

GLOBAL MED TECHNOLOGIES INC
Form POS AM
June 26, 2007

As Filed With The Securities and Exchange Commission On June 1, 2007

Registration No. 333-131388

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

**Post Effective Amendment No. 1 To
FORM SB-2
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933**

GLOBAL MED TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

Colorado
(State or other jurisdiction of
incorporation or organization)

8741
(Primary Standard Industrial
Classification Code Number)

84-1116894
(I.R.S. Employer Identification No.)

**12600 West Colfax, Suite C-420
Lakewood, Colorado 80215
Telephone (303) 238-2000**

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

Copies to:

Michael I. Ruxin, M.D.
Chairman of the Board and Chief Executive Officer
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Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, please check the following box. If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. [X]

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 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. []

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If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. []

CALCULATION OF REGISTRATION FEE

Title Of Each Class Of Securities To Be Registered	Amount To Be Registered	Proposed Maximum Offering Price Per Share(1)	Proposed Maximum Aggregate Offering Price(1)	Amount Of Registration Fee
Common stock, par value \$0.01 per share	24,529,793 shares(2)	\$ 0.88	\$21,586,217.84	\$2,525.59(3)
TOTAL	24,529,793 shares(2)	\$ 0.88	\$21,586,217.84	\$2,525.59(3)

- (1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933. For the purposes of this table, we have used the average of the closing bid and asked prices as of a recent date.
- (2) Of these shares, 13,854,167 are being registered upon conversion of the Series A Preferred Stock and 10,675,626 are being registered upon the exercise of warrants.
- (3) Registration fee has previously been paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Subject to Completion, Dated June 1, 2007

The information in this Prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sales is not permitted.

PROSPECTUS

GLOBAL MED TECHNOLOGIES, INC.

24,529,793 Shares of Common Stock

This Prospectus relates to the sale of up to 24,529,793 shares of Global Med Technologies, Inc. (Global Med or the Company) common stock by certain persons who are stockholders of Global Med. The selling stockholders consist of:

- ° Magnetar Capital Master Fund, Ltd., which intends to sell up to 9,625,000 shares of common stock underlying shares of Series A preferred stock and warrants previously issued to it;
- ° Crestview Capital Master, LLC, which intends to sell up to 6,611,112 shares of common stock underlying shares of Series A preferred stock and warrants previously issued to it;

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- Shepherd Investments International, Ltd., which intends to sell up to 4,958,333 shares of common stock underlying shares of Series A preferred stock and warrants previously issued to it;
- Enable Growth Partner, LP, which intends to sell up to 1,322,223 shares of common stock underlying shares of Series A preferred stock and warrants previously issued to it;
- Fusion Capital Fund II, LLC, which intends to sell up to 1,397,569 shares of common stock underlying shares of Series A preferred stock and warrants previously issued to it;
- Enable Opportunity Partners LP, which intends to sell up to 330,556 shares of common stock underlying shares of Series A preferred stock and warrants previously issued to it;
- Dan Zwiren who intends to sell up to 142,500 shares of common stock underlying warrants previously issued to him;
- Steve Spence who intends to sell up to 142,500 shares of common stock underlying warrants previously issued to him;

Please refer to **Selling Stockholders** beginning on page 41.

Global Med is not selling any shares of common stock in this offering and therefore will not receive any proceeds from this offering. All costs associated with this registration will be borne by us.

The shares of common stock are being offered for sale by the selling stockholders at prices established on the Over-the-Counter Bulletin Board during the term of this offering. These prices will fluctuate based on the demand for the shares of common stock. On May 30, 2007, the last reported sales price of our common stock was \$1.00 per share.

Brokers or dealers effecting transactions in these shares should confirm that the shares are registered under applicable state law or that an exemption from registration is available.

Our common stock is quoted on the Over-the-Counter Bulletin Board under the symbol **GLOB.OB**

These securities are speculative and involve a high degree of risk. Please refer to **Risk Factors** beginning on page 7.

No underwriter or person has been engaged to facilitate the sale of shares of common stock in this offering. None of the proceeds from the sale of stock by the selling stockholder will be placed in escrow, trust or any similar account.

Investing in the securities involves a high degree of risk. See **Risk Factors beginning on page 7. You should carefully consider the risk factors, as well as the other information presented in this prospectus, in deciding whether or not to invest in our common stock. Each of the factors could adversely affect the price of our common stock, our business, financial condition and results of operations, and could result in a loss of all or part of your investment.**

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.

The date of this prospectus is _____, 2007

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We intend to distribute to our shareholders annual reports containing audited financial statements. Our audited financial statements for the fiscal year December 31, 2006, were contained in our Annual Report on Form 10-KSB.

PROSPECTUS SUMMARY

Business

Global Med Technologies, Inc. (Global Med or the Company) provides information management software products and services to the health care industry. Wyndgate Technologies (Wyndgate) operates as a division of Global Med and designs, develops, markets and supports information management software products for blood banks, hospitals, centralized transfusion centers and other healthcare related facilities. Our PeopleMed subsidiary offers chronic disease management as an Application Service Provider (ASP). PeopleMed's system uses the internet to coordinate sources and users of a patient's clinical information, including laboratory, pharmacy, primary and specialty care providers, claims and medical records. PeopleMed earns revenues primarily by providing ongoing ASP services. PeopleMed's revenues were not significant during the year ended December 31, 2006 or the three months ended March 31, 2007.

Global Med has two main products in its Wyndgate division: SafeTrace® and SafeTrace Tx®. SafeTrace is used by blood centers and hospitals to track blood donations. SafeTrace Tx is used primarily by hospitals and centralized transfusion centers to help insure the quality of blood transfused into patient-recipients. Both products are designed to help the users comply with quality and safety standards of the U.S. Food and Drug Administration for the collection and management of blood and blood products. Our Wyndgate division earns revenues primarily through the sale of software licenses, implementation of the software systems sold, and by providing maintenance for the SafeTrace and SafeTrace Tx software systems. During the three months ended March 31, 2007 and 2006, Wyndgate's revenues represented 97% of Global

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Med s total revenues.

The decision to purchase a new blood bank system is driven in large part by one or all of the following: replacing antiquated technology, upgrading the laboratory information system (LIS) of the hospital which typically includes the purchase of a blood bank system, and replacing existing products that have been sunsetted. The Company believes that because the purchase of an LIS by a hospital is a significant driver in the decision to purchase a blood bank system, the Company is heavily reliant on its relationships with its channel partners that sell their LIS systems in combination with the Company s blood bank products.

Entities that plan to purchase blood bank products primarily have three choices:

Upgrade their current system with their existing vendor,

Select a replacement system from an alternative vendor, or

Replace their paper system with vendor software.

The Company s two primary locations are in Lakewood, Colorado, the corporate headquarters, and El Dorado Hills, California. The Company s primary operations include research and development, implementation staff, support services, and certain administrative staff. Approximately 40% of the Company s employees are not located in Lakewood, Colorado or El Dorado Hills, California. These employees provide support for the Company s sales and marketing, research and development, and implementation efforts.

Overall, the Company s revenues for the three months ended March 31, 2007 increased to \$3.719 million from \$2.816 million for the prior year s comparable quarter. Cost of revenues for the quarter ended March 31, 2007 increased to \$1.139 million from \$1.019 million for the comparable period in 2006. For the quarter ended March 31, 2007 and 2006, the Company s operating expenses were \$2.284 million and \$1.739 million, respectively. The Company s net income was \$287 thousand for the three months ended March 31, 2007; the net income was \$779 thousand for the comparable period during 2006.

For the three months ended March 31, 2007 and 2006, the Company s operations generated positive cash flows from operating activities in the amount of \$504 thousand and \$133 thousand, respectively. The Company believes that its current customer base and projected backlog of business, as well as sales to new customers, will be sufficient to fund operations, and likely will generate positive cash flows from operations and negative cash flows from investing activities through 2007, and possibly thereafter. The Company believes that based on its recurring revenues, current backlog, and its projected pipeline of business, it will be profitable during 2007 and possibly thereafter.

Management of the Company is focused on increasing its revenues and cash flows through direct sales efforts, increasing its marketing footprint through adding additional channel partners and strategic alliances, and developing new products and enhanced functionality to its existing product mix to attract potential customers. The Company is currently reviewing opportunistic business acquisitions.

As documented in the notes to the financial statements, the Company is currently involved in certain legal proceedings. In September 2002, Global Med filed a lawsuit against Donnie L. Jackson, Jr., Global Med's former Vice President of Sales and Marketing. Global Med alleges, among other things, that prior to his resignation in July 2002 Mr. Jackson misappropriated certain trade secrets of Global Med. After leaving Global Med, Mr. Jackson became a management employee of one of Global Med's competitors. On March 30, 2005, the Superior Court of the State of California in and for the County of El Dorado granted the motion for summary judgment for Donnie L. Jackson, Jr. On September 1, 2005, the Company deposited \$1.004 million with the Superior Court in the State of California in the County of El Dorado. This deposit represents potential fees and attorneys' costs the Company could be required to pay in the event the Company did not prevail on appeal. The \$1.004 million is classified as a "Deposit in escrow" on the Company's balance sheets as of December 31, 2006 and March 31, 2007. Based on external evidence and the advice of legal counsel, the Company determined that it was more likely than not that the Company would be required to pay the \$1.004 million. As a result, the Company expensed the amount of the "Deposit in escrow" and set up a liability for \$1.004 million. On December 2006, the summary judgment was reversed by the California Court of Appeals and the matter was remanded to the trial court. In May 2007, the \$1.004 million Deposit in escrow was returned to the Company along with approximately \$80 thousand in accrued interest. The Company is currently evaluating the outcome of the uncertainty under SFAS No. 5 "Accounting for Contingencies" and therefore has not changed the original accounting for the litigation accrual.

THE OFFERING

This offering relates to the sale of common stock by certain persons who are stockholders. The selling stockholders consist of:

- o Magnetar Capital Master Fund, Ltd., which intends to sell up to 9,625,000 shares of common stock underlying shares of Series A preferred stock and warrants previously issued to it;
- o Crestview Capital Master, LLC, which intends to sell up to 6,611,112 shares of common stock underlying shares of Series A preferred stock and warrants previously issued to it;
- o Shepherd Investments International, Ltd., which intends to sell up to 4,958,333 shares of common stock underlying shares of Series A preferred stock and warrants previously issued to it;
- o Enable Growth Partner, LP, which intends to sell up to 1,322,223 shares of common stock underlying shares of Series A preferred stock and warrants previously issued to it;
- o Fusion Capital Fund II, LLC, which intends to sell up to 1,397,569 shares of common stock underlying shares of Series A preferred stock and warrants previously issued to it;
- o Enable Opportunity Partners LP, which intends to sell up to 330,556 shares of common stock underlying shares of Series A preferred stock and warrants previously issued to it;
- o Dan Zwiren who intends to sell up to 142,500 shares of common stock underlying warrants previously issued to him;
- o Steve Spence who intends to sell up to 142,500 shares of common stock underlying warrants previously issued to him;

Common Stock Offered	24,529,793 shares
Offering Price	Market price
Common Stock Outstanding Before The Offering(1)	23,211,982
Common Stock Outstanding After The Offering(2)	47,741,775
Use Of Proceeds	We will not receive any of the proceeds from the sale of stock by the selling stockholder. See Use of Proceeds.
Risk Factors	The securities offered hereby involve a high degree of risk and immediate substantial dilution and should not be purchased by investors who cannot afford the loss of their entire investment. See Risk Factors and Dilution.
Dividend Policy	We do not intend to pay dividends on our common stock. We plan to retain any earnings for use in the operation of our business and to fund future growth.
Over-The-Counter Bulletin Board Symbol	GLOB.OB

(1) Based on shares outstanding as of May 30, 2007.

(2) Assumes that all shares of common stock underlying preferred stock and warrants, which are offered under this Prospectus, are issued.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The following summary statement of operations and summary balance sheet data are derived from our consolidated financial statements for the years ended December 31, 2006 and 2005 filed with the Securities and Exchange Commission (SEC) on our Annual Reports on Form 10-KSB. This information should be read in conjunction with the audited consolidated financial statements and the related notes. The unaudited consolidated statement of operations data for the three months ended March 31, 2007 and 2006 and unaudited consolidated balance sheet data as of March 31, 2007 and 2006 are derived from our Quarterly Reports on Form 10-QSB filed with the SEC.

STATEMENT OF OPERATIONS DATA: (In thousands, except per share information)	Three Months Ended March 31,		Year Ended December 31,	
	2007	2006	2006	2005
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Revenues	\$ 3,719	\$ 2,816	\$ 12,362	\$ 11,204
Cost of revenues	1,139	1,019	4,042	3,383
Gross Profit	2,580	1,797	8,320	7,821
Operating expenses:				
General and administrative	806	637	2,474	2,709
Summary judgment				1,004
Sales and marketing	516	495	2,108	2,570
Research and development	924	564	2,745	2,241
Depreciation and amortization	38	43	185	167
Operating expenses	2,284	1,739	7,512	8,691
Income (loss) from operations	296	58	808	(870)
Other income (expenses):				
Notes receivable allowance				(529)
Other financing costs				(11,032)
Interest income	16		15	9
Interest expense	(3)	(3)	(13)	(13)
Interest expense to related party				(76)
Change in estimated fair value of derivative instruments		724	724	1,692
Total other income (expense)	13	721	726	(9,949)
Income before provision for income taxes	309	779	1,534	(10,819)
Provision for income taxes	(22)		(153)	
Net income (loss)	287	779	\$ 1,381	\$(10,819)
Preferred dividend, related party				(698)
Deemed dividend, issuance of Series A Convertible Preferred Stock				(10,235)
Net income (loss) attributable to common stockholders	\$ 287	\$ 779	\$ 1,381	\$(21,752)
Income (loss) per common share				
Basic	\$ 0.01	\$ 0.03	\$ 0.06	\$ (0.79)
Diluted	\$ 0.01	\$ 0.02	\$ 0.04	\$ (0.79)

STATEMENT OF OPERATIONS DATA:	Three Months Ended March 31,		Year Ended December 31,	
Weighted average number of common shares outstanding:				
Basic	23,212	23,033	23,167	27,528
Diluted	38,561	41,802	39,128	27,528

BALANCE SHEET DATA:	March 31,		December 31,	
(In thousands)	2007	2006	2006	2005
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Cash and cash equivalents	\$ 3,013	\$ 1,564	\$ 2,554	\$ 1,368
Accounts receivable - trade, net of allowance for uncollectible accounts	2,130	1,039	3,181	1,029
Accrued revenues, net of allowance for uncollectible accounts	205	425	130	754
Prepaid expenses and other assets	306	218	254	234
Deposit in escrow	1,004	1,004	1,004	1,004
Total current assets	6,658	4,250	7,123	4,389
Net equipment, furniture and fixtures	268	350	269	310
Capitalized Software Development Costs				2
Total Assets	<u>\$ 6,926</u>	<u>\$ 4,600</u>	<u>\$ 7,392</u>	<u>\$ 4,701</u>
Total Current Liabilities	\$ 6,153	\$ 4,882	\$ 6,951	\$ 5,238
Total Liabilities	6,209	4,933	7,013	20,559
Convertible Preferred stock Series AA				9,975
Total Stockholders (equity)	717	(333)	379	(25,833)

RISK FACTORS

You should carefully consider the risks described below before purchasing our common stock. Our most significant risks and uncertainties are described below; however, they are not the only risks we face. If any of the following risks actually occur, our business, financial condition, or results of operations could be materially adversely affected, the trading of our common stock could decline, and you may lose all or part of your investment therein. You should acquire shares of our common stock only if you can afford to lose your entire investment.

Although The Company Has Been Profitable In Every Quarter Since The First Quarter Of 2006 And Was Profitable In Four Of The Five Quarters Preceding the First Quarter of 2006. The Company has Significant Cumulative Net Losses; We May Not Be Able To Generate Sufficient Revenues To Operate Profitably In The Future

For the three months ended March 31, 2007 and 2006, we had net income of \$287 thousand and \$779 thousand, respectively. The net income in the three months ended March 31, 2006 was comprised in large part of \$721 thousand of other income associated with certain financing activities. For the fiscal years ended December 31, 2006 and 2005, we had net income of approximately \$1.381 million and a net loss of \$10.819 million, respectively. As of March 31, 2007 and December 31, 2006, we had a net working capital of approximately \$505 thousand and \$172 thousand, respectively. As of December 31, 2005, the Company had a net working capital deficit of \$849 thousand. In addition, as of March 31, 2007, December 31, 2006 and 2005, the Company had an accumulated deficit of approximately \$61.051 million, \$61.338 million and \$62.719 million, respectively. For the three months ended March 31, 2007, the Company's cash flows from operations were \$504 thousand. For the years ended December 31, 2006 and 2005, the Company's operations provided \$1.224 million and used \$984 thousand, respectively, in cash flows.

For the three months ended March 31, 2007 and 2006, the Company's operations generated positive cash flows from operating activities in the amount of \$504 thousand and \$133 thousand, respectively. The Company believes that its current customer base and projected backlog of business, as well as sales to new customers, will be sufficient to fund operations, and likely will generate positive cash flows from operations and negative cash flows from investing activities through 2007, and possibly thereafter. The Company believes that based on its recurring revenues, current backlog, and its projected pipeline of business, it will be profitable during 2007 and possibly thereafter, but the Company's projections may not occur as planned. In the event the Company's projections do not occur as anticipated, the Company may not generate sufficient revenues to operate profitably in the future or generate sufficient operating cash flows to continue to expand its business or operate its business at current levels.

We Have Experienced Significant Revenue Fluctuations

We have experienced revenue fluctuations from our SafeTrace and SafeTrace Tx products. SafeTrace and SafeTrace Tx license fees have historically been recognized as revenue upon delivery of the software if no significant vendor obligations exist as of the delivery date. Therefore, revenue fluctuations are affected by delays of the delivery service and customer delayed delivery requests. Revenue fluctuations could also be affected by the decision on whether or not to recognize revenues based upon the length of time the licensees take to implement SafeTrace and SafeTrace Tx. The typical implementation cycle of Wyndgate's software products currently is taking approximately 9-12 months. Implementation cycles are dependent on various items, including the blood center's size and the complexity of the blood center's standard operating procedures. Further, special development projects required by customers, concurrent with the licensing of our software products, and other significant obligations, could result in revenue recognition delays. Additionally, the development and marketing of new software products may cause difficulties in accurately anticipating implementation and development schedules, future revenues, expenses, financial condition and net cash flows. In the event we experience any of these difficulties, we could be forced to reduce our planned expenditures which could negatively impact our business operations.

Existing Shareholders Will Experience Significant Dilution When The Investors Convert Their Preferred Stock to Common Stock Or When the Investors Exercise their Warrants And Receive Common Stock Shares Under The Securities Purchase Agreement With The Investors

The issuance of shares of common stock pursuant to the conversion of preferred stock or exercise of warrants pursuant to our transaction with the selling stockholders described in this Prospectus or any other future equity financing transaction will have a dilutive impact on our stockholders. As a result, our net income or loss per share could decrease in future periods, and the market price of our common stock could decline. We cannot predict the actual number of shares of common stock that will be issued underlying our preferred stock and warrants; however, existing stockholders could experience significant dilution of their ownership in the Company.

Our Business And Our Software Products Are Subject To Substantial Competition

There is substantial competition in all aspects of the blood bank and hospital information management industry. Numerous companies are developing technologies and marketing products and services in the healthcare information management area. Many competitors in the blood bank industry have received Food and Drug Administration (FDA) clearance for their products. Many of these competitors have been in business longer and have substantially greater personnel and financial resources than Global Med. Global Med believes it is able to compete based on the current technological capabilities of SafeTrace and SafeTrace Tx, but if this is not the case, we could be forced to curtail our business operations.

If We Are Unable To Acquire Or Maintain A Technological Advantage, Or If We Fail To Stay Current And Evolve In The Applications Software And Information Management Fields, We May Not Be Successful

The market for applications software is characterized by rapidly changing technology and by changes from mainframe to client/server computer technology, including frequent new product introductions and technological enhancements in the applications software business. During the last ten years, the use of computer technology in the information management industry has expanded significantly to create intense competition. With rapidly expanding technology and our limited resources, we can provide no assurance that we will be able to acquire or maintain any technological advantage. Our success will be in large part dependent on our ability to use developing technology to our maximum advantage and to remain competitive in price and product performance. If we are unable to acquire or maintain a technological advantage, or if we fail to stay current and evolve in the applications software and information management fields, we may be forced to curtail or reduce our planned expenditures which could negatively impact our business operations.

We Are Dependent On The Development Of New Business

To execute our plan of operations, which includes the generation of increased revenues, we must expand our operations significantly beyond our historical operations to other markets that require similar management information services. However, we may not be able to successfully expand our business operations. Our current activities in the blood bank industry do not assure future business expansion, profitability or long-term and sustainable success. In the event we fail to successfully implement our business plan, we could be forced to curtail or reduce our planned expenditures which could negatively impact our business operations.

Our Success Depends In Part On Our Ability To Obtain And Enforce Intellectual Property Rights And Licenses For Our Technology And Software

Our success depends in part on our ability to obtain and enforce intellectual property rights for our technology and software, both in the United States and in other countries. Our proprietary software is protected by the use of copyrights, trademarks, confidentiality agreements and license agreements that restrict the unauthorized distribution of our proprietary data and limit our software products to the customer's internal use only. In addition, our SafeTrace Tx product has three patents pending. While we have attempted to limit unauthorized use of our software products or the dissemination of our proprietary information, we may not be able to retain our proprietary software rights and prohibit the unauthorized use of proprietary information. Any patents, copyrights, or trademarks we have or may obtain may not be sufficiently broad to protect our products, may be subject to challenge, invalidated or circumvented and may not provide competitive advantages. In addition, our competitors may independently develop technologies or products that are substantially equivalent or superior. If our software products infringe upon the rights of others, we may be subject to suit for damages or an injunction to cease the use of such products. Our industry is characterized by frequent intellectual property litigation based on allegations of infringement of intellectual property rights. Although we are not aware of any intellectual property claims against us, we may be a party to litigation in the future that could force us to reduce our planned expenditures which could negatively impact our business operations.

Our success will also depend in part on our ability to develop commercially viable products without infringing the proprietary rights of others. We have not conducted freedom of use patent searches and patents may exist or could be filed which would have an adverse effect on our ability to market our products or maintain our competitive position with respect to our products.

We Are Subject To Limitations With Respect To Personnel, Financial And Other Resources, And May Encounter