, and the payment of the estimated remaining costs from such unit sale, including the repayment of an aggregate of $225,000 of promissory notes payable to K. Michael Forrest, Robert J. Easton and Treasure Road Partners, Ltd., a company controlled by Gary E. Frashier and his wife Giva H. Frashier.

(2)

The working capital (as adjusted) amount includes the proceeds of the sale of $1,700,000 of founder warrants immediately prior to this offering, but does not include the $1,800,000 (or $2,070,000 if the underwriters over-allotment option is exercised in full) being held in the trust account that will either be paid to the underwriters upon consummation of our initial business combination or to our public stockholders in the event we do not consummate a business combination within the required time period.

(3)

The total assets (as adjusted) amounts include the $58,590,000 being held in the trust account, which will be distributed on completion of our initial business combination (i) to any stockholders who exercise their conversion rights, (ii) to the underwriters in the amount of $1,800,000 (or $2,070,000, if the underwriters over-allotment option is exercised in full) in payment of their deferred underwriting discounts and commissions and (iii) to us in the amount remaining in the trust account. All such proceeds will be distributed from the trust account only upon consummation of a business combination within the time period described in this prospectus. If a business combination is not so consummated, we have agreed to promptly adopt a plan of dissolution and liquidation and initiate procedures for our dissolution and liquidation and the distribution of our assets, including the funds held in the trust account.

(4)

The total liabilities (as adjusted) amount represents the underwriter s fee being held in trust that will be paid to the underwriters upon consummation of our initial business combination. $1,800,000 (or $2,070,000, if the underwriters over-allotment option is exercised in full) is held in trust for this purpose.

The working capital excludes $329,689 of costs related to this offering and the founder warrants being sold in the private placement which were paid or accrued prior to February 28, 2007. These deferred offering costs have been recorded as a long-term asset and are reclassified against stockholders equity in the as adjusted column.

We will not proceed with a business combination if public stockholders owning 30% or more of the shares sold in this offering vote against the business combination and exercise their conversion rights. Accordingly, we may effect a business combination if public stockholders owning less than 30% of the shares sold in this offering vote against the business combination and exercise their conversion rights. If this occurred, we would be required to convert to cash up to 2,249,999 shares of common stock, or approximately 29.99% of the aggregate number of shares of common stock sold in this offering, at an initial per-share conversion price of approximately $7.81. The actual per share conversion price will be equal to the aggregate amount then on deposit in the trust account, before payment of deferred underwriting discounts and commissions, and including any interest earned on their pro rata share, net of taxes payable on such interest, and net of interest income (less taxes payable on such interest) of up to $1,600,000 of the interest income on the trust account balance accrued and reserved or released to us to fund working capital requirements, as of two business days prior to the proposed consummation of the business combination, divided by the number of shares of common stock sold in this offering.

RISK FACTORS

An investment in our securities involves a high degree of risk. You should consider carefully all of the material risks described below, together with the other information contained in this prospectus, before making a decision to invest in our securities. If any of the following events occur, our business, financial condition and operating results may be materially adversely affected. In that event, the trading price of our securities could decline, and you could lose all or part of your investment. This prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks described below.

Risks Associated with Our Business

We are a development stage company with no operating history and, accordingly, you will not have any basis on which to evaluate our ability to achieve our business objective.

We are a recently incorporated development stage company with no operating results to date. Therefore, our ability to begin operations is dependent upon obtaining financing through the public offering of our securities. Since we do not have an operating history, you will have no basis upon which to evaluate our ability to achieve our business objective, which is to acquire an operating business. We have not conducted any discussions and we have no plans, arrangements or understandings with any prospective acquisition candidates. We will not generate any revenues (other than interest income) until, at the earliest, after the consummation of a business combination. We cannot assure you as to when, or if, a business combination will occur.

We may not be able to consummate a business combination within the required time frame, in which case, we will be forced to dissolve and liquidate.

We must complete a business combination with one or more operating businesses with a collective fair market value equal to at least 80% of our net assets (excluding deferred underwriting discounts and commissions of $1,800,000, or $2,070,000 if the over-allotment option is exercised in full) at the time of the acquisition within 18 months after the consummation of this offering (or within 24 months after the consummation of this offering if a letter of intent, agreement in principle or a definitive agreement has been executed within 18 months after the consummation of this offering and the business combination relating thereto has not yet been consummated within such 24-month period). If we fail to complete a business combination within the required time frame we will promptly initiate procedures to dissolve and liquidate our assets. We may not be able to find suitable target businesses within the required time frame. In addition, our negotiating position and our ability to conduct adequate due diligence on any potential target may be reduced as we approach the deadline for the consummation of a business combination. We do not have any specific merger, capital stock exchange, asset acquisition, stock purchase or other business combination transaction under consideration and neither we, nor any representative acting on our behalf, has had any contacts or discussions with any target business regarding such a transaction.

Unlike most other blank check offerings, we allow up to approximately 29.99% of our public stockholders to exercise their conversion rights. This higher threshold will make it easier for us to consummate a business combination with which you may not agree, and you may not receive the full amount of your original investment upon exercise of your conversion rights.

When we seek stockholder approval of a business combination, we will offer each public stockholder (other than our existing stockholders) the right to have his, her or its shares of common stock converted to cash if the stockholder votes against the business combination and the business combination is approved and consummated. We will consummate the initial business combination only if the following two conditions are met: (i) a majority of the shares of common stock voted by the public stockholders are voted in favor of the business combination and (ii) public stockholders owning 30% or more of the shares sold in this offering do not vote against the business combination and

exercise their conversion rights. Most other blank check companies have a conversion threshold of 20%, which makes it more difficult for such companies to consummate their initial business combination. Thus, because we permit a larger number of stockholders to exercise their conversion rights, it will be easier for us to consummate an initial business combination with a target business which you may believe is not suitable for us, and you may not receive the full amount of your original investment upon exercise of your conversion rights.

If we are required to dissolve and liquidate before a business combination, our public stockholders will receive less than $8.00 per share upon distribution of the funds held in the trust account and our warrants will expire with no value.

If we are unable to complete a business combination and are required to dissolve and liquidate our assets, the per-share liquidation amount will be less than $8.00 because of the expenses related to this offering, our general and administrative expenses, and the anticipated cost associated with seeking a business combination. Upon our dissolution and liquidation of the trust account, investors in this offering will be entitled to receive approximately $7.81 per share plus interest earned on their pro rata portion of the trust account not previously released to us (net of taxes payable thereon) and may lose money on their initial investment. Furthermore, the warrants will expire with no value if we dissolve and liquidate before the completion of a business combination.

If we are unable to maintain a current prospectus relating to the common stock underlying our warrants, our warrants may have little or no value and the market for our warrants may be limited.

No warrant will be exercisable and we will not be obligated to issue shares of common stock unless at the time a holder seeks to exercise such warrant, a prospectus relating to the common stock issuable upon exercise of the warrant is current and the common stock has been registered or qualified or deemed to be exempt under the securities laws of the state of residence of the holder of the warrants. Under the terms of the warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us, we have agreed to use our reasonable best efforts to maintain a current prospectus relating to the common stock issuable upon exercise of our warrants until the expiration of our warrants. However, we cannot assure you that we will be able to do so. In addition, the warrant agreement provides that we are not required to net-cash settle the warrants if we are unable to maintain a current prospectus. If the prospectus relating to the common stock issuable upon exercise of the warrants is not current or if the common stock is not qualified or exempt from qualification in the jurisdictions in which the holders of the warrants reside, our warrants may not be exercisable before they expire. Thus, our warrants may be deprived of any value and the market for our warrants may be limited and the warrants may expire worthless.

Under Delaware law, the requirements and restrictions relating to this offering contained in our second amended and restated certificate of incorporation may be amended, which could reduce or eliminate the protection afforded to our stockholders by such requirements and restrictions.

Our second amended and restated certificate of incorporation contains certain requirements and restrictions relating to this offering that will apply to us until the consummation of a business combination. Our second amended and restated certificate of incorporation requires that we obtain consent of 95% of our stockholders to amend the following provisions:

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upon consummation of this offering, $58,590,000 (or $67,230,000, if the over-allotment option is exercised in full), of the proceeds from the offering and the private placement shall be placed into the trust account, which proceeds may not be disbursed from the trust account except in connection with a business combination, including the payment of the deferred underwriting discounts and commissions, or thereafter, upon our dissolution and liquidation, or as otherwise permitted in the second amended and restated certificate of incorporation ;

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prior to consummating a business combination, we must submit such business combination to our stockholders for approval;

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we may consummate the business combination if approved by a majority of our stockholders and public stockholders owning less than 30% of the shares sold in this offering exercise their conversion rights;

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if a business combination is approved and consummated, public stockholders who voted against the business combination and who exercise their conversion rights will receive their pro rata share of the trust account, before payment of deferred underwriting discounts and commissions and including any interest earned on their pro rata share, net of taxes payable on such interest, and net of interest income (less taxes payable on such interest) of up to $1,600,000 of the interest income on the trust account balance accrued and reserved or released to us to fund working capital requirements); and

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if a business combination is not consummated or a letter of intent, an agreement in principle, or a definitive agreement is not signed within the time periods specified in this prospectus, then our corporate purposes and powers will immediately thereupon be limited to acts and activities relating to dissolving and winding

up our affairs, including liquidation of our assets, including funds in the trust account, and we will not be able to engage in any other business activities.

You will not be entitled to protections normally afforded to investors of blank check companies.

Since the net proceeds of this offering are intended to be used to complete a business combination with a target business or businesses that have not been identified, we may be deemed to be a blank check company under the United States securities laws. However, since we will have net tangible assets in excess of $5,000,000 upon the successful consummation of this offering and will file a Current Report on Form 8-K with the SEC upon consummation of this offering, including an audited balance sheet demonstrating this fact, we are exempt from rules promulgated by the SEC to protect investors of blank check companies such as Rule 419. Accordingly, investors will not be afforded the benefits or protections of those rules. Because we are not subject to Rule 419, our units will be immediately tradable and we have a longer period of time to complete a business combination in certain circumstances. For a more detailed comparison of our offering to offerings under Rule 419, see the section entitled Comparison to offerings of blank check companies below.

Under Delaware law, our dissolution requires the approval of the holders of a majority of our outstanding stock, without which we will not be able to dissolve and liquidate, and distribute our assets to our public stockholders.

We will promptly initiate procedures for our dissolution and the distribution of our assets, including the funds held in the trust account, to our public stockholders, if we do not effect a business combination within 18 months after consummation of this offering (or within 24 months after the consummation of this offering if a letter of intent, agreement in principle, or definitive agreement has been executed within 18 months after consummation of this offering and the business combination related thereto has not been consummated within such 24-month period). We will seek stockholder approval for our dissolution and plan for the distribution of our assets. Upon the approval by our stockholders of our dissolution and plan for the distribution of our assets, we will liquidate our assets, including the trust account, and after reserving amounts sufficient to cover our liabilities and obligations and the costs of dissolution and liquidation, distribute those assets solely to our public stockholders. However, soliciting the vote of our stockholders will require the preparation of preliminary and definitive proxy statements, which will need to be filed with the SEC and could be subject to their review. This process could take up to several months.

As a result, the distribution of our assets to the public stockholders could be subject to a considerable delay. Furthermore, we may need to postpone the stockholders meeting, resolicit our stockholders, or amend our plan for the distribution of our assets to obtain the required stockholder approval, all of which would further delay the distribution of our assets and result in increased costs. If we are not able to obtain approval from a majority of our stockholders, we will not be able to dissolve and we will not be able to distribute funds from our trust account to holders of our common stock sold in this offering and these funds will not be available for any other corporate purpose. In the event we seek stockholder approval for our dissolution obtain such approval, we will nonetheless continue to pursue stockholder approval for our dissolution. However, we cannot assure you that our stockholders will approve our dissolution in a timely manner or will ever approve our dissolution. As a result, we cannot provide investors with assurances of a specific timeframe for the dissolution and distribution. If our stockholders do not approve a plan of dissolution and distribution and the funds remain in the trust account for an indeterminate amount of time, we may be considered to be an investment company.

If third parties bring claims against us, the proceeds held in the trust account could be reduced and the per-share liquidation price received by stockholders could be less than $7.81 per share.

Our placing of funds in the trust account may not protect those funds from third party claims against us. Pursuant to Delaware General Corporation Law Section 281(b), upon our dissolution we will be required to pay or make reasonable provision to pay all claims and obligations of the corporation, including all contingent, conditional, or unmatured claims. While we intend to pay those amounts from our funds not held in trust, we cannot assure you those

funds will be sufficient to cover such claims and obligations. Although we are obligated to have all vendors, prospective target businesses or other entities waive any right, title, interest, or claim of any kind in or to any monies held in the trust account for the benefit of our public stockholders, there is no guarantee that they will agree to such waivers, or even if they agree to such waivers that they would be prevented from bringing claims against the trust account, including but not limited to, fraudulent inducement, breach of fiduciary responsibility, and other similar claims, as well as claims challenging the enforceability of the waiver, in each case in order to gain an advantage with a claim against our assets, including the funds held in the trust account.

Our existing stockholders have agreed that they will be personally liable, on a joint and several basis, to cover claims made by such third parties, but only if, and to the extent, the claims reduce the amounts in the trust account available for payment to our stockholders in the event of a liquidation and the claims are made by a vendor or service provider for services rendered, or products sold, to us or by a prospective acquisition target. However, our existing stockholders will not have any personal liability as to any claimed amounts owed to a third party who executed a waiver (including a prospective acquisition target) or the underwriters. Based on representations made to us by our existing stockholders, we currently believe that they are of substantial means and capable of funding a shortfall in our trust account to satisfy their foreseeable indemnification obligations, but we have not asked them to reserve for such an eventuality. The indemnification obligations may be substantially higher than our existing stockholders currently foresee or expect and/or their financial resources may deteriorate in the future. Hence, we cannot assure you that our existing stockholders will be able to satisfy those obligations or that the proceeds in the trust account will not be reduced by such claims. Furthermore, creditors may seek to interfere with the distribution of the trust account pursuant to federal or state creditor and bankruptcy laws, which could delay the actual distribution of such funds or reduce the amount ultimately available for distribution to our public stockholders. If we are forced to file a bankruptcy case or an involuntary bankruptcy case is filed against us which is not dismissed, the funds held in our trust account will be subject to applicable bankruptcy law and may be included in our bankruptcy estate and subject to claims of third parties with priority over the claims of our public stockholders. To the extent bankruptcy claims deplete the trust account, we cannot assure you we will be able to return to our public stockholders the distribution amounts due to them. Accordingly, the actual per share amount distributed from the trust account to our public stockholders could be significantly less than approximately $7.81, without taking into account interest earned on the trust account (net of taxes payable on such interest), due to claims of creditors. Any claims by creditors could cause additional delays in the distribution of trust funds to the public stockholders beyond the time periods required to comply with Delaware General Corporation Law procedures and federal securities laws and regulations.

Our stockholders may be held liable for claims by third parties against us to the extent of distributions received by them in dissolution, regardless of when such claims are filed.

We cannot assure you that third parties will not seek to recover from the assets distributed to our public stockholders any amounts owed to them by us. Under the DGCL, our stockholders could be liable for any claims against the corporation to the extent of distributions received by them in dissolution. Further, because our second amended and restated certificate of incorporation provides that we distribute our assets in accordance with Section 281(b) rather than Sections 280 and 281(a), any such liability of our stockholders could extend to claims for which an action, suit or proceeding is begun after the third anniversary of our dissolution. The limitations on stockholder liability under the DGCL for claims against a dissolved corporation are determined by the procedures that a corporation follows for distribution of its assets following dissolution. If we complied with the procedures set forth in Sections 280 and 281(a) of the DGCL (which would include, among other things, a 60-day notice period during which any third-party claims can be brought against us, a 90-day period during which we may reject any claims brought, an additional 150-day waiting period before any liquidating distributions are made to stockholders, as well as review by the Delaware Court of Chancery) our stockholders would have no further liability with respect to claims on which an action, suit or proceeding is begun after the third anniversary of our dissolution. However, in accordance with our intention to liquidate and distribute our assets to our stockholders as soon as reasonably possible after dissolution, our second amended and restated certificate of incorporation provides that we will comply with Section 281(b) of the DGCL instead of Sections 280 and 281(a). Accordingly, our stockholders liability could extend to claims for which an action, suit or proceeding is begun after the third anniversary of our dissolution.

Since we have not currently selected any target business with which to complete a business combination, investors in this offering are unable to currently ascertain the merits or risks of the target business s operations.

Since we have not yet identified a prospective target business, investors in this offering have no current basis to evaluate the possible merits or risks of the target business s operations. To the extent we complete a business combination with a financially unstable company or an entity in its development stage, we may be affected by

numerous risks inherent in the business operations of those entities. Although our management will endeavor to evaluate the risks inherent in a particular target business, we cannot assure you that we will properly or adequately ascertain or assess all of the significant risk factors. We also cannot assure you that an investment in our units will not ultimately prove to be less favorable to investors in this offering than a direct investment, if an opportunity were

available, in a target business. For a more complete discussion of our selection of a target business, see the section below entitled Effecting a business combination We have not identified a target business.

We are uncertain as to the type of healthcare company that we may acquire and, accordingly, investors in this offering are unable to ascertain the merits or risks of the particular segment of the healthcare industry from which we may ultimately select a target business for a business combination.

We intend to consummate a business combination with a company in the healthcare industry. We are currently uncertain as to what type of healthcare business we intend to acquire. The healthcare industry is very broad and an investor s view of what constitutes a healthcare company may vary from our management s view of a healthcare company. We will have virtually unrestricted flexibility in identifying and selecting a prospective acquisition candidate within the healthcare industry. Accordingly, there is no basis for investors in this offering to evaluate the possible merits or risks of the particular segment of the healthcare industry from which we may ultimately select a target business for a business combination.

We may acquire a target business located outside of the United States which may subject us to additional risks that could have an adverse effect on our business operations and financial results subsequent to the business combination.

Acquiring and operating a foreign target company may involve additional risks, including changes in trade protection and investment laws, policies and measures, and other regulatory requirements affecting foreign trade and investment; social, political, labor, or economic conditions in a specific country or region; and difficulties in staffing and managing foreign operations. In addition, significant fluctuations in exchange rates between the U.S. dollar and foreign currencies may adversely affect the price of acquiring a foreign target business and, subsequent to acquisition, our future net revenues. These types of risks may impede our ability to successfully complete a business combination with a target business located outside of the United States and may impair our financial results and operations if we consummate such a business combination.

Because there are numerous companies with a business plan similar to ours seeking to effectuate a business combination, it may be more difficult for us to do so.

Based on publicly available information, since August 2003, approximately 92 similarly structured blank check companies have completed initial public offerings and numerous others have filed registration statements. Of these companies, only 22 companies have consummated a business combination, of which only one was in the healthcare industry, while 22 other companies have announced that they have entered into definitive agreements or letters of intent with respect to potential business combinations, but have not yet consummated such business combinations. Accordingly, there are approximately 44 blank check companies and potentially approximately an additional 45 blank check companies that have filed registration statements and are or will be seeking to enter into a business combination. We believe that there are approximately eleven blank check companies that have identified the healthcare industry as the industry in which they are seeking to complete a business combination, of which three have completed initial public offerings and are seeking to complete a business combination, four have announced business combinations that are currently pending and four have filed registration statements for their initial public offerings. As a result, we may be subject to competition from these and other companies seeking to complete a business combination within the healthcare industry which, in turn, will result in an increased demand for privately-held companies in such industry. Because of this competition, we cannot assure you that we will be able to effectuate a business combination within the required time period. Further, because only 44 of such companies have either consummated a business combination or entered into a definitive agreement for a business combination, it may indicate that there are fewer attractive target businesses available to such entities or that many privately-held target businesses are not inclined to enter into these types of transactions with publicly-held blank check companies like ours. We cannot assure you that we will be able to successfully compete for an attractive business combination. Additionally, because of this competition, we cannot assure you that we will be able to effectuate a business

combination within the prescribed time period. If we are unable to consummate a business combination within the prescribed time period, we will be forced to liquidate.

We may issue shares of our capital stock or debt securities to complete a business combination, which would reduce the equity interest of our stockholders and likely cause a change in control of our ownership.

Our second amended and restated certificate of incorporation authorizes the issuance of up to 60,000,000 shares of common stock, par value $.0001 per share, and 1,000,000 shares of preferred stock, par value $.0001 per share. Immediately after this offering (assuming no exercise of the underwriters over-allotment option), there will be 40,525,000 authorized but unissued shares of our common stock available for issuance (after appropriate reservation for the issuance of shares upon full exercise of our outstanding warrants and the purchase option granted to the underwriters) and all of the 1,000,000 shares of preferred stock available for issuance. Although we have no commitments as of the date of this offering to issue our securities, we may issue a substantial number of additional shares of our common stock or preferred stock, or a combination of common and preferred stock, to complete a business combination. Any additional equity investors in an offering consummated prior to, or in connection with, a business combination would not be able to participate in any distribution upon our liquidation of the trust account and, accordingly, would not reduce the $7.81 amount expected to be paid to public stockholders upon liquidation of the trust account. The issuance of additional shares of our common stock or any number of shares of our preferred stock:

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