

ASPYRA INC
Form POS AM
May 07, 2007
As filed with the Securities and Exchange Commission on May 7, 2007.

Registration No. 333-134926

**UNITED STATES
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

ASPYRA, INC.

(formerly, Creative Computer Applications, Inc.)

(Name of Small Business Issuer in Its Charter)

California
(State or Other Jurisdiction of
Incorporation or Organization)

7373
(Primary Standard Industrial
Classification Code Number)

95-3353465
(I.R.S. Employer Identification
Number)

26115-A MUREAU ROAD

CALABASAS, CA 91302

(818) 880-6700

(Address and Telephone Number of Principal Executive Offices)

Name, Address and Telephone Number of Agent For
Service:

**STEVEN M. BESBECK
CHIEF EXECUTIVE OFFICER**

Copies of Communications Sent to:

**JOSEPH E. NIDA, ESQ.
JOHN M. SHIELDS, ESQ.**

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ASPYRA, INC.
(formerly, Creative Computer Applications, Inc.)
6115-A MUREAU ROAD
CALABASAS, CA 91302

STRADLING YOCCA CARLSON & RAUTH
800 ANACAPA STREET
SANTA BARBARA, CA 93101

Approximate date of proposed sale to the public: FROM TIME TO TIME AFTER THE EFFECTIVE DATE OF THIS REGISTRATION STATEMENT.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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

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 Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

This Post-Effective Amendment No. 1 to the Registration Statement on Form SB-2, Registration No. 333-134926, is filed for the purpose of including the Registrant's financial statements for the fiscal year ended December 31, 2006 contained in the Registrant's Annual Report on Form 10-KSB filed with the Securities and Exchange Commission on April 17, 2007 and to update this registration statement for certain disclosures contained in the Form 10-KSB and in the Registrant's Definitive Proxy Statement for its 2007 Annual Meeting of Shareholders, filed with the Securities and Exchange Commission on April 30, 2007.

The information in this prospectus is not complete and may be changed. The selling shareholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 7, 2007

PROSPECTUS

Aspyra, Inc.

5,400,000 Shares

Common Stock

(No Par Value)

This prospectus relates to the disposition of 5,400,000 shares of our common stock which may be disposed of, from time to time, by the selling shareholders listed in the section of this prospectus entitled Principal and Selling Shareholders, or other transferees, pledges, donees or successors-in-interest. The selling shareholders purchased the common stock and the underlying warrants on November 22, 2005 and May 17, 2006. We will not receive any of the proceeds from the sale of the 5,400,000 shares being offered by the selling shareholders.

Our common stock is quoted on the American Stock Exchange under the symbol APY. On April 30, 2007, the last reported sale price for our common stock on the American Stock Exchange was \$1.81 per share.

INVESTMENT IN OUR COMMON STOCK INVOLVES A HIGH DEGREE OF RISK. PLEASE CAREFULLY CONSIDER THE RISK FACTORS BEGINNING ON PAGE 3 OF THIS PROSPECTUS.

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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YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS PROSPECTUS OR TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE ELSE TO PROVIDE YOU WITH DIFFERENT INFORMATION. THIS DOCUMENT MAY BE USED ONLY WHERE IT IS LEGAL TO OFFER OR SELL THESE SECURITIES. THE INFORMATION IN THIS PROSPECTUS MAY ONLY BE ACCURATE AS OF THE DATE OF THIS PROSPECTUS.

The Aspyra family of related marks, images and symbols are our trademarks and intellectual property. Other trademarks, trade names and service marks appearing in this report are the property of their respective holders. Unless the context otherwise requires, the terms "we," "our," "us," "the Company," and "Aspyra" refer to Aspyra, Inc. and its subsidiaries.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The SEC encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This prospectus contains such forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

Words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "project," "seek," "will" and words and terms of similar substance in connection with any discussion of future events, operating or financial performance, financing sources, product development, capital requirements, market growth and the like, identify forward-looking statements. Forward-looking statements are merely predictions and therefore inherently subject to uncertainties and other factors which could cause the actual results to differ materially from the forward-looking statement. These forward-looking statements include, among others:

- projections of revenues and other financial items;
- statements of strategies and objectives for future operations;
- statements regarding integration plans following the merger with StorCOMM;
- statements concerning proposed applications or services;
- statements regarding future economic conditions, performance or business prospects;
- statements regarding competitors or competitive actions; and
- statements of assumptions underlying any of the foregoing.

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You should not place undue reliance on our forward-looking statements. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of numerous risks and uncertainties that are beyond our control, including those we discuss in Risk Factors and elsewhere in this prospectus, and in our other reports we file with the Securities and Exchange Commission, or the SEC. The forward-looking statements in this prospectus speak only as of the date of this prospectus, and you should not rely on these statements without also considering the risks and uncertainties associated with these statements and our business.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. Because this is only a summary, it does not contain all of the information that you should consider before investing in our common stock. Therefore, you should read carefully and consider this entire prospectus, including the Risk Factors section and financial statements and the related notes included elsewhere in this prospectus, before investing in our common stock.

Aspyra, Inc. (formerly, Creative Computer Applications, Inc.)

Aspyra, Inc. is a healthcare information technology and service provider that provides software and browser-based solutions, specializing in Clinical Information Systems for hospital and clinic-based laboratories, pharmacies, and medical imaging departments. Our primary products, CyberLAB®, CyberMED® and CyberRAD® are highly functional, scalable, and can be deployed in a variety of healthcare settings. Aspyra's systems are deployed at more than 500 sites.

Our wholly owned subsidiaries, Aspyra Diagnostic Solutions, Inc. (formerly StorCOMM, Inc.) and Aspyra Technologies, Ltd. (formerly StorCOMM Technologies, Ltd.), are leaders in the design, development, implementation and support of highly scalable Picture Archive Communication Systems, or PACS, and Clinical Image Management Systems tailored to meet the needs of healthcare organizations in the United States and abroad. Our subsidiaries' Access.NET family of systems provides enterprise wide system solutions for imaging centers, orthopedic environments and hospitals. AccessNET systems are deployed at more than 200 sites in the United States and Europe.

We are a California corporation. We were originally incorporated in 1978 as Creative Computer Applications, Inc. In connection with our merger with our subsidiaries, we changed our name to Aspyra, Inc. on November 21, 2005. Our executive offices are located at 26115-A Mureau Road, Calabasas, California 91302, and our telephone number is (818) 880-6700. Our website address is www.aspyra.com. The information on or accessible through our website is not a part of this prospectus.

Recent Developments

On November 22, 2005, Creative Computer Applications, Inc., or CCA, consummated the acquisition of StorCOMM, Inc., or StorCOMM, a private company, through a merger. As a result of the merger, the resulting company has two wholly owned subsidiaries, Aspyra Diagnostic Solutions, Inc. (formerly StorCOMM) and Aspyra Technologies, Ltd. (formerly StorCOMM Technologies, Ltd.). The newly merged company was renamed Aspyra, Inc.

Concurrent with the consummation of the merger, we sold in a private placement up to 1,500,000 shares of our common stock and warrants to purchase up to 300,000 shares of our common stock. On May 17, 2006, we sold in a private placement up to 2,250,000 shares of our common stock and warrants to purchase up to 1,350,000 shares of our common stock. This prospectus relates primarily to the resale of the equity securities issued in connection with these private placements.

The Offerings

The selling shareholders listed in the section of this prospectus entitled "Principal and Selling Shareholders" may offer and sell up to 5,400,000 shares of our common stock.

Under this prospectus, the selling shareholders may sell their shares of common stock in the open market at prevailing market prices or in private transactions at negotiated prices. They may sell the shares directly, or may sell them through underwriters, brokers or dealers. Underwriters, brokers or dealers may receive discounts, concessions or commissions from the selling shareholders or from the purchaser, and this compensation might be in excess of the compensation customary in the type of transaction involved. See the section of this prospectus entitled "Plan of Distribution."

We will not receive any proceeds from the potential sale of the 5,400,000 shares offered by the selling shareholders.

Summary Consolidated Financial Data

	Years ended December 31, 2006	December 31, 2005
CONSOLIDATED STATEMENTS OF OPERATIONS DATA:		
NET SYSTEM SALES AND SERVICE REVENUE:		
System sales	\$ 5,665,629	\$ 2,112,782
Service revenue	7,023,588	5,092,975
TOTAL SYSTEM SALES AND SERVICE REVENUE	12,689,217	7,205,757
COSTS OF PRODUCTS AND SERVICES SOLD:		
System sales	3,905,703	1,817,566
Service revenue	2,899,393	1,878,030
TOTAL COSTS OF PRODUCTS AND SERVICES SOLD	6,805,096	3,695,596
GROSS PROFIT	5,884,121	3,510,161
RESEARCH AND DEVELOPMENT EXPENSES	1,981,394	1,300,690
SELLING AND ADMINISTRATIVE EXPENSES	7,246,638	3,892,900
TOTAL OPERATING EXPENSES	9,228,032	5,193,590
OPERATING LOSS	(3,343,911)	(1,683,429)
OTHER INCOME (EXPENSE):		
Interest income	99,962	26,461
Interest and other expense	(321,679)	(37,934)
TOTAL OTHER EXPENSE	(221,717)	(11,473)
LOSS BEFORE PROVISION FOR INCOME TAXES	(3,565,628)	(1,694,902)
PROVISION FOR INCOME TAXES	4,810	807,013
NET LOSS	\$ (3,570,438)	\$ (2,501,915)
LOSS PER SHARE:		
Basic and Diluted	\$ (.36)	\$ (.62)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING:		
Basic and Diluted	9,914,916	4,038,233
	As of December 31,	2005
	2006	
CONSOLIDATED BALANCE SHEET DATA:		
Cash and cash equivalents, including restricted cash	\$ 2,014,632	\$ 1,329,753
Working capital (deficiency)	(2,256,352)	(2,549,521)
Total assets	19,296,186	18,626,089
Long term debt		220,871

RISK FACTORS

In evaluating the Company, various risk factors and other information should be carefully considered. The risks and uncertainties described below are not the only ones that impact the Company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also have an adverse impact on us. Among other things, this discussion contains forward-looking statements that are based on certain assumptions about future risks and uncertainties. We believe that our assumptions are reasonable. Nonetheless, it is likely that at least some of these assumptions will not come true.

RISKS RELATED TO OUR BUSINESS

We have incurred losses recently that may adversely impact liquidity.

We have experienced operating losses and cash outflows. For the fiscal year ended December 31, 2006, our net loss was \$3,570,438. At December 31, 2006, our cash and cash equivalents, including restricted cash, totaled \$2,014,632 and our working capital deficit was \$2,256,352. We cannot be certain that Aspyra will become profitable and sustain profitability. If Aspyra does not become profitable and sustain profitability, the market price of our common stock will decline. The Company's primary source of working capital has been generated from the private placements and borrowings. The Company's results of operations for the fiscal year ended December 31, 2006 produced negative operating cash flow of approximately \$2,231,102. Any decline in sales, delays in implementations where payments are tied to delivery and/or performance of services or cancellations of contracts could have a negative effect on cash flow from operations and could in turn increase our liquidity problem. If sales are not as expected, the Company will consider certain cost cutting measures. We may require additional cash resources to sustain our business. The sale of convertible debt securities or additional equity securities could result in additional dilution to our shareholders. The incurrence of additional indebtedness would result in incurring debt service obligations and could result in operating and financial covenants that would restrict our operations. There can be no assurance that any additional financing will be available on acceptable terms, if at all.

If ASPYRA and Aspyra Diagnostic Solutions, Inc. fail to effectively integrate their operations, the combined company may not realize the potential benefits of the merger.

The integration of ASPYRA and Aspyra Diagnostic Solutions, Inc. (ADSI) has been a time consuming and expensive process and may disrupt the combined company's operations if it is not completed in a timely and efficient manner. The integration is still in process. If this integration effort is not successful, the combined company's results of operations could be harmed, employee morale could decline, key employees could leave, customers could cancel existing orders or choose not to place new ones and the combined company could have difficulty complying with regulatory requirements. In addition, the combined company may not achieve anticipated synergies or other benefits of