

AMHN, Inc.
Form PRE 14C
May 07, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14C INFORMATION

Information Statement Pursuant to Section 14(c) of the
Securities Exchange Act of 1934

Check the appropriate box:

- Preliminary Information Statement
- Confidential, for use of the Commission only (as permitted by Rule 14c-5(d)(2)).
- Definitive Information Statement

AMHN, INC.

(Name of Registrant as Specified in Charter)

Payment of Filing Fee (Check the appropriate box):

- No fee required
- Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

AMHN, INC.

100 North First Street, Suite 104

Burbank, CA 91502

(424) 239-6781

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD

JUNE 7, 2010

WE ARE NOT ASKING YOU FOR A PROXY

AND YOU ARE REQUESTED NOT TO SEND US A PROXY

Notice is hereby given that a Special Meeting of the Holders of Common Stock (the "Shareholders") of AMHN, Inc., a Utah corporation (the "Company"), will be held on Monday, June 7, 2010 at 2:00 p.m., local time, at The Luxe Hotel, 11461 Sunset Blvd., Los Angeles, California 90069.

The meeting is being held to:

1) Approve a change in the Company's state of incorporation from Utah to Nevada, and

2) Approve the AMHN, Inc. 2009 Long Term Incentive Compensation Plan.

On September 25, 2009, the Company's Board of Directors approved (i) a change in the Company's state of incorporation from Utah to Nevada (the "Reincorporation") and (ii) the AMHN, Inc. 2009 Long Term Incentive Compensation Plan. Both actions require the approval of a majority of the Company's Shareholders prior to becoming effective. Only the shareholders of record at the close of business on May 7, 2010 (the "Record Date") are entitled to notice of, and are invited to attend and vote at the Special Meeting of Shareholders to be held on June 7, 2010, or any adjournment or postponement thereof. The Company's executive officers and principal shareholders of the Company owning approximately 56% of the issued and outstanding shares of the Company intend to vote to approve the actions. **The Company does not intend to solicit any proxies or consents from any other shareholders in connection with this action.**

Please read this notice carefully. It describes the Reincorporation and the LTIP and contains certain related information. Additional information about the Company is contained in its current and periodic reports filed with the United States Securities and Exchange Commission (the "Commission"). These reports, their accompanying exhibits and other documents filed with the Commission may be inspected without charge at the Public Reference Section of the Commission at 100 F Street NE, Washington, DC 20549. Copies of such materials may also be obtained from the Commission at prescribed rates. The Commission also maintains a website that contains reports, proxy and information statements and other information regarding public companies that file reports with the Commission. Copies of these reports may be obtained from the Commission's EDGAR archives at <http://www.sec.gov/index.htm>.

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Absent any comments from the Commission regarding this Information Statement, we expect these corporate actions to become effective on or after the 20th day after the mailing of this Information Statement to our Shareholders of record (the Effective Date). We expect to mail this Information Statement on May 18, 2010 and anticipate that the Reincorporation and LTIP will become effective on or after June 7, 2010.

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The Information Statement is being provided to you for information purposes only as it relates to our Reincorporation and LTIP. Your vote is not required to approve these actions. You are not being asked to send a proxy and you are requested not to send one.

Sincerely,

/s/ Robert Cambridge

Robert Cambridge
Chief Executive Officer

AMHN, INC.

100 North First Street, Suite 104

Burbank, CA 91502

(424) 239-6781

WE ARE NOT ASKING YOU FOR A PROXY

AND YOU ARE REQUESTED NOT TO SEND US A PROXY

DISCUSSION REGARDING THIS INFORMATION STATEMENT

AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 7, 2010

This Information Statement has been filed with the Securities and Exchange Commission (the "Commission") and is being furnished to the holders of the outstanding shares of common stock, par value \$0.10 per share (the "Common Stock") of AMHN, Inc., a Utah corporation (the "Company", "we", "us", or "our"). The Board of Directors of AMHN, Inc. is providing this Information Statement to you in connection with its Special Meeting of Shareholders to be held on Monday, June 7, 2010 at 2:00 p.m. local time (the "Special Meeting"). As a Shareholder of Record, you are invited to attend the Special Meeting for the purposes set forth in the accompanying Notice of Special Meeting of Shareholders and this Information Statement.

This Information Statement was mailed on or about May 18, 2009 to all Shareholders entitled to vote at the Special Meeting on June 7, 2010. The Company's principal executive offices are located at 100 North First Street, Suite 104, Burbank, CA 91502 and the phone number is (424) 239-6781.

You may vote if our records showed that you owned shares of the Company's Common Stock as of May 7, 2010 (the "Record Date"). Each share of Common Stock is entitled to one vote and a majority of the Common Stock is required to approve any proposals at the Special Meeting. At the close of business on the Record Date, we had a total of 15,790,209 shares of Common Stock issued and outstanding and no Preferred Stock outstanding. On the Record Date, the Company's executive officers and principal shareholders of the Company owned 8,900,898 shares or approximately 56% of the issued and outstanding shares of the Company. **The Company does not intend to solicit any proxies or consents from any other Shareholders in connection with this action.**

The entire cost of furnishing this Information Statement will be borne by the Company. The Company will request brokerage houses, nominees, custodians, fiduciaries and other like parties to forward this Information Statement to the beneficial owners of the Common Stock held of record by them and will reimburse such persons for their reasonable charges and expenses in connection therewith.

OUTSTANDING SHARES AND VOTING RIGHTS

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The Company's Board of Directors has fixed the close of business on May 7, 2010 as the Record Date for the determination of those shareholders of the Company's Common Stock entitled to receive notice of and vote at the Special Meeting. Persons who were not Shareholders on the Record Date will not be allowed to vote at the Special Meeting. At the close of business on the Record Date, there were 15,790,209 shares of the Company's Common Stock outstanding.

Shareholders consenting to these corporate actions collectively own 8,900,898 shares of the Company's Common Stock which represents approximately 56% of the voting stock. As a result, no vote or proxy is required by the Company's other Shareholders to approve the Reincorporation or LTIP described herein.

EXPECTED DATE FOR EFFECTING THE REINCORPORATION AND LTIP

Under Section 14(c) of the Exchange Act and Rule 14c-2 promulgated thereunder, the Reincorporation and the LTIP cannot be effected until twenty (20) days after the date that the Definitive Information Statement is sent to the Company's Shareholders of Record. The Company expects that the Definitive Information Statement will be mailed on or about May 18, 2010 (the Mailing Date) to the shareholders of the Company at the close of business on the Record Date. The Company expects to effect the Reincorporation with the Nevada Secretary of State and the adoption of the LTIP approximately twenty (20) days after the Mailing Date on or about June 7, 2010.

PROPOSAL TO CHANGE STATE OF INCORPORATION FROM UTAH TO NEVADA

The proposal to change the Company's state of incorporation from Utah to Nevada requires approval of a majority of our Shareholders. The Company was originally incorporated in the State of Utah in 1907 under the name Croff Mining Company in connection with the operation of its oil and gas business in that state. Those operations no longer exist and the Company does not conduct business in the state of Utah. The Board of Directors has recommended the Reincorporation to allow the Company to take advantage of certain provisions of the corporate laws of Nevada, as more fully described below.

INFORMATION RELATED TO SHAREHOLDERS AND HOW APPROVAL OF THE REINCORPORATION MAY AFFECT SHAREHOLDERS

Once the Company's state of incorporation is changed from Utah to Nevada, it will not be necessary for shareholders to exchange their existing stock certificates.

We are currently governed by Title 16 of the Utah Revised Business Corporation statutes (URBC), our current Articles of Incorporation and Bylaws. Upon approval of the Reincorporation, our Company will be governed by Title 7 of the Revised Nevada Statutes (RNS) and our new Articles of Incorporation and Bylaws, which will result in certain changes in the rights of our Shareholders as discussed below. Copies of the Articles of Conversion, Articles of Incorporation and Bylaws pertaining to the Reincorporation in Nevada are attached hereto as Exhibits A, B, and C respectively.

The Reincorporation will allow us to take advantage of certain provisions of the RNS. The purposes and effects of the proposed transaction are summarized below. Because it is a summary, it does not include all of the information regarding the Reincorporation and is therefore qualified in its entirety by reference to the Articles of Conversion, Articles of Incorporation and Bylaws included herewith.

Treatment of Stock Options and Warrants

There are no options or warrants to purchase shares of the Company's Common Stock that are outstanding prior to the effective date of the Reincorporation.

Directors and Officers

The directors and officers of our Company will remain the same after the Reincorporation.

Exchange of Stock Certificates

On or after the effective date of the filing of our Articles of Conversion and Articles of Incorporation in Nevada, all of the outstanding certificates that represented shares of our Company's Common Stock, will be deemed for all purposes to evidence ownership and to represent the same number of shares of Common Stock as existed prior to the Reincorporation. The registered owner of any such outstanding stock certificate will, until such certificate will have been surrendered for transfer, have and will be entitled to exercise any voting and other rights with respect thereto, and to receive any dividend or other distributions to which they would be entitled as evidenced by such outstanding certificate. Our Company's Common stock will continue to be traded on the OTC Bulletin Board under the trading symbol AMHN.

YOU ARE NOT REQUIRED TO EXCHANGE YOUR UTAH STOCK CERTIFICATE FOR NEVADA STOCK CERTIFICATES, ALTHOUGH YOU MAY DO SO IF YOU WISH.

Principal Reasons for Changing Our State of Incorporation

Our Company's Board of Directors believes that the Reincorporation of our Company under the laws of the State of Nevada will provide flexibility for both our management and business. For many years, Nevada has followed a policy of encouraging incorporation in Nevada and, in furtherance of that policy, has adopted comprehensive, modern and flexible corporate laws that are periodically updated and revised to meet changing business needs. As a result, many major corporations have initially chosen Nevada for their domicile or have subsequently reincorporated in Nevada in a manner similar to what we have proposed. Because of Nevada's significance as the state of incorporation for many major corporations, the Nevada judiciary has become particularly familiar with matters of corporate law, and a substantial body of court decisions has developed interpreting Nevada's corporation laws. As a result, Nevada corporate law has been, and is likely to continue to be, interpreted and explained in a number of significant court decisions, a circumstance which will provide greater predictability with respect to our legal affairs.

Effects of Reincorporation in Nevada

We are authorized to issue an aggregate of 60,000,000 shares of capital stock, 50,000,000 of which are Common Stock, par value \$.10 per share, and 10,000,000 are shares of preferred stock, no par value per share. As of this filing, the Company had 15,790,209 shares of Common Stock issued and outstanding and zero shares of Preferred Stock issued and outstanding.

Description of common stock

We are authorized to issue up to 50,000,000 shares of Common Stock, par value \$0.10 per share, which shares are non-assessable. Currently, all outstanding shares of our Common Stock are of the same class and have equal rights and attributes. The holders of our Common Stock are entitled to one vote per share on all matters submitted to a vote of the shareholders of the Company. Our Common Stock does not have cumulative voting rights. Persons who hold a majority of the outstanding shares of our Common Stock entitled to vote on the election of directors can elect all of the directors who are eligible for election. Holders of our Common stock are entitled to share equally in dividends, if any, as may be declared from time to time by our Board of Directors. In the event of liquidation, dissolution or winding

up of the Company, subject to the preferential liquidation rights of any series of preferred stock that we may from time to time designate, the holders of our Common Stock are entitled to share ratably in all of our assets remaining after payment of all liabilities and preferential liquidation rights. Upon the completion of the Reincorporation, each share of our Common Stock will still possess the same characteristics as those described in this paragraph.

Description of preferred stock

We are currently authorized to issue up to 10,000,000 shares of Class A Preferred Stock, no par value per share. The shareholders of Class A Preferred Stock shall have preference to shareholders of our Common Stock as to assets upon liquidation. Dividends on Class A Preferred Stock may be set from time to time by the Board of Directors. Our Articles of Incorporation authorize the issuance of shares of Preferred Stock with designations, rights and preferences determined from time to time by our Board of Directors. Accordingly, our Board of Directors is empowered, without shareholder approval, to issue Preferred Stock with dividend, liquidation, conversion, voting, or other rights which could adversely affect the voting power or other rights of the shareholders of the Common Stock. In the event of issuance, the Preferred Stock could be utilized, under certain circumstances, as a method of discouraging, delaying or preventing a change in control of the Company. There are no outstanding shares of Class A Preferred Stock and no other series of preferred stock has been designated by the Company. Upon the completion of the Reincorporation, the Company will still be allowed to issue various series of preferred stock that possess the same characteristics as those described in this paragraph, with the exemption however, that after the Reincorporation, the Company's preferred stock will simply be known as Preferred Stock, not as Class A Preferred Stock, until further designated by our Company's Board of Directors.

Articles of Incorporation and Bylaws to be in Effect After the Reincorporation

Following the Reincorporation, we will be subject to new Articles of Incorporation and Bylaws formulated under the RNS. A copy of the Articles of Incorporation to be filed in Nevada is attached hereto as Exhibit B and a copy of the Bylaws is attached hereto as Exhibit C, which documents are substantially similar to the Company's Articles of Incorporation and Bylaws that were promulgated under the URBC. Approval of the Reincorporation by our shareholders will automatically result in the adoption of the Articles of Conversion, Articles of Incorporation and Bylaws attached hereto.

(Remainder of page intentionally left blank.)

Comparison of Shareholder Rights Before and After the Reincorporation

Because of differences between the URBC and NRS, the Reincorporation will effect some changes in the rights of our Shareholders. Summarized below are the most significant differences between the rights of our Shareholders before and after the Reincorporation, as a result of the differences between the URBC and the NRS. The summary below is not intended to be relied upon as an exhaustive list of all differences or a complete description of the differences, and is qualified in its entirety by reference to the URBC, our Utah Articles of Incorporation, our Utah Bylaws, the NRS, our Nevada Articles of Incorporation and our Nevada Bylaws.

UTAH

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Actions by Shareholders without a Meeting

URBC provides that any action which may be taken at any annual or special meeting of shareholders may be taken without a meeting and without prior notice, if one or more consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote thereon were present and voted. Unless the written consents of all shareholders entitled to vote have been obtained, notice of any shareholder approval without a meeting shall be given at least 10 days before the consummation of the transaction, action, or event authorized by the shareholder action.

Consistent with the NRS, our Nevada Bylaws will provide that any action that could be taken at an annual or special meeting of shareholders may be taken without a meeting, without prior notice and without a vote if written consents are signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

Removal of Directors

The shareholders may remove one or more directors with or without cause unless the articles of incorporation provide that directors may be removed only for cause. A director may be removed by the shareholders only at a meeting called for the purpose of removing the director and the meeting notice must state that purpose, or that one of the purposes of the meeting is removal of the director.

The NRS allows for the removal, with or without cause, of any or all members of the Board by the vote of the holders of at least two-thirds of shares entitled to vote.

Indemnification

Unless a corporation's articles of incorporation provide otherwise, an officer of the corporation is entitled to mandatory indemnification under URBC and is entitled to apply for court-ordered indemnification under URBC.

Consistent with the NRS, our Articles of Incorporation and Bylaws will provide that our officers and directors are to be indemnified to the fullest extent permitted by Nevada law.

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Notice of Adjournment and Other Actions

The URBC provide that notice of shareholder meeting be given not less than 10, nor more than 60 days prior to the meeting. If a shareholder meeting is adjourned for more than 30 days, notice of the adjourned meeting must be given pursuant to the URBC requirements to shareholders of record who are entitled to vote at the meeting.

The NRS provide that notice of shareholder meetings be given not less than 10, nor more than 60 days prior to the meeting. If a shareholder meeting is adjourned (a) for more than 60 days (in which case a new record date is to be fixed by the Board of the company), notice shall be given to record holders as of the new record date, or (b) for less than 60 days but to a date, time or location uncertain, then an additional notice of the date, time and location of the reconvened meeting shall be given to the original shareholders of record.

Record Date

The URBC provide the record date for determining shareholders entitled to notice of and to vote at an annual or special shareholders meeting is the close of business on the day before the first notice is delivered to shareholders. A record date may not be more than 70 days before the meeting or action requiring determination of shareholders. A determination of shareholders entitled to notice of or to vote at a shareholders meeting is effective for any adjournment of the meeting unless the board of directors fixes a new record date, which it must do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

The NRS permit the Board of Directors to set a record date for shareholders entitled to vote at any shareholder meeting which record date is not to be more than 60 days nor less than 10 days before the meeting. In the event action is to be taken by written consent, the Board may adopt a record date for such consent no sooner than the date on which the Board takes action or later than the date 10 days following the Board action, or if no record date is determined by the Board, the record date for the action by written consent will be the date on which Board approval of the matter was obtained, or if no Board approval was required, the first date on which an action on such matter is delivered by a shareholder.

Amendment to the Articles of Incorporation

In accordance with URBC, amendments to the Utah Articles of Incorporation require that the board of directors must recommend the amendment to the shareholders, must give notice of a special meeting to approve the amendment, and the shareholders entitled to vote on the amendment must approve the amendment.

In accordance with the NRS, amendments to the Nevada Articles of Incorporation generally require that the Board adopt a resolution setting forth the amendment and submitting it to a vote of the shareholders (i.e., shareholders are not entitled to enact an amendment to the Nevada Articles of Incorporation without any Board action).

Amendment to the Bylaws

Under URBC, a corporation's board of directors may amend the corporation's Bylaws at any time, except to the extent that the articles of incorporation, the bylaws, or URBC reserve this power exclusively to the shareholders, in whole or part. A corporation's shareholders may amend the corporation's bylaws at any time, even though the bylaws may also be amended at any time by the board of directors.

The shareholders of a Nevada company may adopt, amend or repeal its Bylaws. Our Nevada Articles of Incorporation provide that the Board also may amend, restate or repeal its Bylaws. The fact that such power has been so conferred upon the Board does not divest the shareholders of the power, nor limit the shareholders' power to adopt, amend or repeal Bylaws.

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Dividends

A dividend of shares may be issued pro rata to the shareholders of one or more classes or series of shares. Shares of one class or series may not be issued as a share dividend in respect of shares of another class or series unless the articles of incorporation so authorize, the majority of the votes entitled to be cast by the outstanding shares of the class or series to be issued approve the issue, or there are no outstanding share of the class or series to be issued.

The Articles of Incorporation of a Nevada company permit the payment of dividends on its outstanding shares in all instances other than where the Corporation would be unable to pay its debts as they become due in the usual course of business.

A board of directors may authorize and the corporation may make distributions to its shareholders subject to any restriction in the articles of incorporation except that no distribution may be made if, after giving it effect, the corporation would not be able to pay its debts as they become due in the usual course of business or if the corporation's total assets would be less than the sum of its total liabilities plus the amount that would be needed if the corporation were to be dissolved at the time of distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution.

Corporate Records (Form of Records)

A corporation shall keep a copy of the following records at its principal office:

The NRS requires that certified copies of the Corporation's Articles of Incorporation and Bylaws and a copy of its stock ledger be kept at the offices of the Corporation's resident agent in the State of Nevada.

(a) its articles of incorporation currently in effect;

(b) its bylaws currently in effect;

(c) the minutes of all shareholders' meetings, and records of all action taken by shareholders without a meeting, for the past three years;

(d) all written communications within the past three years to shareholders as a group or to the holders of any class or series of shares as a group;

(e) a list of the names and business addresses of its current officers and directors;

(f) its most recent annual report delivered to the division under URBC; and

(g) all financial statements prepared for periods ending during the last three years that a shareholder could request under URBC.

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Examination of Books and Records

A shareholder or director of a corporation is entitled to inspect and copy, during regular business hours at the corporation's principal office, if he gives the corporation written notice of the demand at least five business days before the date on which he wishes to inspect and copy. Items to which a shareholder or director is entitled to inspect and copy include excerpts from: (i) minutes of any meeting, records of any action taken by the board of directors, or by a committee of the board of directors while acting on behalf of the corporation in place of the board of directors; (ii) minutes of any meeting of the shareholders; (iii) records of any action taken by the shareholders without a meeting; and (iv) waivers of notices of any meeting of the shareholders, of any meeting of the board of directors, or of any meeting of a committee of the board of directors; (v) accounting records of the corporation; and (vi) the record of shareholders. A shareholder or director is entitled to inspect and copy records only if (a) the demand is made in good faith and for a proper purpose; (b) the shareholder or director describes with reasonable particularity his purpose and the records he desires to inspect; and (c) the records are directly connected with his purpose. The corporation may not abolish this right of inspection.

Under the NRS, any shareholder of record for more than 6 months or person authorized by the holder(s) of at least 5% of the Corporation's outstanding shares may, upon 5 days' written demand, inspect the copies of the Articles of Incorporation, Bylaws or stock ledger at the offices of the resident agent, except that the Corporation may deny any such right to any person that refuses to provide an affidavit that the inspection is not desired for a purpose other than the business of the corporation and the person has not sold or offered for sale any list of stockholders of any corporation or aided another in procuring such a list for any purpose. In addition, any holder(s) of record of at least 15% of the Corporation's outstanding shares, or person authorized by them, may, upon 5 days' written demand, inspect and make copies of the books of account and all financial records of the Corporation, and conduct an audit of such records, except that the Corporation may deny such right to any person that refuses to provide an affidavit that such inspection, copies or audit is not desired for any purpose not related to such person's interests as a shareholder.

Dissenters and Appraisal Rights

A shareholder, whether or not entitled to vote, is entitled to dissent from, and obtain payment of the fair value of shares held by him in the event of (i) a consummation of a plan of merger for which shareholder approval is required, (ii) upon consummation of a share exchange in which the corporation's shares will be acquired, (iii) upon the sale, lease or exchange, or disposition of all or substantially all of the property of the corporation for which a shareholder vote is required.

Except as specifically provided in a corporation's articles or bylaws, the NRS provides appraisal rights only in the case of a shareholder objecting to certain mergers or consolidations. Thus, unless otherwise specifically provided in a corporation's article or bylaws, under the NRS, shareholders have no appraisal rights in a sale, lease or exchange of all or substantially all of a corporation's assets.

Reacquisition of Stock by the Corporation

A corporation may acquire its own shares and shares so acquired constitute authorized but unissued shares.

A Nevada company may acquire its own shares. The stock issued by the company is fully paid and after being reacquired by the company, it has the status of treasury shares, if the Board does not by resolution retire the reacquired shares to authorized but unissued stock of the company.

Control Share Acquisition Statute

The URBC does not contain any control share acquisition provisions.

The NRS provides that under certain circumstances any person directly or indirectly acquiring a controlling interest in an issuing corporation obtains only those voting rights with respect to shares purchased within the 90-day period leading up to the attainment of control status as are approved by the disinterested shareholders of the corporation. A controlling interest is deemed to be the direct or indirect power to exercise at least 20% of the voting power of the shareholders in the election of directors. An issuing corporation is a Nevada corporation directly or indirectly doing business in Nevada with at least 200 stockholders, of which 100 must have Nevada addresses.

An issuing corporation may adopt a provision, on or before the date 10 days following the control share acquisition, allowing the corporation to call for the redemption of an acquiring person's shares (at their average acquisition price) if (a) the acquiring person fails to deliver certain information to the corporation within 10 days following acquisition of the controlling interest or (b) such information is delivered but the stockholders fail to confer full voting rights to the control shares.

Unless the corporation has provided otherwise in its Articles of Incorporation or Bylaws on or before the 10th day following the control share acquisition, if (a) the control shares are conferred full voting rights by the stockholders, and (b) the acquiring person has obtained a majority or more of all voting power, any disinterested stockholder not voting in favor of conferring voting rights to the control shares may demand payment for his shares at a price not less than the average acquisition price (ambiguous as to whether this means for the control person or the redeeming person). The Board must give notice and opportunity to elect to be bought out to all stockholders not voting in favor of the grant of full voting rights.

FEDERAL INCOME TAX CONSEQUENCES OF THE REINCORPORATION

The Reincorporation is intended to be tax free under the Internal Revenue Code. Accordingly, you will recognize no gain or loss for federal income tax purposes as a result of the completion of the Reincorporation.

You should consult your own tax advisers as to the particular tax consequences to you of the Reincorporation under state, local or foreign tax laws.

PROPOSAL TO APPROVE THE LTIP

On September 25, 2009, the Company's Board of Directors adopted the LTIP to provide financial incentives to employees, members of the Board, and advisers and consultants of the Company who are able to contribute towards the creation of or who have created stockholder value by providing them stock options and other stock and cash incentives (the Awards). The version of the LTIP approved by the Company's Board of Directors on September 25, 2009, reserved an aggregate of 1,000,000 shares of the Company's Common Stock for issuance thereunder.

On March 28, 2010, the Company's Board of Directors approved a revision to the Plan to increase the number of shares available for issuance to an aggregate of 1,500,000 shares. All other provisions of the Plan remain unchanged.

Attached hereto at Exhibit D is a copy of the LTIP that includes the revision to increase the shares available pursuant to the LTIP to 1,500,000 shares.

DESCRIPTION OF THE LTIP

The Company's Board of Directors believes that the LTIP will promote the long-term success of the Company and will provide financial incentives to employees, members of the Board, and advisers and consultants of the Company to strive for long-term creation of stockholder value. The Plan provides long-term incentives to employees, members of the Board, and advisers and consultants of the Company who are able to contribute towards the creation of or have created stockholder value by providing them stock options and other stock and cash incentives.

The total number of shares that may be issued pursuant to the LTIP shall not exceed One Million Five Hundred Thousand (1,500,000), subject to adjustment in the event of certain recapitalizations, reorganizations and similar transactions.

Until such time as the Company's Board of Directors names a Compensation Committee, the LTIP will be administered by the Company's Board of Directors as a whole. The Compensation Committee shall have the authority to construe and interpret the LTIP and any awards granted thereunder, to establish and amend rules for plan administration, to change the terms and conditions of options and other awards at or after grant, and to make all other determinations which it deems necessary or advisable for the administration of the LTIP. The determinations of the Compensation Committee shall be made in accordance with its judgment as to the best interests of the Company and its shareholders and in accordance with the purposes of the LTIP.

Eligibility under the LTIP

Only employees of the Company, non-employee members of the Board, and members of advisory committees of the Company or consultants thereto, who are designated by the LTIP or selected by the Compensation Committee to participate in the LTIP shall be eligible to participate in the LTIP.

Awards Available under the LTIP

The Awards available under the LTIP shall consist of Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Stock, Performance Units, and other stock or cash awards, as described therein. Provisions of the LTIP provide that no participant may receive in any calendar year Stock Options relating to more than 300,000 shares, Restricted Stock or Restricted Stock Units that are subject to the attainment of performance goals relating to more than 250,000 shares, Stock

Appreciation Rights relating to more than 250,000 shares, Performance Stock relating to more than 500,000 shares, or a cash payment under a single Performance Unit Award, a single EVA Award, or other cash bonus exceeding \$100,000.

Stock Options

Stock Options entitle their holders to purchase shares of the Company's Common Stock at a specified price for a specified period of time. The exercise price for each Stock Option shall be determined by the Compensation Committee but shall not be less than 100% of the Fair Market Value of the Company's Common Stock on the date the Stock Option is granted. The Fair Market Value means the closing stock price at 4:00 p.m. ET on the principal United States national stock exchange on which the Company's Common Stock is traded, or if the Company's Common Stock shall not have been traded on such date, the closing sale price on such stock exchange on the first day prior thereto, or if the Company's Common Stock is not traded on a United States national stock exchange, such other amount as may be determined by the Compensation Committee by any fair and reasonable means.

Any stock options granted in the form of an incentive stock option will be intended to comply with the requirements of Section 422 of the Internal Revenue Code of 1986, as amended. Only options granted to employees qualify for incentive stock option treatment.

Each Stock Option shall expire at such time as the Compensation Committee shall determine at the time of grant. No Stock Option shall be exercisable later than the tenth anniversary of its grant. A Stock Option may be exercised in whole or in installments, which shall be cumulative. Shares of the Company's Common Stock purchased upon the exercise of a Stock Option must be paid for in full at the time of exercise in cash or such other consideration determined by the Compensation Committee. Payment may include tendering shares of Common Stock in lieu of cash.

Stock Appreciation Rights

A stock appreciation right (SAR) is the right to receive a payment equal to the excess of the Fair Market Value of a specified number of shares of Common Stock on the date the SAR is exercised over the Fair Market Value on the date of grant of the SAR. An SAR may be granted in tandem with a Stock Option granted under the LTIP or on a free-standing basis. The Compensation Committee also may, in its discretion, substitute SARs which can be settled only in stock for outstanding Stock Options, at any time when the Company is subject to fair value accounting.

Upon exercise of an SAR, the participant shall be entitled to receive payment from the Company in an amount determined by multiplying the excess of the Fair Market Value of a share of Common Stock of the Company on the date of exercise over the grant price of the SAR by the number of shares with respect to which the SAR is exercised. The payment may be made in cash or stock, at the discretion of the Compensation Committee, except in the case of a substitute SAR which may be made only in stock.

Restricted Stock and Restricted Stock Units

Restricted Stock and Restricted Stock Units may be awarded or sold to participants under such terms and conditions as shall be established by the Committee. Restricted Stock and Restricted Stock Units shall be subject to such restrictions as the Committee determines, including a prohibition against sale, assignment, transfer, pledge, or hypothecation, and a requirement that the participant forfeit such shares or units in the event of termination of employment. A Restricted Stock Unit provides a participant the right to receive payment at a future date after the lapse of restrictions or achievement of performance criteria or other conditions determined by the Compensation Committee.

Performance Stock

The Compensation Committee shall designate the participants to whom long-term performance stock (Performance Stock) is to be awarded and determine the number of shares, the length of the performance period and the other terms and conditions of each such award; provided the stated performance period will not be less than twelve (12) months. Each award of Performance Stock shall entitle the Participant to a payment in the form of shares of Common Stock of the Company upon the attainment of performance goals and other terms and conditions specified by the Committee. The Compensation Committee may, in its discretion, make a cash payment equal to the Fair Market Value of shares of Common Stock otherwise required to be issued to a participant pursuant to a Performance Stock Award.

Performance Units

The Compensation Committee shall designate the participants to whom long-term performance units (Performance Units) are to be awarded and determine the number of units and the terms and conditions of each such award; provided the stated performance period will not be less than twelve (12) months. Each Performance Unit award shall entitle the Participant to a payment in cash upon the attainment of performance goals and other terms and conditions specified by the Committee.

All awards are discussed in more detail in the LTIP. All awards made under the LTIP may be subject to vesting and other contingencies as determined by the Compensation Committee and will be evidenced by agreements approved by the Compensation Committee which set forth the terms and conditions of each award.

Adjustment Provisions

If the Company shall at any time change the number of issued shares of Common Stock by stock dividend, stock split, spin-off, split-off, spin-out, recapitalization, merger, consolidation, reorganization, combination, or exchange of shares, the total number of shares reserved for issuance under the LTIP, the maximum number of shares that may be made subject to an Award or all Awards in any calendar year, and the number of shares covered by each outstanding Award and the price therefor, if any, shall be equitably adjusted by the Committee, in its sole discretion.

In the event of any merger, consolidation or reorganization of the Company with or into another corporation that results in the outstanding Common Stock of the Company being converted into or exchanged for different securities, cash or other property, or any combination thereof, the Company shall have the authority to provide in the controlling agreement for such transaction (i) that there shall be substituted, as determined by the Compensation Committee in its discretion, for each share of Common Stock then subject to an Award granted under the LTIP, the number and kind of shares of stock, other securities, cash or other property to which holders of Common Stock of the Company will be entitled pursuant to the transaction, (ii) that the acquiring or surviving corporation in the transaction shall assume the outstanding Awards under the LTIP (which may be exercisable into the securities of the acquiring or surviving corporation), (iii) that all unexercised Awards shall terminate immediately prior to such transaction unless exercised prior to the closing of the transaction, or (iv) a combination of the foregoing.

Tax Consequences

The Company shall be entitled to withhold the amount of any tax attributable to any amounts payable or shares deliverable under the LTIP, after giving the person entitled to receive such payment or delivery notice and the Company may defer making payment or delivery as to any award, if any such tax is payable until indemnified to its satisfaction. A Participant may pay all or a portion of any required withholding taxes arising in connection with the exercise of a Stock Option or SAR or the receipt or vesting of shares hereunder by electing to have the Company withhold shares of Common Stock, having a Fair Market Value equal to the amount required to be withheld.

The following are the federal tax consequences generally arising with respect to awards that may be granted under the LTIP. The grant of an option will create no tax consequences for an optionee or the Company. The optionee will have no taxable income upon exercising an incentive stock option (except that the alternative minimum tax may apply), and the Company will receive no deduction when an incentive stock option is exercised. Upon exercising an option other than an incentive stock option, the optionee must recognize ordinary income equal to the difference between the exercise price and the Fair Market Value of the stock on the date of exercise; the Company will be entitled to a tax deduction for the same amount. The tax treatment for an optionee on a disposition of shares acquired through the exercise of an option depends on how long the shares have been held and whether such shares were acquired by exercising an incentive stock option or by exercising an option other than an incentive stock option. Generally, there will be no tax consequences to the Company in connection with the disposition of shares acquired under an option except that the Company may be entitled to a tax deduction in the case of a disposition of shares acquired under the incentive stock option before the applicable incentive stock option holding periods have been satisfied.

With respect to other awards granted under the LTIP that are settled either in cash or in stock or other property that is either transferable or not subject to substantial risk of forfeiture, the participant must recognize ordinary income equal to the cash or Fair Market Value of shares and the Company will be entitled to a deduction for the same amount. With respect to awards that are restricted as to transferability or subject to substantial risk of forfeiture, the participant must recognize ordinary income equal to the fair market value of the shares received at the time the shares or other property became transferable or not subject to substantial risk of forfeiture, whichever occurs earlier; the Company will be entitled to a deduction for the same amount.

Use of LTIP Benefits

The future benefits or amounts that would be received under the LTIP by executive officers and others are discretionary and are therefore not determinable at this time. The Company's board of directors has approved the issuance of stock options to employees for 900,000 shares, which stock options will be issued upon or after the Effective Date.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of our Common Stock as of April 6, 2010. Except as otherwise indicated, to our knowledge all persons listed below have sole voting and investment power with respect to their shares, except to the extent that authority is shared by spouses under applicable law or as otherwise noted below. The address of each of the listed shareholders, unless otherwise noted, is in care of AMHN, Inc., 100 North First Street, Suite 104, Burbank, CA 91502. The number of shares beneficially owned by each entity, director or executive officer is determined under the rules of the Commission and the information is not necessarily indicative of beneficial ownership for any other purpose. This table is based upon information derived from our stock records. Under such rules, an entity or person is deemed a beneficial owner of a security if, it, he, or she has or shares the power to vote or direct the voting, dispose of, or direct the disposition of such security. An entity or person is also deemed to be a beneficial owner of any securities which that entity or person has the right to acquire beneficial ownership of within sixty (60) days of May 7, 2010. The percentages in this table are based on 15,790,209 shares outstanding.

Name and Address of Beneficial Owner	Title of Class	Number of Shares Beneficially Owned ⁽¹⁾	Percent of Class
Robert Cambridge Chairman of the Board and Chief Executive Officer	Common	0	*
Charles Richardson President and Director	Common	0	*
Donald R. Mastropietro Chief Financial Officer, VP Finance, Treasurer	Common	684,684	4.34%
Kimberly Sarubbi ⁽²⁾ Director	Common	4,108,107	26.02%
Robin Tjon ⁽³⁾ Secretary and Director	Common	4,108,107	26.02%
Andrew Golden Director	Common	0	*
Sky Kelley ⁽⁴⁾ All directors and executive officers as a group (6 persons):	Common	3,423,422	21.68%
	Common	8,900,898	56.37%

⁽¹⁾ Beneficial ownership is determined in accordance with the rules of the SEC and general includes voting or investment power with respect to securities. The indication herein that shares are beneficially owned is not an admission on the part of the listed stockholder that said listed stockholder is or will be a direct or indirect beneficial owner of those shares.

⁽²⁾ Includes 4,108,107 shares beneficially owned by Saddle Ranch Productions, Inc., a corporation for which Ms. Sarubbi serves as President and sole director.

⁽³⁾ Includes 4,108,107 shares beneficially owned by Seatac Digital Resources, Inc., a corporation for which Ms. Tjon serves as President and sole director.

⁽⁴⁾ Ms. Kelley is a former officer and director of the Company.

* Less than one percent.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers, as well as persons who own more than 10% of a registered class of our equity securities, to file with the Commission initial reports of ownership and reports of changes in beneficial ownership. Directors, executive officers and greater than 10% shareholders are required to furnish us with copies of all Section 16(a) forms they file. Based solely upon a review of the copies of such forms furnished to us we believe that during the fiscal year ended December 31, 2009 and through the date of this filing, our directors and officers complied with all Section 16(a) filing requirements.

DISSENTERS RIGHTS

Under Utah law, shareholders are not entitled to dissenters rights regarding the Reincorporation.

FORWARD-LOOKING STATEMENTS

This Information Statement includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. You can identify our forward-looking statements by the words expects, projects, believes, anticipates, intends, plans, pre-estimates and similar expressions.

The forward-looking statements are based on management's current expectations, estimates and projections. The Company cautions you that these statements are not guarantees of future performance and involve risks, uncertainties and assumptions that we cannot predict. In addition, the Company has based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. Accordingly, actual outcomes and results may differ materially from what the Company has expressed or forecast in the forward-looking statements.

You should rely only on the information the Company has provided in this Information Statement. The Company has not authorized any person to provide information other than that provided herein. The Company has not authorized anyone to provide you with different information. You should not assume that the information in this Information Statement is accurate as of any date other than the date of the front of the document.

DELIVERY OF DOCUMENTS AND HOUSEHOLDING

The Commission has adopted rules that permit companies and intermediaries such as brokers, to satisfy the delivery requirements for information statements with respect to two or more shareholders sharing the same address by delivering a single information statement addressed to those shareholders. This process, which is commonly referred to as householding, potentially provides extra convenience for stockholders, is environmentally friendly, and represents cost savings for companies.

For this Information Statement, the Company's transfer agent or brokers may be householding this Information Statement and the documents incorporated by reference that we are enclosing with the Information Statement. A single Information Statement will be delivered to multiple shareholders sharing an address unless contrary instructions have been received from the effected shareholders. Once you have received notice from your broker or the Company that either of them will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent.

If at any time, you no longer wish to participate in householding and would prefer to receive separate periodic reports, or if you currently receive multiple copies of the Information Statement or other periodic reports at your address and would like to request householding by the Company, please notify your broker if your shares are not held directly in your name. If you own your shares directly rather than through a brokerage account, you should direct your written request directly to Robin Tjon, Corporate Secretary, AMHN, Inc., 100 North First Street, Suite 104, Burbank, CA 91502.

OTHER MATTERS

As of the date of this Information Statement, the Company's Board of Directors knows of no other matters other than those described in this Information Statement which have been approved or considered by the holders of a majority of the shares of our voting stock.

Only one Information Statement is being delivered to multiple shareholders sharing an address. If you are a shareholder at a shared address to which a single copy of this Information Statement was delivered and you desire to obtain a separate copy of the documents delivered, please contact the person at the address or telephone number described below.

We hereby undertake to deliver promptly upon written or oral request a separate copy of the Information Statement to a shareholder at a shared address to which a single copy of the documents was delivered.

IF YOU HAVE ANY QUESTIONS REGARDING THIS INFORMATION STATEMENT,

PLEASE CONTACT:

ROBIN TJON, Secretary

AMHN, Inc.

100 North First Street, Suite 104

Burbank, CA 91502

(424) 239-6781

By Order of the Board of Directors,

/s/ Robert Cambridge

Robert Cambridge
Chief Executive Officer

EXHIBIT A - ARTICLES OF CONVERSION

ROSS MILLER

Secretary of State

204 North Carson Street, Suite 1

Carson City, Nevada 89701-4520

(775) 684 5708

Website: www.nvsos.gov

Articles of Conversion

(PURSUANT TO NRS 92A.205)

Page 1

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Articles of Conversion

(Pursuant to NRS 92A.205)

1. Name and jurisdiction of organization of constituent entity and resulting entity:

AMHN, INC.
Name of constituent entity

UTAH
Jurisdiction

and,

AMHN, INC.
Name of resulting entity

NEVADA
Jurisdiction

CORPORATION
Entity type *

CORPORATION
Entity type *

2.

A plan of conversion has been adopted by the constituent entity in compliance with the law of the jurisdiction governing the constituent entity.

3. Location of plan of conversion: (check one)

- The entire plan of conversion is attached to these articles.**
- The complete executed plan of conversion is on file at the registered office or principal place of business of the resulting entity.**
- The complete executed plan of conversion for the resulting domestic limited *partnership* is on file at the records office required by NRS 88.330.**

* corporation, limited partnership, limited-liability limited partnership, limited-liability company or business trust.

This form must be accompanied by appropriate fees.

Nevada Secretary of State 92A Conversion Page 1
Revised: 10-16-09

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ROSS MILLER

Secretary of State

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Page 2

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- 4. Forwarding address where copies of process may be sent by the Secretary of State of Nevada (if a foreign entity is the resulting entity in the conversion):**

Attn: &n