

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

MEDIX RESOURCES INC
Form S-2/A
May 28, 2002

As filed with the Securities and Exchange Commission on May 24, 2002 Registration No. 333-7

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

PRE-EFFECTIVE AMENDMENT NO.3
TO
FORM S-2
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

MEDIX RESOURCES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Colorado
(State or Other Jurisdiction of
Incorporation or Organization)

84-1123311
(I.R.S. Employer
Identification Number)

The Graybar Building
420 Lexington Ave., Suite 1830
New York, New York 10170
(212) 697-2509
(Address, Including Zip Code, and Telephone Number, Including
Area Code, of Registrant's Principal Executive Offices)

Lyle B. Stewart, Esq.
Lyle B. Stewart, P.C.
3751 S. Quebec Street
Denver, CO 80237
(303) 267-0920
(Name, Address, Including Zip Code, and Telephone Number,
Including Area Code, of Agent for Service)

Approximate date of commencement of proposed sale to the public: F
time after this Registration Statement becomes effective.

If any of the securities being registered on this form are to be offered on a
continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities o
in connection with dividend or interest reinvestment plans, check the following box: |X|

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Offering Price Per Share	Proposed Aggregate Offering Price	Amou Regis
Common stock, par value	447,500 (1)	\$0.75 (1)	\$335,625 (1)	\$
\$.001 per share	48,750 (2)	\$0.47 (2)	\$22,913 (2)	\$

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

-
- (1) This amount was registered and the fee was paid on November 16, 2001, when the Registration Statement was filed.
 - (2) This amount was registered and the fee was paid on April 3, 2002, when Amendment No. 2 was f

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary until its effective date until the Registrant shall file a further amendment which specifically states that the 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 Registrant, acting pursuant to said Section 8(a), may determine.

SUBJECT TO COMPLETION

DATED May 24, 2002

PROSPECTUS

MEDIX RESOURCES, INC.

496,250 Shares of Common Stock

The shareholders of Medix Resources, Inc. named herein will have the right to offer and sell an aggregate of 496,250 shares of our common stock under this Prospectus.

Medix will not receive directly any of the proceeds from the sale of these shares by the shareholders. However, Medix will receive the proceeds of the exercise of the options and will purchase the shares to be sold hereunder. Medix will pay the expenses of registration of these shares.

The common stock is traded on the American Stock Exchange under the symbol "MXR". On May 24, 2002, the closing price of the common stock was reported as \$0.53.

Medix has available to it an equity line of credit that permits it to draw funds for its operations from time to time, and issue shares of its common stock to the providers of such facility in connection with such draws. The shares issued are registered so that they can be sold to the public upon completion of the registration process. Currently, 4,796,763 shares are registered for sale by the equity line of credit providers in connection with future draws. See "Equity Line Financing."

The securities offered hereby involve a high degree of risk. See "RISK FACTORS" beginning on page 10 for certain risks that should be considered by prospective purchasers of the securities offered hereby.

Neither the Securities and Exchange Commission nor any state securities commission has disapproved of the securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus is May 24, 2002

No dealer, salesman or other person has been authorized to give any information or representation not contained in or incorporated by reference in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by us, the Registrant, or any other person. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities.

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

of an offer to buy any of the securities offered hereby in any jurisdiction to any person to unlawful to make such an offer in such jurisdiction. Neither the delivery of this Prospectus made hereunder shall, under any circumstances, create any implication that the information correct as of any time subsequent to the date hereof or that there has been no change in our af such date.

TABLE OF CONTENTS

SUMMARY

RISK FACTORS

FORWARD-LOOKING STATEMENTS

THE COMPANY

EQUITY LINE FINANCING

USE OF PROCEEDS

SELLING SHAREHOLDERS

DESCRIPTION OF SECURITIES

PLAN OF DISTRIBUTION

INDEMNIFICATION OF OFFICERS AND DIRECTORS

AVAILABLE INFORMATION

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

LEGAL MATTERS

EXPERTS

SUMMARY

This Prospectus covers the offering and sale of up to 496,250 shares of our common stock to by certain selling shareholders listed under the heading "Selling Shareholders" further b Prospectus. As of May 15, 2002, we had [62,923,624] shares of our common stock outsta approximately [27,842,337] shares were issuable upon the exercise of outstanding options, warran rights, and the conversion of outstanding preferred stock.

We are developing software products for Internet-based communications and information ma medical service providers. We have no revenue from operations and are funding the developm software products through the sales of our securities. We have granted a security interest in intellectual property assets to secure a financing. See "The Company-Recent Developments" Factors."

Because of our continuing losses, and the lack of a certain source of capital to fund our of software products, our independent accountants included a "going concern" exception in report on our audited financial statements for the year 2001. The "going concern" exception sig

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

significant questions exist about our ability to continue in business. See "Risk Factors."

Currently, we are funding our development and deployment activities through an equity line financing, which is not an assured source of funds. The equity line of credit is provided by Capital Partners, L.P. and Dutchess Private Equities Fund, L.P. (the "providers"), which joined the facility under a single agreement. The agreement provides that we may draw down up to \$10,000,000 over its two-year term, ending June 12, 2003, subject to the conditions for the draws being satisfied, but we cannot be assured. We issue shares of our common stock to the providers of such facility in connection with such draws. The shares issued are registered so that they can be sold to the public immediately upon issuance. We have made 17 draws on the equity line of credit since August of 2001. As of May 31, 2002, we had received \$2,681,099 in advances, from which offering expenses of \$198,511 were paid, and we issued to the providers 4,703,237 shares of our common stock relating to the advances. An additional 1,000,000 shares have been issued to affiliates of the providers as fees for arranging the equity line financing. Currently, 4,796,763 shares are registered for sale by the providers in connection with future draws. Shares issued pursuant to the equity line advances to date have been priced from \$0.41 to \$0.77.

See "Risk Factors" and "Equity Line Financing."

Our principal executive office is located at 420 Lexington Avenue, Suite 1830, New York, NY 10017, its telephone number is (212) 697-2509. Our principal administrative office is at 7100 East Hampden Ave., Greenwood Village, CO 80111, and its telephone number is (303) 741-2045.

RISK FACTORS

An investment in our common stock:

- o has a high degree of risk;
- o is highly speculative;
- o should only be considered by those persons or entities who can afford to lose their entire investment.

In addition to the other information contained in this Prospectus, the following risk factors should be carefully considered in evaluating our business and an investment in our shares. The order in which the following risk factors are presented does not indicate the relative magnitude of the risks described.

Our continuing losses endanger our viability and have caused our accountants to issue a "going concern" exception in their annual audit report.

We reported net losses of (\$10,636,000), (\$5,415,000) and (\$4,847,000) for the years ended December 31, 2001, 2000 and 1999, respectively, and a net loss of (\$1,677,000) for the quarter ending March 31, 2002. At March 31, 2002, we had an accumulated deficit of (\$35,737,000) and a negative working capital of (\$1,396,000). Our Cymedix(R) products are still in the testing and deployment stage and have not generated any significant revenue to date. We are funding our operations through the sale of our securities. Independent accountants have included a "going concern" exception in their audit reports on our 2000 and 2001 financial statements. See our Form 10-K, as amended, for the fiscal year ended December 31, 2001.

Our need for additional financing is acute and failure to obtain it could lead to the financial failure of our company.

We expect to continue to experience losses, in the near term, until such time as our Cymedix(R) products can be successfully deployed with customers and produce revenue. The continuing development, marketing and deployment of the Cymedix software products will depend upon our ability to obtain additional financing. Our Cymedix(R) products are still in the testing and deployment stage and have not generated significant revenue to date. We are funding our operations through the sale of our securities. There can be no assurance that additional investments or financings will be available to us as needed to fund the development and deployment of Cymedix products. Failure to obtain such capital on a timely basis could result in lost business opportunities, the sale of the Cymedix business at a distressed price,

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

financial failure of our company. See "The Company-Recent Developments."

We have granted a security interest in all of our intellectual property assets to secure a which means if we default in our obligations to the lender, we may lose these assets in the process.

The use of secured borrowings increases the risk of loss of the assets used to borrowing. If an event of default occurs under the security agreement, the lender will foreclose on the assets used to secure the borrowing and sell those assets to the highest addition, it is generally believed that foreclosure sales, which are "distress sales", will net the proceeds that are paid for the assets being sold. The loan we entered into is secured by a security interest in all Medix's intellectual property, including its patent, copyrights and While Medix can cure a payment default by the forced conversion of the loan into its common bankruptcy or similar event of default will trigger the foreclosure provision of the security See "The Company-Recent Developments."

We are a development stage company, which means our products and services have not yet proved themselves commercially viable and therefore our future is uncertain.

- o We develop software for Internet-based communications and information management service providers, through our wholly-owned subsidiary, Cymedix Lynx Corporation. Our products are still in the testing and deployment stage and have not generated any revenue to date. We are funding our operations through the sale of our securities. To continue to sell our securities can not be assured.
- o We are still in the process of gaining experience in marketing software products, software support services, evaluating demand for products, financing a software business, and dealing with government regulation of software products. While we are putting together a team of experienced executives, they have come from different backgrounds and may require time to develop an efficient operating structure and corporate culture for our company. Our current structure of multiple offices serves our customers well, but it does present an operational challenge in building our corporate culture and operating structure.

We rely on healthcare professionals for the quality of the information that is transmitted through our interconnectivity systems, and we may not be paid for our services by third-party payors if the information does not meet certain standards.

The success of our products and services in generating revenue may be subject to the completeness of the data that is generated and stored by the physician or other healthcare professional who enters information into our interconnectivity systems, including the failure to input appropriate or complete information. Failure or unwillingness by the healthcare professional to accommodate the information quality may result in the payor refusing to pay Medix for its services.

Our market is rapidly changing and the introduction of software services and products into our market has been slow, which may cause us to be unable to develop a profitable market for our services and products.

- o As a developer of software products, we will be required to anticipate and adapt to changing industry standards and new technological developments. The market for our software is characterized by continued and rapid technological advances in both hardware and software development, requiring ongoing expenditures for research and development, the introduction of new products and enhancements to existing products. The establishment of industry standards is largely a function of user acceptance. Therefore, such standards are subject to change. Our future success, if any, will depend in part upon our ability to enhance our products, to respond effectively to technology changes, and to introduce new products and technologies that are functional and meet the evolving needs of our clients in the information systems market.
- o The introduction of software products in our market has been slow due to the large number of practitioners who are resistant to change and the costs associated with change, particularly during a period of rising pressure to reduce costs in the market. We are currently allocating significant resources toward the development of products. There can be no assurance

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

will successfully complete the development of these products in a timely fashion. current or future products will satisfy the needs of the healthcare information system. Further, there can be no assurance that products or technologies developed by others will not adversely affect our competitive position or render our products or technologies non-competitive or obsolete.

As a provider of medical software products and services, we may become liable for product liability claims beyond the levels of our insurance that could have a materially adverse impact on our financial condition.

Certain of our products provide applications that relate to patient medical histories and medical plans. Any failure by our products to provide accurate, secure and timely information could result in product liability claims against us by our clients or their affiliates or patients. We maintain insurance that we believe currently is adequate to protect against claims associated with the use of our products, but there can be no assurance that our insurance coverage would adequately cover any claim asserted against us. The limits of that coverage is \$2,000,000 in the aggregate and \$1,000,000 per occurrence. A successful claim brought against us in excess of our insurance coverage could have a material adverse effect on our results of operations, financial condition or business. Even unsuccessful claims could result in the expenditure of funds in litigation, as well as diversion of management time and resources.

Our industry, the healthcare industry, continually experiences rapid change and uncertainty which may result in issues for our business planning or operations that could severely impact on our ability to become profitable.

The healthcare and medical services industry in the United States is in a period of rapid change and uncertainty. Governmental programs have been proposed, and some adopted, from time to time that affect various aspects of the U.S. healthcare delivery system. Some of these programs contain provisions that may increase government involvement in healthcare, lower reimbursement rates and otherwise change the regulatory environment for our customers. Particularly, the Health Insurance Portability and Accountability Act of 1996, and the regulations that are being promulgated thereunder, are causing the healthcare industry to change its procedures and incur substantial cost in doing so. Although we expect these regulations to have the beneficial effect of spurring adoption of our software products we cannot predict with any certainty what impact, if any, these and future healthcare reforms might have on our business.

We rely on intellectual property rights, such as patents, copyrights, trademarks and trade secrets and proprietary technology in our business operations and to create value in our company, however, the protection of intellectual property frequently requires litigation and close legal monitoring and may adversely affect our ability to become profitable.

- o Our wholly-owned subsidiary, Cymedix Lynx Corporation, has been granted certain patents, trademarks and copyrights relating to its software business. These patents and copyrights have been assigned by our subsidiary to the parent company, Medix. The patent and trademark intellectual property legal issues for software programs, such as the Cymedix(R) product, are complex and currently evolving. Since patent applications are secret until patents are granted in the United States, or published, in other countries, we cannot be sure that we will be able to file any patent application. In addition, there can be no assurance that competitors, some of which have far greater resources than we do, will not apply for and obtain patents that may interfere with our ability to develop or market product ideas that we have developed. Further, the laws of certain foreign countries do not provide the protection to intellectual property that is provided in the United States, and may limit our ability to market our products overseas. While we have no prospects for marketing or operations in foreign countries at this time, future opportunities for growth in foreign markets, for that reason, may be limited. We cannot give any assurance that the scope of the rights that we have been granted are sufficient enough to fully protect our Cymedix software from infringement.
- o Litigation or regulatory proceedings may be necessary to protect our intellectual property, such as the scope of our patent. In fact, the computer software industry is currently characterized by substantial litigation. Such litigation and regulatory proceedings are expensive and could be a significant drain on our resources and divert resources from product development. There is no assurance that we will have the financial resources to defend our patent rights or other intellectual property from infringement or claims of invalidity.

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

been notified by a party that it believes our pharmacy product may infringe on patents it holds. We have retained patent counsel who has made a preliminary investigation and concluded that our product does not infringe on the identified patents. At this time no legal action has been instituted.

- o We also rely upon unprotected proprietary technology and no assurance can be given that we can not independently develop substantially equivalent proprietary information and techniques or otherwise gain access to or disclose our proprietary technology or that we can maintain or protect our rights in such unpatented proprietary technology. We will use our best efforts to protect such information and techniques, however, no assurance can be given that such efforts will be successful. The failure to protect our intellectual property could cause a loss of substantial revenues and to fail to reach its financial potential over the long term.

Because our business is highly competitive and there are many competitors who are financially stronger than we are, we are at risk of being outperformed in staffing, marketing, product development and other services, which could severely limit our ability to become profitable.

- o eHealth Services. Competition can be expected to emerge from established healthcare providers, independent vendors and established or new Internet related vendors. The most likely competitors are companies with a focus on clinical information systems and enterprises with an Internet or electronic network focus. Many of these competitors will have access to substantially greater amounts of capital resources than we have access to, for the financing of manufacturing and marketing efforts. Frequently, these competitors will have affiliations with major medical product or software development companies, who may assist in the financing of such competitor's product development. We will seek to raise capital to develop our products in a timely manner, however, so long as our operations remain underfunded, we are, we will be at a competitive disadvantage.

- o Software Development Personnel. The success of the development of our Cymedix software is dependent to a significant degree on our key management and technical personnel. Our success that our success will also depend upon our ability to attract, motivate and retain highly skilled, managerial, sales and marketing, and technical personnel, including software programmers and systems architects skilled in the computer languages in which our products operate. Competition for such personnel in the software and information technology industries is intense. The loss of key personnel, or the inability to hire or retain such personnel, could have a material adverse effect on our results of operations, financial condition or business.

We have relied on the private placement exemption to raise substantial amounts of capital, and we could suffer substantial losses if that exemption was determined not to have been properly relied upon.

We have raised substantial amounts of capital in private placements from time to time. The securities offered in such private placements were not registered with the SEC or any state agency in reliance on exemptions from such registration requirements. Such exemptions are highly technical in nature and we have inadvertently failed to comply with the requirements of any of such exemptive provisions, and investors may have the right to rescind their purchase of our securities or sue for damages. If one or more investors were to successfully seek such rescission or institute such suit, Medix could face severe financial consequences that could material and adversely affect our financial position.

The impact of shares of our common stock that may become available for sale in the future may be negative if the market price of our stock being depressed.

As of May 15, 2002, we had [62,923,624] shares of common stock outstanding. As of May 15, 2002, approximately [27,842,337] shares were issuable upon the exercise of outstanding options, warrants, convertible rights, and the conversion of preferred stock. Most of these shares will be immediately available for sale.

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

exercise or conversion under registration statements we have filed with the SEC. The exercise options, warrants or other rights to acquire common stock presently outstanding range from \$0.1 to \$4.97 per share. During the respective terms of the outstanding options, warrants, preferred or other outstanding derivative securities, the holders are given the opportunity to profit from a market price of the common stock, and the exercise of any options, warrants or other rights may book value per share of the common stock and put downward pressure on the price of the common stock. The existence of the options, conversion rights, or any outstanding warrants may adversely affect the price of our common stock which we may obtain additional equity financing. Moreover, the holders of such securities are given the opportunity to exercise their rights to acquire common stock at a time when we would otherwise be able to obtain financing on terms more favorable than could be obtained through the exercise or conversion of such securities. We also note the impact of our equity line of credit financing discussed in the following paragraphs.

Because of dilution to our common stock outstanding from our equity line of credit financing, the market price of our stock may be depressed.

- o In connection with our equity line of credit financing, we have registered 9,500,000 shares with the SEC for sale by the providers of the financing, of which 4,796,763 shares remain available for issuance as of May 15, 2002. See "Equity Line Financing."
- o The shares are issued to the equity line providers at a floating price based on a discount to the current market price of the common stock. As a result, the lower the stock price around the time the equity line is drawn on, the more common shares the holder gets.
- o To the extent that the equity line providers sell our common stock, the market price of our common stock may decrease due to the additional shares in the market. This could allow the providers to receive a greater amount of the stock in future draws on our equity line of credit financing, which could further depress the stock price.
- o The significant downward pressure on the price of our common stock as the equity line providers receive common stock in connection with draws on our equity line of credit financing and the sale of material amounts of the stock, could encourage short sales, which could place further downward pressure on the price of our common stock.
- o The issuance of the common stock in connection with our equity line of credit financing may result in substantial dilution to the common stock holdings of other holders of our common stock.
- o Any agreement to sell, or convert debt or equity securities into, common stock at a future date at a price based on the then current market price will provide an incentive to the providers or third parties to sell the common stock short to decrease the price and increase the value of the shares they may receive in a future purchase, whether directly from us or in the market. The terms of our equity line of credit and our outstanding \$1,000,000 convertible promissory note provide for conversion at a discount to the market price at the time of a future draw or conversion. See "Recent Developments."

o Because of market volatility in our stock price, investors may find that they have a loss in value and emergency sales become necessary.

Historically, our common stock has experienced significant price fluctuations. This has been due to one or more of the following factors:

- o unfavorable announcements or press releases relating to the technology sector;
- o regulatory, legislative or other developments affecting our company or the health care industry generally;
- o conversion of our preferred stock and convertible debt into common stock at conversion prices below current market prices or below of our common stock and exercise of options and warrants below current market prices;
- o sales by those financing our company through an equity line of credit or convertible promissory notes which have been registered with the SEC and may be sold into the public market upon receipt; and
- o market conditions specific to technology and internet companies, the health care industry, or general market conditions.

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

In addition, in recent years the stock market has experienced significant price fluctuations. These fluctuations, which are often unrelated to the operating performance companies, have had a substantial effect on the market price for many health care related companies. Factors such as those cited above, as well as other factors that may be unrelated to operating performance may adversely affect the price of our common stock.

The application of the "penny stock" rules to our common stock may depress the market for our stock.

Trading of our common stock may be subject to the penny stock rules under the Securities Act of 1934, as amended, unless an exemption from such rules is available. Broker-dealers making a market for our common stock will be required to provide disclosure to their customers regarding the risks associated with our common stock, the suitability for the customer of an investment in our common stock, the relationship between the broker-dealer to the customer and information regarding bid and ask prices for our common stock, the amount and description of any compensation the broker-dealer would receive in connection with the transaction in our common stock. The application of these rules may result in fewer market makers for our common stock and further restrict the liquidity of our common stock.

We do not anticipate paying any cash dividends on our common stock in the foreseeable future.

We have not had earnings, but if earnings were available, it is our general policy to use earnings for use in our operation. Therefore, we do not anticipate paying any cash dividends on our common stock in the foreseeable future. Any payment of cash dividends on our common stock in the future will be dependent upon our financial condition, results of operations, current and anticipated cash requirements, plans for expansion, as well as other factors that the Board of Directors deems relevant. We intend that our future financing agreements will prohibit the payment of common stock dividends without the written consent of those providers.

FORWARD-LOOKING STATEMENTS

This Prospectus and the documents incorporated by reference into this Prospectus contain forward-looking statements, which mean that they relate to events or transactions that have not yet occurred, our expectations or estimates for Medix's future operations, our growth strategies, our plans or other facts that have not yet occurred. Such statements can be identified by the use of forward-looking terminology such as "might," "may," "will," "could," "expect," "anticipate," "likely," "believe," or "continue" or the negative thereof or other variations thereon or similar terminology. The following risk factors contain discussions of important factors that should be considered by prospective investors for their potential impact on forward-looking statements included in this Prospectus and in the documents incorporated by reference into this Prospectus. These important factors, among others, may cause actual results to differ materially and adversely from the results expected or implied by the forward-looking statements.

THE COMPANY

General

Medix Resources, Inc., a Colorado corporation, sold its supplemental staffing business, which operated under the tradenames "National Care Resources" and "TherAmerica" on February 19, 2000, and now develops software for Internet-based communications and information management for medical service providers, through its wholly-owned subsidiary, Cymedix Lynx Corporation.

We acquired the Cymedix business in January of 1998. Cymedix has developed an Internet-based communications and information management product, which we began marketing to medical professionals in select markets nationwide. Growth of the medical information management marketplace is being driven by the need to share significant amounts of clinical and patient information between physicians, their service providers, hospitals, insurance companies and managed care organizations. This market is one of the fastest-growing sectors in healthcare today, commanding a projected two-thirds of health care

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

investments. The Cymedix(R) software contains patented elements that can be used to develop secure communications products that make use of the Internet. Using the Cymedix software, medical practitioners can order, prescribe and access medical information from participating insurance companies and medical organizations, as well as from any participating outpatient service provider, such as a radiology center, pharmacy or hospital. We will provide the software at minimal charges to physicians' clinics, and will collect user fees whenever these products are used to provide services on the Internet. The products' relational database technology will provide physicians with a permanent, ongoing record of each patient's name, address, insurance or managed care affiliation, referral status, medical history, personalized notes and an audit trail of past encounters. Physicians will be able to electronically request medical procedures, receive and store test results, check patient eligibility, make medical request authorizations, and report financial and encounter information in a cost-effective, timely manner.

Our principal executive office is located at The Graybar Building, 420 Lexington Ave., Suite 1200, New York, NY 10170, and its telephone number is (212) 697-2509. Our principal administrative office is located at 7100 East Belleview Ave., Greenwood Village, CO 80111, and its telephone number is (303) 741-2040. We also have offices in California and Georgia.

Recent Developments

The introduction of our next generation of proprietary, point-of-care products, Cymedix, is proceeding with our six active sponsors. Our improved suite of software products is based upon a modular and device-neutral architecture that leverages proven workstation, handheld and wireless technologies. The software is being installed and tested for Pharmacy, Laboratory and PlanConnect services. We continue to be in the development and testing phase with each of our active contracts, and therefore receive no revenue until the revenue will begin when we reach certain milestones under each contract and we enter the production phase of each contract. The marketing and development of our Cymedix suite of software products is our sole focus at this time, and a substantial portion of our net operating loss is due to such efforts. We are financing our operating expenses as well as our administrative expenses through the sale of our securities. We have no debt financing available to us.

During 2001, our Automated Design Concepts Division (ADC) ceased operations in connection with our cost reduction program, which had been brought on by our inability to raise additional capital. It was determined that the business of the subsidiary was not part of our core operations and therefore did not justify our continued financial support. In connection with the termination of our subsidiaries operations we took a write-off of goodwill in the amount of \$4,000,000. We also determined that our license of proprietary software from Zirmed.com had no value to us and was less than a nominal market value. As a result, we wrote-off the unamortized value of the related intangible asset, which was \$668,000. We had acquired ADC in early 2000 from an officer and director of our company for cash and stock valued at \$474,000. He resigned his positions with us on March 2, 2001.

During 2001, net cash used in operating activities was approximately \$5,397,000. During 2001, we raised approximately \$5,205,000 from the exercise of options and warrants, and the issuance of common stock, net of offering expenses, and debt. Since December 31, 2001 to May 10, 2002, we used approximately \$2,086,000 in our operating activities, and raised approximately \$3,473,000 from the exercise of options and warrants, and the issuance of common stock and warrants, net of offering expenses, and debt. We have been delinquent, from time to time, in the payment of our current obligations, including payments of withholding and other tax obligations. We continue in discussions and negotiations with institutional sources regarding debt and equity financings to fund our operations and to permit us to remove the "going concern" qualification in our auditor's report in connection with the preparation of our annual financial statements. There can be no assurance that additional investment financings will be available to us as needed. Failure to obtain such capital on a timely basis could result in lost business opportunities, the sale of the Cymedix business at a distressed price, or a financial failure.

We executed an Amended and Restated Common Stock Purchase Warrant with Wellpoint Pharmacy dated February 18, 2002, to restructure our obligations to issue warrants to Wellpoint. Pursuant to the Warrant, we are obligated to issue up to 7,000,000 shares of our common stock at exercise price of \$1.00 per share.

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

per share for 3,000,000, \$0.50 per share for 3,000,000 shares and \$1.75 per share for 1,000,000 various performance related vesting requirements are satisfied by Wellpoint. Currently, We satisfied certain of these requirements giving Wellpoint the right to purchase 1,850,000 shares of common stock at \$0.30 per share have been earned by Wellpoint. Wellpoint's rights to purchase under the Warrant expire on September 8, 2004. The Warrant grants to Wellpoint certain registration rights to require us to register with the SEC the shares issued to Wellpoint for resale to the public. Under the Warrant, Wellpoint has agreed to restrict sales to the public of these shares during the first 18 months they have been issued to 200,000 shares per month and 100,000 shares in any five trading days. The Warrant contains anti-dilution provisions providing that the number of shares that may be purchased under the Warrant may be adjusted in certain circumstances.

We entered into a secured convertible loan agreement with WellPoint, dated February 19, 2003, pursuant to which we borrowed \$1,000,000 from WellPoint Health Networks Inc. The loan becomes due on February 19, 2003, if not converted into our common stock. The loan earns annual interest at a rate of 300 basis points over prime, as it is adjusted from time to time, which is also payable in cash and may be converted into common stock. Conversion into common stock is at the option of either WellPoint or Medix at a contingent conversion price. The conversion price will be either (i) at the price of the additional shares are sold to other private placement investors if Medix obtains written commitments for at least an additional \$4,000,000 of equity by the close of business on September 30, 2002, from WellPoint or its affiliates of WellPoint, and if such sales are closed by the maturity date of the loan, or (ii) a price equal to 80% of the then-current Fair Market Value (as defined below) if Medix is unable to obtain a written commitment for the additional equity investment by the close of business on September 30, 2002, or if we do not close the sales by the maturity date. For this purpose, "Fair Market Value" shall be the average closing price of Medix common stock for the twenty trading days ending on the day prior to the conversion. The loan is secured by the grant of a security interest in all Medix's intellectual property, including its patent, copyrights and trademarks. While Medix can cure a default in the repayment of the loan at the fixed maturity date by the forced conversion of the loan into its common stock, a default, breach of representation or warranty, and bankruptcy or similar event of default will trigger the foreclosure provision of the security agreement.

On May 15, 2002, we completed a private placement of our securities for \$1,381,000. In connection therewith, we are issuing 3,452,500 shares of common stock and warrants to purchase an equal number of shares of common stock at the exercise price of \$0.50 per share.

EQUITY LINE FINANCING

Equity Line Financing Agreement

We have entered into an Equity Line of Credit Agreement with Cornell Capital Partners, L.P. ("Cornell"), and Dutchess Private Equities Fund, L.P. ("Dutchess"), dated as of June 12, 2001. Pursuant to the agreement, the two providers have committed to advance to us funds in an amount of up to \$10,000,000 requested by us, over a 24-month period in return for common stock issued by us to the providers. On May 15, 2002, we had received \$2,681,099 in advances, from which offering expenses of \$198,511 were deducted. Under the financing, we had issued to the providers 4,703,237 shares of our common stock related to the advances and an additional 542,847 shares to their affiliates as fees for arranging the equity line facility. The shares issued pursuant to the equity line advances to date have been priced at \$0.77 per share.

The amount that may be advanced at any time under the equity line is limited as follows (the conditions may be waived by the providers):

- o There must be thirteen stock market trading days between any two of our requests for advances.
- o We can only request an advance if the volume weighted average price of the common stock reported by Bloomberg L.P. for the day before our request, is equal to or greater than the volume weighted average price as reported by Bloomberg L.P. for the 22 trading days immediately preceding the request.
- o We will not be able to receive an advance amount that is greater than 175% of the average daily volume of our common stock over the 40 trading days prior to our advance.

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

multiplied by the purchase price (calculated as provided in the next sentence).

The purchase price of our common stock issued in each advance will be equal to 91% of the daily volume weighted average prices during the 22 trading days before we make a request for an advance.

Registration Rights

We have agreed to maintain an effective registration statement for the sale of the shares issued to the providers of our equity line financing, as described above. If, at any time, the number of shares available under a registration statement is insufficient to cover all securities issued to the providers, we have agreed to use our best efforts to cause an amendment or new registration statement containing the shares to be declared effective. Our agreement with the providers of our equity line financing includes mutual indemnities against losses, costs and expenses arising out of the violation of by the providers of state and Federal securities laws. Insofar as indemnification for liabilities under the Securities Act of 1933, as amended, may be permitted under such agreement, we have been informed that in the opinion of the U.S. Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. Our agreements as to registration rights are on the same terms as the providers of our equity line financing and we have no obligations to assist or indemnify any of the providers of the shares sold by them or to any underwriter designated by such holders.

Currently, 4,796,763 shares are registered for sale by the providers in connection with the equity line financing. If additional shares are to be issued under the equity line of credit, they would have to be registered with the SEC and listed on the AMEX. Listing of additional shares on the AMEX would require a listing agreement with the shareholders under the AMEX rules the limit the number of shares that can be issued in connection with the transactions.

Compensation

We are selling our shares to the providers of our equity line financing at a 9% discount to the market price as described above. Yorkville Advisors's Management, LLC, an affiliate of Cornell University, and will be paid by us 2.31% of each amount advanced to us under the equity line financing. Dutchess Advisors Limited, an affiliate of Dutchess, has been and will be paid by us 4.69% of each amount advanced to us under the equity line financing. Through May 15, 2002, we have paid an aggregate of \$175,000 in fees. Furthermore, for their assistance in arranging our equity line facility, we have issued to Yorkville Advisors and Dutchess Advisors 179,140 shares and 363,707 shares, respectively, of our common stock. This amount was also registered for sale under the above-described registration statement. In addition, through May 15, 2002, we have paid \$15,000, in the aggregate, to counsels to Cornell and Dutchess, and paid escrow fees and other expenses in connection with this transaction.

Potential Dilution

We have made 17 draws under the equity line since August 15, 2001, received \$2,681,099 in cash and have issued 4,703,237 shares of common stock to the equity line providers. The issue price of the shares has been between \$0.41 and \$0.77 during a period when the market prices on the draw dates has ranged from \$0.38 to \$0.94.

The following table is intended to indicate the future impact of our equity line on the number of shares of our common stock outstanding, assuming the draw down of all the remaining availability under the equity line, all at one time, for hypothetical variations in the price of our common stock. The data in the table are hypothetical and it is highly unlikely that we will draw down all of the amount available under the equity line at one time. As of May 15, 2002, the closing price of our common stock was \$0.53 per share, and the number of shares of our common stock outstanding was 62,923,624 shares.

Under our equity line of credit, the purchase price of our common stock issued to the providers is contractually set at 91% of the average of the three lowest daily volume weighted average prices ("VWAPs") during the 22 trading days before a draw is made. On May 10, 2002, the average of the three lowest VWAPs for the prior 22-trading day period was \$0.385. On that date, we had 62,923,624 shares available to be drawn down under the equity line. In the following table we present the number of shares that could be issued, and the issue price thereof, in six different hypothetical situations, if the price of the three lowest VWAPs for the pricing of the shares to be issued in an equity line draw down was 50% and 75% above and below that average on May 10, 2002.

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

Assumed average of three lowest VWAPs	Price to equity line providers	Number of shares that could be issued if remaining availability was drawn at the price in the prior column	Shares shown in the prior column are percentage of the assumed resulting outstanding shares
\$0.0963	\$0.0875	83,644,583	58.45%
\$0.1925	\$0.1752	41,780,511	41.26%
\$0.2888	\$0.2628	27,853,674	31.90%
\$0.4813	\$0.4379	16,712,204	21.94%
\$0.5775	\$0.5226	14,006,059	19.06%
\$0.6738	\$0.6131	11,937,284	16.72%

USE OF PROCEEDS

The net proceeds from the sale of shares will be received by the selling shareholders. Medix will not receive any of the proceeds from any sale of the shares by the selling shareholders. However, Medix will receive the proceeds from the exercise of warrants and options to purchase the shares of common stock hereunder. If all related warrants and options are exercised, Medix would receive proceeds of \$11,937,284. However, rights to exchange the equity value of some warrants and options in the exercise of other warrants and options could reduce the amount received in cash upon the exercise of the warrants and options in this Prospectus. Any such proceeds will be used as working capital.

SELLING SHAREHOLDERS

The table below sets forth information as of May 15, 2002, with respect to the selling shareholders, including names, holdings of shares of common stock prior to the offering of the shares, the number of shares being offered for each account, and the number and percentage of shares of common stock to be sold by the selling shareholders immediately following the sale of the shares, assuming all of the shares are sold. We have been informed that the voting and investment control of Nais Corporation is exercised by its sole shareholder, Mrs. Pauline Winter, and its board of directors, Mrs. Winter, Dr. Michael Ehrenhaus, Dr. Michael Ehrenhaus and Ms. Fawn Spirgel.

Name	Shares of Common Stock		Shares of Common Stock to be Beneficially Owned After the Offering	
	Beneficially Owned Before the Offering	Shares of Common Stock Being Offered	Number	Percentage
Michael I. Ruxin	243,750	243,750	0	0
Nais Corporation	250,000	90,000	160,000	*
Lyle B. Stewart	200,000	75,000	125,000	*
Fritz & Miller, P.C.	15,035	9,568	5,467	*
Shapiro Forman Allen & Miller LLP	30,800	19,600	11,200	*
Guli R. Rajani	30,555	19,444	11,111	*
Nicole S. Rajani	30,555	19,444	11,111	*
Ajay G. Rajani	30,555	19,444	11,111	*
Total	831,250	496,250		

*less than 1%

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

Relationship Between Medix and the Selling Shareholders

The selling shareholders have or will acquire the shares of common stock indicated above by the exercise of warrants or options issued for services rendered or in settlement of litigation. The persons listed above are affiliates or controlled by affiliates of the Company. We have a contractual obligation to file this registration with certain of the selling shareholders.

All of the other selling shareholders, other than Mr. Stewart, received their shares as a result of the settlement of three litigations with us, Michael I. Ruxin v. Cymedix Lynx Corporation, and Medix

Inc., Guli R. Rajani v. Medix Resources, Inc., and Yecheskel Munk and the Nais Corporation

Resources, Inc. f/k/a International Nursing Services, Inc. They were all discussed in our

10-KSB. In the first two cases the settlement involved issuing warrants to the plaintiffs giving them the right to purchase 243,750 and 137,500 shares, respectively, of our common stock at the exercise price of \$0.50 per share. In the third litigation, the plaintiff Nais Corporation was issued 90,000 shares of common stock in the negotiated settlement of the matter. In each settlement the case against us was dismissed with prejudice. Mr. Rajani has directed a portion of the warrants he received in the settlement to his wife and son and to the counsel who represented him in his litigation against us. 50,000 warrants covered by Mr. Rajani's settlement warrants were registered in an earlier registration statement effective by the SEC.

Mr. Stewart, our outside legal counsel, has received a compensatory grant of options under our Stock Option Plan covering the shares registered in his name. They are exercisable at \$0.92 per share.

DESCRIPTION OF SECURITIES

Our authorized capital consists of 100,000,000 shares of common stock, par value \$.001 per share, 2,500,000 shares of preferred stock. As of May 15, 2002, we had outstanding [62,923,624] shares of common stock, 1 share of 1996 Preferred Stock, 50 shares of 1999 Series B Preferred Stock and 100 shares of Series C Preferred Stock. As of such date, our common stock was held of record by approximately 9,000 persons and beneficially owned by approximately 9,000 persons.

Common Stock

Each share of common stock is entitled to one vote at all meetings of shareholders. Shareholders are not permitted to cumulate votes in the election of directors. Currently, the Board of Directors consists of six directors, who serve for staggered terms of three years, with at least two directors elected at every annual meeting. All shares of common stock are equal to each other with respect to voting rights and dividend rights. There are no preemptive rights to purchase any additional common stock. In the event of liquidation, dissolution or winding up of Medix, holders of the common stock will be entitled to receive on a pro rata basis all assets of Medix remaining after satisfaction of all liabilities and preferences of the outstanding preferred stock. The outstanding shares of common stock and the common stock issuable upon conversion or exercise of derivative securities are or will be, as they shall be, duly and validly issued, fully paid and non-assessable.

Transfer Agent and Registrar

We have retained Computershare Trust Company, Inc., 350 Indiana Street, Suite 800, Golden Valley, Colorado 80401, as Transfer Agent and Registrar, for the our common stock, at telephone number (303) 262-0000.

PLAN OF DISTRIBUTION

The selling shareholders and any of their pledgees, donees, assignees and successors-in-interest may from time to time, sell any or all of their shares of Common Stock on any stock exchange, market or other trading facility on which the shares are traded. These sales may be at fixed or negotiated prices. The selling shareholders may use any one or more of the following methods when selling shares:

- o ordinary brokerage transactions and transactions in which the broker-dealer solicits purchases

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

- o block trades in which the broker-dealer will attempt to sell the shares as agent but may also attempt to buy the shares as agent and resell a portion of the block as principal to facilitate the transaction;
- o purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- o an exchange distribution in accordance with the rules of the applicable exchange;
- o privately negotiated transactions;
- o short sales;
- o broker-dealers may agree with the selling shareholders to sell a specified number of such shares at a stipulated price per share;
- o a combination of any such methods of sale; and
- o any other method permitted pursuant to applicable law.

The selling shareholders may also sell shares under Rule 144 under the Securities Act, if applicable, rather than under this prospectus.

The selling shareholders may also engage in short sales against the box, puts and call transactions in securities of the Company or derivatives of Company securities and may sell shares in connection with these trades. The selling shareholders may pledge their shares to their broker under the margin provisions of customer agreements. If a selling shareholder defaults on a margin agreement, the broker may, from time to time, offer and sell the pledged shares. The selling shareholders have not entered into any agreements, understandings or arrangements with any underwriters or broker-dealers regarding the sale of their shares other than ordinary course arrangements, nor is there an underwriter or coordinating broker acting in connection with the sale of shares by the selling shareholders.

Broker-dealers engaged by the selling shareholders may arrange for other brokers-dealers to act as agents in sales. Broker-dealers may receive commissions or discounts from the selling shareholders. The broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be determined by the selling shareholders. The selling shareholders do not expect these commissions and discounts to exceed what is customary for the types of transactions involved.

Selling shareholders and any broker-dealers or agents that are involved in selling the shares will be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sale. As a result of this event, any commissions received by such broker-dealers or agents and any profit on the resale of shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

The Company is required to pay all fees and expenses incident to the registration of the shares, including fees and disbursements of counsel to certain of the selling shareholders. Other than the registration fees, discounts, commissions or fees incurred in connection with the sale of the common stock offered, all other expenses will be paid by the selling shareholders. The Company has agreed to indemnify certain selling shareholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

Upon the Company being notified by a selling shareholder that any material arrangement has been made into with a broker-dealer for the sale of shares through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker or dealer, a supplement to this prospectus will be filed, if required, pursuant to Rule 424(b) under the Securities Act, disclosing (i) the name of each such selling shareholder and of the participating broker-dealer(s), (ii) the number of shares involved, (iii) the price at which such shares were sold, (iv) the commissions paid or to be paid, (v) the concessions allowed to such broker-dealer(s), where applicable, (v) that such broker-dealer(s) will conduct any investigation to verify the information set out or incorporated by reference in this prospectus, and (vi) other facts material to the transaction.

In order to comply with the securities laws of certain states, if applicable, the shares will be sold in such jurisdictions, if required, only through registered or licensed brokers or dealers. In certain states the shares may not be sold unless the shares have been registered or qualified in that state.

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

in such state or an exemption from registration or qualification is available and complied with.

The Company has advised the selling shareholders that the anti-manipulative provisions of R promulgated under the Exchange Act may apply to their sales of the shares offered hereby.

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Article 109 of the Colorado Business Corporation Act generally provides that Medix may indemnify its directors, officers, employees and agents against liabilities in any action, suit or proceeding, civil, criminal, administrative or investigative and whether formal or informal (a "Proceeding") of being or having been a director, officer, employee, fiduciary or agent of Medix, if such person acted in good faith and reasonably believed that his conduct, in his official capacity, was in the best interests of Medix (or, with respect to employee benefit plans, was in the best interests of the participants in the plan), and in all other cases that his conduct was at least not opposed to Medix's best interests. In the case of a criminal proceeding, the director, officer, employee or agent must have had no reasonable basis to believe that his conduct was unlawful. Under Colorado Law, Medix may not indemnify a director, officer, employee or agent in connection with a proceeding by or in the right of Medix if the director, officer, employee or agent is liable to Medix, or in a proceeding in which the directors, officer, employee or agent is adjudged liable for an improper personal benefit.

Our Articles of Incorporation provide that we shall indemnify its directors, and officers, and agents to the extent and in the manner permitted by the provisions of the laws of the State of Colorado, as amended from time to time, subject to any permissible expansion or limitation of the indemnification, as may be set forth in any shareholders' or directors' resolution or by contract.

Insofar as indemnification for liabilities under the Securities Act of 1933, as amended (the "Securities Act"), may be permitted to directors, officers or persons controlling Medix pursuant to the foregoing provisions, Medix has been informed that in the opinion of the Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

AVAILABLE INFORMATION

We are a reporting company and file our annual, quarterly and current reports, proxy materials and other information with the SEC. Reports, proxy statements and other information concerning Medix filed with the Commission may be inspected at the Public Reference Room maintained by the Commission at its office at 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such material can be obtained from the Public Reference Room of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed hours. The public may obtain information about the Public reference room in Washington, D.C. by calling 1-800-SEC-0330. Our SEC filings are also available at the SEC's Website at "<http://www.sec.gov>".

We have filed a registration statement under the Securities Act, with respect to the securities being offered pursuant to this Prospectus. This Prospectus does not contain all of the information set forth in the registration statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information, reference is made to the registration statement and the prospectus filed as a part thereof, which may be found at the locations and Website referred to above.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to "incorporate by reference" information that we file with them, which means we can disclose important information to you by referring you to the documents filed with them that contain that information. The information incorporated by reference is an important part of this Prospectus, and it is important that you review it before making your investment decision. We incorporate by reference the documents listed below:

- (a) a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2001, and as filed with the SEC on May 24, 2002;
- (b) a copy of our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2002, and as filed with the SEC on May 15, 2002;

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

(c) copies of the our Forms 8-K, filed with the SEC on January 18, March 4, and March 25 12, 2002, and May 24, 2002.

We are delivering with this Prospectus a copies of the Form 10-K and Form 10-Q referred to statement contained in a document incorporated or deemed to be incorporated by reference Prospectus, or made herein, shall be deemed to be modified or superseded for purposes of this Pr the extent that a statement contained herein or in any subsequently filed document, which al deemed to be incorporated by reference herein, modifies or supersedes such statement. Any s modified or superseded shall not be deemed, except as so modified or superceded, to constitut this Prospectus.

All other documents filed by the Company pursuant to Sections 13(a), 13(c), 14 and 1 Securities Exchange Act of 1934, as amended, subsequent to the date of this Prospectus and p termination of the Offering pursuant to this Prospectus shall be deemed to be incorporated by re to be a part of this Prospectus from the date of filing of such documents.

We will provide without charge to each person, including any beneficial owner, to whom a c Prospectus is delivered, upon oral or written request of any such person, a copy of any or documents incorporated herein by reference, other than the exhibits to such documents (unless su are specifically incorporated by reference into the information that this Prospectus inc Requests should be directed to Investor Relations Department, Medix Resources, Inc., 7100 E Avenue, Suite 301, Greenwood Village, Colorado 80111, telephone (303) 741-2045.

LEGAL MATTERS

The validity of the shares offered hereby is being passed upon for us by Lyle B. Stewart, P Stewart, P.C. has been granted options to purchase 25,000 shares of Medix common stock at an exe of \$0.26 per share, and Mr. Stewart, individually, has been granted options to purchase 100,000 shares of Medix common stock at exercise prices of \$3.38 and \$0.92 per share, respectively.

EXPERTS

The consolidated financial statements of Medix as of December 31, 2001, and for each of the in the period ended December 31, 2001 appearing in our 2001 Form 10-K have been audited by Ehr Steiner & Hottman P.C., independent auditors, as stated in their report appearing therein, an incorporated herein by reference in reliance upon the report of such firm given upon their a experts in accounting and auditing.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The following is a list of the estimated expenses to be incurred by the Registrant in connec the issuance and distribution of the Shares being registered hereby.

SEC Registration Fee.....\$242
Blue Sky Filing Fees and Expenses.....0*
Accountants' Fees and Expenses.....1,000*

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

Legal Fees and Expenses.....35,000*
 Miscellaneous..... 0*

 TOTAL.....\$36,242*

* Estimated, subject to change.

The Company will bear all of the above expenses of the registration of the Shares.

Item 15. Indemnification of Directors and Officers.

See "INDEMNIFICATION OF OFFICERS AND DIRECTORS" in the Prospectus.

Item 16. Exhibits.

Exhibit Number -----	Description -----
5.1	Opinion of Lyle B. Stewart, Esq.*
10.1	Participation Agreement, dated as of April 2, 2001, between Foundation Health Plan of Georgia, Inc. (Portions of this Exhibit have been omitted pursuant to a request for confidential treatment filed with the Office of the Secretary of the SEC)*
10.2	Agreement, dated as of October 18, 2001, between Medix and Merck-Medco Managed Care, L.L.C. (Portions of this Exhibit have been omitted pursuant to a request for confidential treatment filed with the Office of the Secretary of the SEC)*
10.3	Vendor Services Agreement, dated as of September 28, 2001, between Medix and Express Scripts, Inc. (Portions of this Exhibit have been omitted pursuant to a request for confidential treatment filed with the Office of the Secretary of the SEC)*
10.4	Binding Letter of Intent for Pilot and Production Programs, dated September 8, 1999, between Medix, Cymedix and Professional Claims Services, Inc. (d/b/a WellPoint Pharmacy Management) (Portions of this Exhibit have been omitted pursuant to a request for confidential treatment filed with the Office of the Secretary of the SEC)*
10.5	Pilot Agreement, dated as of December 28, 1999, between Cymedix and Professional Claims Services, Inc. (d/b/a WellPoint Pharmacy Management) (Portions of this Exhibit have been omitted pursuant to a request for confidential treatment filed with the Office of the Secretary of the SEC)*
10.6	Agreement For Internet Medical Communications Network, dated March 2, 2000, between Cymedix and Loyola University Medical Center. (Portions of this Exhibit have been omitted pursuant to a request for confidential treatment filed with the Office of the Secretary of the SEC)*
10.7	Amended and Restated Common Stock Purchase Warrant, as amended February 1, 2002, issued to Professional Claims Services, Inc (d/b/a WellPoint Pharmacy Management)*
10.8	Securities Purchase Agreement, dated February 19, 2002, between Medix and WellPoint Health Networks Inc.*

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

- 10.9 General Security Agreement, dated February 19, 2002, among Medix, Cymedix and WellPoint Health Networks Inc.*
- 23.1 Consent of Ehrhardt Keefe Steiner & Hottman P.C.
- 23.2 Consent of Lyle B. Stewart, Esq. (included in Exhibit 5.1)*
- 24.1 Power of Attorney*

* Previously Filed

Item 17. Undertakings.

A. The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the "Act");

(ii) To reflect in the prospectus any facts or events arising after the date of the Registration Statement (or the most recent post-effective amendment thereto) which individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that provided for in the prospectus filed with the Commission pursuant to Rule 424(b) of the Act) and any deviation from the low or high end of the estimated maximum offering price range, if the aggregate offering price set forth in the "Calculation of Registration Fee" table in the prospectus, is reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) of the Act, the changes in volume and price represent no more than 20 percent change in the aggregate offering price set forth in the "Calculation of Registration Fee" table in the prospectus filed with the Commission pursuant to Rule 424(b) of the Act. Notwithstanding the foregoing, if the aggregate offering price set forth in the "Calculation of Registration Fee" table in the prospectus filed with the Commission pursuant to Rule 424(b) of the Act is less than the aggregate offering price set forth in the "Calculation of Registration Fee" table in the prospectus filed with the Commission pursuant to Rule 424(b) of the Act, the changes in volume and price represent no more than 20 percent change in the aggregate offering price set forth in the "Calculation of Registration Fee" table in the prospectus filed with the Commission pursuant to Rule 424(b) of the Act. Notwithstanding the foregoing, if the aggregate offering price set forth in the "Calculation of Registration Fee" table in the prospectus filed with the Commission pursuant to Rule 424(b) of the Act is more than the aggregate offering price set forth in the "Calculation of Registration Fee" table in the prospectus filed with the Commission pursuant to Rule 424(b) of the Act, the changes in volume and price represent no more than 20 percent change in the aggregate offering price set forth in the "Calculation of Registration Fee" table in the prospectus filed with the Commission pursuant to Rule 424(b) of the Act. Notwithstanding the foregoing, if the aggregate offering price set forth in the "Calculation of Registration Fee" table in the prospectus filed with the Commission pursuant to Rule 424(b) of the Act is less than the aggregate offering price set forth in the "Calculation of Registration Fee" table in the prospectus filed with the Commission pursuant to Rule 424(b) of the Act, the changes in volume and price represent no more than 20 percent change in the aggregate offering price set forth in the "Calculation of Registration Fee" table in the prospectus filed with the Commission pursuant to Rule 424(b) of the Act. Notwithstanding the foregoing, if the aggregate offering price set forth in the "Calculation of Registration Fee" table in the prospectus filed with the Commission pursuant to Rule 424(b) of the Act is more than the aggregate offering price set forth in the "Calculation of Registration Fee" table in the prospectus filed with the Commission pursuant to Rule 424(b) of the Act, the changes in volume and price represent no more than 20 percent change in the aggregate offering price set forth in the "Calculation of Registration Fee" table in the prospectus filed with the Commission pursuant to Rule 424(b) of the Act.

(iii) To include any material information with respect to the plan of distribution of the securities not previously disclosed in the Registration Statement or any material change to such information since the date of the Registration Statement;

provided, however, that paragraphs (A)(1)(i) and (A)(1)(ii) do not apply if the Registrant

is on Form S-3, Form S-8 or Form F-3, and the information required to be included in the post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Securities and Exchange Commission (the "Commission") by the Registrant pursuant to Section 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or is incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Act, the Registrant shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities registered which remain unsold at the termination of the offering.

B. Insofar as indemnification for liabilities arising under the Act may be permitted to officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the claim has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether indemnification by it is against public policy as expressed in the Act and will be governed by the law of the State of New York.

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-2 and has caused this Amendment to Registration Statement to be signed on its behalf by the undersigned, duly authorized, in New York, New York on May 20, 2002.

MEDIX RESOURCES, INC.

By /s/John R. Prufeta_

John R. Prufeta,
President and CEO

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature -----	Title -----	Date ----
<u> /s/John R. Prufeta*_</u> ----- John R. Prufeta	President, Chief Executive Officer and Director (Principal Executive Officer)	May 24, 2002
<u> /s/Patricia A. Minicucci</u> ----- Patricia A. Minicucci	Executive Vice President, Acting Chief Financial Officer (Acting Principal Financial and Accounting Officer)	May 24, 2002
<u> /s/John T. Lane*_</u> ----- John T. Lane	Director	May 24, 2002
<u> /s/David B. Skinner*_</u> ----- David B. Skinner	Director	May 24, 2002
<u> /s/Samuel H. Havens*_</u> ----- Samuel H. Havens	Director	May 24, 2002
<u> /s/Joan E. Herman*_</u> ----- Joan E. Herman	Director	May 24, 2002
<u> /s/Patrick W. Jeffries*_</u> ----- Patrick W. Jeffries	Director	May 24, 2002
<u> /s/Guy L. Scalzi*_</u> ----- Guy L. Scalzi	Director	May 24, 2002

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

*John R. Prufeta, by signing his name hereto, does sign this document on behalf of himself and ea Herman and Messrs. Lane, Havens, Skinner, Scalzi and Jeffries in the capacities indicated immedi above, pursuant to powers of attorney duly executed by each such person and filed with the Securi Exchange Commission.

/s/John R. Prufeta

John R. Prufeta

EXHIBIT INDEX

Exhibit Number -----	Description -----
5.1	Opinion of Lyle B. Stewart, Esq.*
10.1	Participation Agreement, dated as of April 2, 2001, between Medix, Cymedix Kaiser Foundation Health Plan of Georgia, Inc. (Portions of this Exhibit omitted pursuant to a request for confidential treatment filed with the Office of the Secretary of the SEC)*
10.2	Agreement, dated as of October 18, 2001, between Medix and Merck-Medco Managed Care, L.L.C. (Portions of this Exhibit have been omitted pursuant to a request for confidential treatment filed with the Office of the Secretary of the SEC)*
10.3	Vendor Services Agreement, dated as of September 28, 2001, between Medix and Express Scripts, Inc. (Portions of this Exhibit have been omitted pursuant to a request for confidential treatment filed with the Office of the Secretary of the SEC)*
10.4	Binding Letter of Intent for Pilot and Production Programs, dated September 8, 1999, between Medix, Cymedix and Professional Claims Services, Inc. (d/b/a WellPoint Pharmacy Management) (Portions of this Exhibit have been omitted pursuant to a request for confidential treatment filed with the Office of the Secretary of the SEC)*
10.5	Pilot Agreement, dated as of December 28, 1999, between Cymedix and Professional Claims Services, Inc. (d/b/a WellPoint Pharmacy Management) (Portions of this Exhibit have been omitted pursuant to a request for confidential treatment filed with the Office of the Secretary of the SEC)*
10.6	Agreement For Internet Medical Communications Network, dated March 2, 2000, between Cymedix and Loyola University Medical Center. (Portions of this Exhibit have been omitted pursuant to a request for confidential treatment filed with the Office of the Secretary of the SEC)*
10.7	Amended and Restated Common Stock Purchase Warrant, as amended February 19, 2002, issued to Professional Claims Services, Inc (d/b/a WellPoint Pharmacy Management)*
10.8	Securities Purchase Agreement, dated February 19, 2002, between Medix and WellPoint Health Networks Inc.*
10.9	General Security Agreement, dated February 19, 2002, among Medix, Cymedix and WellPoint Health Networks Inc.*

Edgar Filing: MEDIX RESOURCES INC - Form S-2/A

23.1 Consent of Ehrhardt Keefe Steiner & Hottman P.C.

23.2 Consent of Lyle B. Stewart, Esq.
(included in Exhibit 5.1)*

24.1 Power of Attorney*

*Filed previously