

CareView Communications Inc
Form 10-K/A
April 06, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

(Amendment No. 2)

(Mark One)

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: **December 31, 2016**

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No.: **000-54090**

CAREVIEW COMMUNICATIONS, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

95-4659068

(I.R.S. Employer Identification No.)

405 State Highway 121, Suite B-240, Lewisville, TX 75067

(Address of principal executive offices)

Registrant's telephone number, including area code: **(972) 943-6050**

Securities registered pursuant to Section 12(b) of the Exchange Act: **None**

Securities registered pursuant to Section 12(g) of the Exchange Act: **Common Stock, Par Value \$0.001**
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Edgar Filing: CareView Communications Inc - Form 10-K/A

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if smaller reporting company.)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting common stock held by non-affiliates of the registrant (105,738,541 shares) based on the closing price of the registrant's common stock as reported on OTCQB on June 30, 2016, which was the last business day of the registrant's most recently completed second fiscal quarter, was \$14,803,396. For purposes of this computation, all officers, directors, and 10% beneficial owners of the registrant are deemed to be affiliates.

The number of shares outstanding of the registrant's common stock as of March 31, 2016 was 139,380,748.

DOCUMENTS INCORPORATED BY REFERENCE:

None.

EXPLANATORY NOTE

This Amendment No. 2 (the "Amendment") to CareView Communications, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2016, filed with the Securities and Exchange Commission on March 31, 2017 (the "Original Form 10-K"), is being filed with the limited purpose of amending the Beneficial Security Ownership Table in Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters. This Amendment does not amend or otherwise update any of information in the Original Form 10-K. Accordingly, this Amendment should be read in conjunction with the Original Form 10-K. The Beneficial Security Ownership Table filed with this Amendment, replaces the Beneficial Security Ownership Table filed with the Original Form 10-K in its entirety.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Beneficial Security Ownership Table

As of the date of this filing, the following table sets forth certain information with respect to the beneficial ownership of our Common Stock by (i) each shareholder known by us to be the beneficial owner of more than five percent (5%) of our Common Stock, (ii) by each of our current directors and executive officers as identified herein, and (iii) all of our directors and executive officers as a group. Each person has sole voting and investment power with respect to the shares of Common Stock, except as otherwise indicated. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Shares of Common Stock and non-qualified stock options ("Options"), common stock purchase warrants ("Warrants"), and convertible securities that are currently exercisable or convertible into shares of our Common Stock within sixty (60) days of the date of this document, are deemed to be outstanding and to be beneficially owned by the person holding the Options, Warrants, or convertible securities for the purpose of computing the percentage ownership of the person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise noted, the address for all officers and directors listed below is 405 State Highway 121, Suite B-240, Lewisville, Texas 75067.

Title of Class	Name and Address of Officer and Directors	Amount and Nature of Beneficial Ownership⁽¹⁾	Percent of Class
Common Stock	Steve G. Johnson (Chief Executive Officer, President, Secretary, Treasurer, Director)	17,892,829 ⁽²⁾	12.64%
Common Stock	L. Allen Wheeler (Chairman of the Board, Principal Financial Officer, Chief Accounting Officer)	16,555,946 ⁽³⁾	11.73%
Common Stock	Sandra K. McRee (Chief Operating Officer)	4,038,892 ⁽⁴⁾	2.83%
Common Stock	Jeffrey C. Lightcap (Director)	80,647,804 ⁽⁵⁾	36.65%
Common Stock	David R. White (Director)	500,000 ⁽⁶⁾	0.36%
Common Stock	Jason T. Thompson (Director)	843,057 ⁽⁷⁾	0.60%
Common Stock	Steven B. Epstein (Director)	2,811,116 ⁽⁸⁾	2.00%
Common Stock	Dr. James R. Higgins (Director)	12,621,777 ⁽⁹⁾	8.95%
Common Stock	All Officers & Directors as a Group (8 persons)	135,911,421 ⁽¹⁰⁾	58.82%

Name and Address of Shareholders

Robert J. Smith

Common Stock	13650 Fiddlesticks Blvd., Suite 202-324, Ft. Myers, FL 33912	13,605,506 ⁽¹¹⁾	9.49%
-----------------	---	----------------------------	-------

Unless otherwise noted, we believe that all shares are beneficially owned and that all persons named in the table have sole voting and investment power with respect to all shares of Common Stock owned by them. Applicable percentage of ownership is based on 139,380,748 shares of Common Stock currently outstanding, as adjusted for each shareholder.

(1) This amount includes (i) 208,977 shares directly owned by Johnson, (ii) 100,000 shares due to Johnson upon exercise of vested Options, (iii) 400,001 shares due to Johnson upon exercise of vested warrants, (iv) 1,622,235 shares that may be acquired upon conversion of convertible debt dated February 17, 2015 (including interest paid in kind through May 29, 2016), and (v) 15,561,616 shares beneficially owned by SJ Capital, LLC, a company controlled by Johnson. The percentage of class for Johnson is based on 141,502,984 shares which would be outstanding if all of Johnson's vested Options and Warrants were exercised and convertible debt was converted.

(2) This amount includes (i) 516,345 shares directly owned by Wheeler, (ii) 250,000 shares due to Wheeler upon exercise of Options, (iii) 307,692 shares due to Wheeler upon exercise of vested warrants (iv) 1,247,873 shares that may be acquired upon conversion of convertible debt dated February 17, 2015 (including interest paid in kind through May 29, 2016), (v) 14,201,820 shares beneficially owned by Dozer Man, LLC, an entity controlled by Wheeler, and (vi) 32,216 shares beneficially owned by Global FG, LLC, an entity of which Wheeler owns 50%.

(3) The percentage of class for Wheeler is based on 141,186,313 shares which would be outstanding if all of Wheeler's vested Options and Warrants were exercised and convertible debt was converted.

(4) This amount includes (i) 750,000 shares directly owned by McRee, (ii) 2,666,667 shares due to McRee upon exercise of vested Options, (iii) 123,076 shares due to McRee upon exercise of vested warrants, and (iv) 499,149 shares that may be acquired upon conversion of convertible debt dated February 17, 2015 (including interest paid in kind through May 29, 2016). The percentage of class for McRee is based on 142,669,640 shares which would be outstanding if all of McRee's vested Options and Warrants were exercised and convertible debt was converted.

- HealthCor Management, LP, HealthCor Associates, LLC, HealthCor Hybrid Offshore Master Fund, LP, HealthCor Hybrid Offshore GP, LLC, HealthCor Group, LLC, HealthCor Partners Management, LP, HealthCor Partners Management GP, LLC, HealthCor Partners Fund, LP, HealthCor Partners, LP, HealthCor Partners GP, LLC, and Jeffrey C. Lightcap (collectively, the Reporting Persons), beneficially own an aggregate of 80,647,804 shares, representing (i) 4,242,768 shares that may be acquired upon conversion of convertible debt dated February 17, 2015, (ii) 18,547,936 shares that may be acquired upon conversion of the 2014 HealthCor Notes, (iii) 7,525,620 shares that may be acquired upon conversion of the 2012 HealthCor Notes, (iv) 32,502,468 shares that may be acquired upon conversion of the 2011 HealthCor Notes, and (v) 17,829,012 shares that may be acquired upon exercise of Warrants. The amounts detailed above include interest paid in kind on the notes through March 31, 2017. The amounts detailed above also include (i) 430,769 shares underlying vested Warrants and (ii) 1,747,023
- (5) shares that may be acquired upon conversion of convertible debt dated February 17, 2015, in each case held by Mr. Lightcap individually through a retirement account. The percentage ownership for all such Reporting Persons is based on 220,028,552 shares which would be outstanding if the Reporting Persons' convertible debt were converted in full, and the Reporting Persons' Warrants were exercised, in each case including those held by Mr. Lightcap individually. Mr. Lightcap is a managing member of the general partner of HealthCor Partners Management, LP, the investment manager of HealthCor Partners Fund, LP. HealthCor Partners Management, LP provides advice to its affiliate, HealthCor Management, LP, with respect to HealthCor Hybrid Offshore Master Fund, LP. Mr. Lightcap disclaims beneficial ownership over the share held by the HealthCor entities except to the extent of his pecuniary interest therein. The address for HealthCor Partners Management, LP is 152 W. 57th Street, 43rd Floor, New York, NY 10019.
- (6) This amount includes (i) 500,000 shares due to White upon exercise of vested Options. The percentage of class for White is based on 139,880,748 shares which would be outstanding if all of White's vested Options were exercised. This amount includes (i) 537,500 shares directly owned by Thompson, (ii) 150,000 shares due to Thompson upon exercise of vested Options, (iii) 30,769 shares due to Thompson upon exercise of vested warrants, and (iv) 124,788
- (7) shares that may be acquired upon conversion of convertible debt dated February 17, 2015 (including interest paid in kind through May 29, 2016). The percentage of class for Thompson is based on 139,686,305 shares which would be outstanding if all of Thompson's vested Options and Warrants were exercised and convertible debt was converted. This amount includes (i) 1,500,000 shares directly owned by Epstein, (ii) 533,333 shares due to Epstein upon exercise of vested Options, (iii) 153,846 shares due to Epstein upon exercise of vested warrants, and (iv) 623,937
- (8) shares that may be acquired upon conversion of convertible debt dated February 17, 2015 (including interest paid in kind through May 29, 2016). The percentage of class for Epstein is based on 140,691,864 shares which would be outstanding if all of Epstein's vested Options and Warrants were exercised and convertible debt was converted. This amount includes (i) 4,731,445 shares directly owned by Higgins, (ii) 1,361,538 shares jointly owned by Higgins and his wife, (iii) 4,823,229 shares held in trust by Higgins' wife, (iv) 150,000 shares due to Higgins upon exercise of vested Options, (v) 307,692 shares due to Higgins upon exercise of vested warrants, and (vi) 1,247,873
- (9) shares that may be acquired upon conversion of convertible debt dated February 17, 2015 (including interest paid in kind through May 29, 2016). The percentage of class for Higgins is based on 141,086,313 shares which would be outstanding if all of Higgin's vested Options and Warrants were exercised and convertible debt was converted. This amount includes all shares directly and beneficially owned by all officers and directors and all shares to be issued directly and beneficially upon exercise of vested shares under Options and Warrants and upon conversion of
- (10) convertible securities. The percentage of class for all officers and directors is based on 231,067,483 shares which would be outstanding if all the aforementioned Options, Warrants and convertible securities were exercised or converted. This amount includes: (i) 265,000 shares directly owned by Smith, (ii) 75,000 shares held in trust for Smith's minor children, (iii) 6,210,723 shares beneficially owned by Plato & Associates, LLC, a company controlled by Smith,
- (11) (iv) 3,054,783 shares beneficially owned by Energy Capital, LLC, a company controlled by Smith and (v) 4,000,000 shares due to Smith upon the exercise of Warrants. The percentage of class for Smith is based on 143,380,748 shares which would be outstanding if all Warrants owned by Plato & Associates, LLC were exercised.

Under Rule 144 promulgated under the Securities Act, our officers, directors and beneficial shareholders may sell up to one percent (1%) of the total outstanding shares (or an amount of shares equal to the average weekly reported volume of trading during the four calendar weeks preceding the sale) every three months provided that (1) current public information is available about our Company, (2) the shares have been fully paid for at least one year, (3) the shares are sold in a broker's transaction or through a market-maker, and (4) the seller files a Form 144 with the SEC if seller is an affiliate.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

DATE: April 6, 2017

CAREVIEW
COMMUNICATIONS, INC.

By: /s/ Steven G. Johnson
Steven G. Johnson
Chief Executive Officer
Principal Executive Officer

By: /s/ L. Allen Wheeler
L. Allen Wheeler
Principal Financial Officer
Chief Accounting Officer