Healthcare Acquisition Partners Corp.
Form S-1/A
March 03, 2006
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**As filed with the Securities and Exchange Commission on March 3, 2006**

**Securities Act File No. 333-129035**

# UNITED STATES

# SECURITIES AND EXCHANGE COMMISSION

**WASHINGTON, D.C. 20549**

# AMENDMENT NO. 3

# TO

# FORM S-1

# REGISTRATION STATEMENT

***UNDER THE SECURITIES ACT OF 1933***

# HEALTHCARE ACQUISITION PARTNERS CORP.

**(Exact name of Registrant as specified in charter)**

| **Delaware** | **6770** | **20-3341405** |
|---|---|---|
| **(State or other jurisdiction of incorporation or organization** | **(Primary Standard Industrial Classification Code Number)** | **(I.R.S. Employer Identification Number)** |

**350 Madison Avenue**

**New York, New York 10017**

**(212) 418-5070**

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

**Sean McDevitt, Chairman of the Board**

**Healthcare Acquisition Partners Corp.**

**350 Madison Avenue**

**New York, New York 10017**

**(212) 418-5070**

**(Name, address, including zip code, and telephone number, including area code, of agent for service)**

***Copies to:***

| | |
|---|---|
| **Howard A. Kenny** | **Jack I. Kantrowitz** |
| **Morgan, Lewis & Bockius LLP** | **Sidley Austin LLP** |
| **101 Park Avenue** | **787 Seventh Avenue** |
| **New York, New York 10178** | **New York, New York 10019** |
| **(212) 309-6000** | **(212) 839-5300** |
| **(212) 309-6001 Facsimile** | **(212) 839-5599 Facsimile** |

**Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement**

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 of 1933 check the following box: x

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 the prospectus is expected to be made pursuant to Rule 434, please 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 the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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## Explanatory Note

The prospectus contained in this registration statement is to be used by Healthcare Acquisition Partners Corp. in connection with its initial public offering of units consisting of common stock and warrants to acquire common stock. In addition, FTN Midwest Securities Corp. or any of its affiliates may use the prospectus contained in this registration statement in connection with offers and sales of the securities in market making transactions after their initial sale.

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**The information in this prospectus is not complete and may be changed. We 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**

**Preliminary Prospectus dated March 3, 2006**

**PROSPECTUS**

## $100,000,002

# HEALTHCARE ACQUISITION PARTNERS CORP.

## 16,666,667 Units

Healthcare Acquisition Partners Corp. is a blank check company recently formed for the purpose of acquiring, through a merger, capital stock exchange, asset acquisition or other similar business combination, one or more operating businesses in the healthcare sector. This is an initial public offering of our securities. Each unit that we are offering consists of:

one share of our common stock; and

two warrants.

Each warrant entitles the holder to purchase one share of our common stock at a price of $5.00. Each warrant will become exercisable on the later of our completion of a business combination and 12 months from the date of this prospectus, and will expire on the fifth anniversary of the date of this prospectus, or earlier upon redemption.

We have granted the underwriters a 45-day option to purchase up to 2,500,000 additional units solely to cover over-allotments, if any (over and above the 16,666,667 units referred to above). We have also agreed to sell to FTN Midwest Securities Corp., the representative of the underwriters, for $100, as additional compensation, an option to purchase up to a total of 833,333 units at a price of $7.50 per unit. The units issuable upon exercise of this option are identical to those offered by this prospectus, except that each of the warrants underlying such units entitles the holder to purchase one share of our common stock at a price of $6.25. The purchase option and its underlying securities have been registered under the registration statement of which this prospectus forms a part.

There is presently no public market for our units, common stock or warrants. We anticipate that the units will be quoted on the OTC Bulletin Board promptly after the date of this prospectus. Each of the common stock and warrants will begin separate trading 20 days after the earlier of the expiration of the underwriters over-allotment option or the exercise in full by the underwriters of such option. Once the common stock and warrants comprising the units begin separate trading, we anticipate that the common stock and warrants will be traded on the OTC Bulletin Board.

**Investing in our securities involves a high degree of risk. See *Risk Factors* beginning on page 10 of this prospectus for a discussion of information that should be considered in connection with an investment in our securities.**

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.

| | Public Offering Price | Underwriting Discount and Commission[2] | Proceeds, before expenses, to us |
|---|---|---|---|
| **Per unit** | $ 6.00 | $ 0.48 | $ 5.52 |
| **Total** | $ 100,000,002[1] | $ 8,000,000 | $ 92,000,002 |

(1) Assumes no exercise of the underwriters over-allotment option.

(2) Includes a non-accountable expense allowance in the amount of 1% of the gross proceeds, or $.06 per unit and $1,000,000 in total, payable to FTN Midwest Securities Corp., the representative of the underwriters, and also includes $5,400,000 payable to the underwriters for deferred underwriting discount and commission included in the funds to be placed in a trust account as described below. Such funds will be released to the underwriters only upon completion of an initial business combination as described in this prospectus.

Of the net proceeds we receive from this offering, $95,000,000, including deferred underwriting discount and commission of $5,400,000, ($5.70 per unit) will be deposited into a trust account at JPMorgan Chase Bank, N.A.

FTN Midwest Securities Corp. or any of its affiliates may use this prospectus in connection with offers and sales of the securities in market-making transactions after their initial sale.

We are offering the units for sale on a firm-commitment basis. FTN Midwest Securities Corp., acting as representative of the underwriters, expects to deliver our securities to investors in the offering on or about , 2006.

**FTN Midwest Securities Corp.**

**, 2006**

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**You should rely only on the information contained or incorporated by reference in this prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus is accurate as of any date other than the date on the front cover of this prospectus.**

**This prospectus contains forward-looking statements that involve substantial risks and uncertainties as they are not based on historical facts, but rather are based on current expectations, estimates and projections about our industry, our beliefs, and our assumptions. These statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. You should not place undue reliance on any forward-looking statements, which apply only as of the date of this prospectus.**

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## PROSPECTUS SUMMARY

*This summary highlights certain information appearing elsewhere in this prospectus. For a more complete understanding of this offering, you should read the entire prospectus carefully, including the risk factors and the financial statements, and the notes and schedules related thereto. Unless otherwise stated in this prospectus, references to we, us or our refer to Healthcare Acquisition Partners Corp. Unless we tell you otherwise, the information in this prospectus assumes that the underwriters have not exercised their over-allotment option and that FTN Midwest Securities Corp. has not exercised its purchase option.*

*Unless we tell you otherwise, the term business combination as used in this prospectus means an acquisition of, through a merger, capital stock exchange, asset acquisition or other similar business combination, one or more operating businesses. In addition, unless we tell you otherwise, the term initial stockholders as used in this prospectus refers to the individuals who hold 1,750,001 shares of our common stock, which constitute all of the issued and outstanding shares as of the date of this prospectus. In addition, the term initial stockholders refers to any officer, director or employee to whom we transfer any of the 2,416,666 issued but not outstanding shares held as treasury stock and reserved for transfer to such individuals at the times and on the conditions set forth in this prospectus. Further, unless we tell you otherwise, the term public stockholders as used in this prospectus refers to those persons that purchase the securities offered by this prospectus. Our initial stockholders and the other members of our management will agree prior to the completion of this offering (and any persons to whom we transfer our reserved treasury shares, as a condition to the transfer, will be required to agree) not to purchase any additional shares of common stock, whether as part of this offering or otherwise, prior to the completion of a business combination. Unless the context indicates otherwise, numbers in this prospectus have been rounded and are, therefore, approximate.*

### Our Company

We are a blank check company incorporated under the laws of Delaware on August 15, 2005. We were formed for the purpose of acquiring, through a merger, capital stock exchange, asset acquisition or other similar business combination, one or more operating businesses in the healthcare sector. By healthcare sector, we mean a company engaged in the business of providing goods and services in the healthcare industry, such as a healthcare service provider, drug manufacturer or healthcare device company. To date, our efforts have been limited to organizational activities and activities relating to this offering. We do not have any specific business combination under consideration, and neither we, nor any representative acting on our behalf, has had any contact with any target businesses regarding a business combination, nor taken any direct or indirect actions to locate or search for a target business regarding a business combination.

Through the members of our management team and our directors, we have extensive contacts and sources from which to generate acquisition opportunities in the healthcare sector. These contacts and sources include private equity and venture capital funds, public and private companies, investment bankers, attorneys and accountants. The members of our management team intend to maintain relationships with a significant number of private equity and venture capital funds.

According to the Centers for Medicare and Medicaid Services, U.S. healthcare spending surpassed $2.0 trillion in 2005. Also according to the Centers for Medicare and Medicaid Services, total U.S. healthcare expenditures are projected to increase to $4.0 trillion in 2015, with the annual growth rate averaging about 7.2%. U.S. healthcare spending, calculated at approximately 15% of GDP based on statistics from the Centers for Medicare & Medicaid Services and projected to be more than 20% of GDP in 2015 according to the California HealthCare Foundation, is larger than that of every other developed nation in total size, as a percentage of GDP, and on a per-capita basis according to Plunkett s Health Care Industry Almanac. In fact, according to Plunkett s Health Care Industry Almanac, per capita spending is twice the average of that of member countries of the

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Organization for Economic Cooperation and Development. Moreover, according to Plunkett s Health Care Industry Almanac, investors are supporting this growth, investing $4.8 billion in venture investment into U.S. healthcare companies in the first nine months of 2004 alone. Within this industry we believe there are numerous niche sectors each with potential markets totaling in the hundreds of millions of dollars. While some of these sectors are serviced by large traditional healthcare institutions, we believe many are nascent with significant opportunities for fast-moving, smaller companies.

While we may seek to effect business combinations with more than one target business, our initial business acquisition must be with one or more operating businesses whose fair market value is, either individually or collectively, at least equal to 80% of our net assets at the time of such acquisition (excluding deferred underwriting discount and commission held in the trust account in the amount of $5,400,000, or $6,210,000 if the over-allotment option is exercised in full).

We are a Delaware corporation that was formed on August 15, 2005. Our executive offices are located at 350 Madison Avenue, New York, New York 10017, and our telephone number is (212) 418-5070.

**Our Initial Stockholders**

On September 13, 2005, we issued, for $25,000, 4,166,667 shares of our common stock to Healthcare Acquisition Partners Holdings, LLC, a limited liability company organized in Delaware and indirectly owned by FTN Midwest Securities Corp.

Effective December 30, 2005, Healthcare Acquisition Partners Holdings, LLC transferred, for $25,000, the 4,166,667 shares of our common stock back to us. The $25,000 purchase price is represented by a promissory note payable by us on the earlier of the completion of this offering or September 28, 2006. We issued 1,750,001 shares to members of our management team as follows:

| | |
|---|---|
| John Voris, Chief Executive Officer and Director | 666,667 |
| Wayne Yetter, Director | 416,667 |
| Jean-Pierre Millon, Director | 416,667 |
| Erin Enright, Chief Financial Officer | 250,000 |

The terms under which these individuals had accepted their positions with us in September 2005 (October 2005 in the case of Ms. Enright) provided for their receipt of these shares prior to the completion of this offering. Each individual has agreed that if he or she ceases to be one of our officers or directors prior to the dates specified below (other than as a result of (i) disability, as determined by our board of directors or as certified by a physician in a letter to our board of directors, (ii) death, (iii) removal without Cause (as defined in the letter agreements, dated December 30, 2005, between each of the individuals and us), or (iv) resignation for Good Reason (as defined in the letter agreements, dated December 30, 2005, between each of the individuals and us)), the portion of the shares specified below will be forfeited and transferred back to us:

| **Termination of Services Prior to:** | **Shares Forfeited** |
|---|---|
| June 30, 2006 | 100% |
| December 31, 2006 | 75% |

| | |
|---|---|
| June 30, 2007 | 50% |
| December 31, 2007 | 25% |

The 2,416,666 shares of our common stock transferred back to us and not issued to members of our management team on December 30, 2005 are held as treasury shares and reserved for transfer by our board of directors to present or future officers, directors or employees; provided that no reserved treasury shares may be transferred to FTN Midwest Securities Corp. or any of its affiliates prior to the later of six months after the consummation of a business combination or twelve months after the date of this prospectus. Although these reserved shares are available, we believe our current management team is sufficient and we have no present plans to add additional individuals.

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The common stock held by the initial stockholders, and any additional shares issued from the reserved treasury shares, will be subject to lock-up agreements restricting its sale or other transfer until six months after our initial business combination is completed.

**Terms of the Offering**

We are seeking to raise approximately $100,000,000 in this offering (or approximately $115,000,000 if the underwriters over-allotment option is exercised in full). As discussed elsewhere in this prospectus, our initial business combination must be with one or more operating businesses whose fair market value is at least equal to 80% of our net assets. As a result, an initial public offering of $100,000,000 will enable us to effect an initial business combination for consideration in the range of from a minimum of approximately $75,000,000 to up to approximately $300,000,000, depending on whether any of the consideration is comprised of stock and our ability to finance the business combination with debt financing. We have not identified any potential target for our initial business combination. However, we believe that the most likely candidates will be private companies or operating businesses with a valuation in that range. We believe that businesses that can be purchased for this amount are most likely to be able to operate on a merged basis with us as a stand alone publicly traded reporting company. We believe that an initial public offering providing less net proceeds than this offering would make it more difficult for us to find a suitable acquisition target. On the other hand, if we were to raise substantially more than $100,000,000 (or $115,000,000 if the underwriters over-allotment option is exercised in full), we would have to effect our initial business combination with a significantly larger private company (or complete several acquisitions concurrently). We believe the number of potentially available acquisition candidates of this kind are limited. While the decision to raise $100,000,000 (or $115,000,000 if the underwriters over-allotment option is exercised in full) is inherently subjective, we have concluded it is an appropriate amount. Having set the overall size of our offering, our management has prepared a budget for our anticipated costs, essentially related to the identification of an acquisition target and the negotiation, preparation and consummation of an acquisition, with a view to putting as much of the offering proceeds as possible, after underwriting commissions and expenses related to this offering, in trust. All offering proceeds in excess of what we anticipate needing to identify an acquisition target and complete a business combination will be put in trust for the benefit of the purchasers of units in this offering. As set forth under Use of Proceeds, we are committed to putting $95,000,000 (including deferred underwriting discount and commission of $5,400,000), or $109,560,000 (including deferred underwriting discount and commission of $6,210,000) if the underwriters over-allotment option is exercised in full, into a trust account. We believe that the initial unit price of $6.00 is appropriate to attract investors while meeting our projected needs and we note that other blank check companies have used similar price-ranges.

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**THE OFFERING**

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| Securities Offered: | 16,666,667 units, at $6.00 per unit, each unit consisting of:<br><br>one share of common stock; and<br><br>two warrants.<br><br>The units will begin trading promptly after the date of this prospectus. Each of the common stock and warrants comprising the units will begin separate trading 20 days after the earlier of the expiration of the underwriters option to purchase up to 2,500,000 additional units to cover over-allotments or the exercise in full by the underwriters of such option; provided that we have filed an audited balance sheet reflecting our receipt of the net proceeds of this offering. We intend to file a Current Report on Form 8-K, which will include an audited balance sheet, promptly after the consummation of this offering, which is anticipated to take place four business days after the date of this prospectus. The audited balance sheet will include proceeds we receive from the exercise of the over-allotment option if the over-allotment option is exercised contemporaneously with the consummation of this offering. In addition, we intend to file a subsequent Current Report on Form 8-K in the event all or any portion of the over-allotment option is subsequently exercised. For more information, see Description of Securities Units. |
| Common Stock: | |
| Number of shares outstanding before this offering: | 1,750,001 shares |
| Number of treasury shares reserved for officers, directors and employees | 2,416,666 shares |
| Number of shares to be outstanding after this offering (excluding 2,416,666 treasury shares) | 18,416,668 shares |
| Number of shares to be issued after this offering (including | |

| | |
|---|---|
| 2,416,666 treasury shares): | 20,833,334 shares |
| Warrants: | |
| Number of warrants outstanding before this offering: | 0 warrants |
| Number of warrants to be outstanding after this offering: | 33,333,334 warrants |
| Exercisability: | Each warrant is exercisable for one share of common stock. |
| Exercise price: | $5.00 |

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| Exercise period: | The warrants will become exercisable on the later of:<br>• the completion of a business combination on terms as described in this prospectus; and<br>• 12 months from the date of this prospectus.<br>The warrants will expire at the earlier of:<br>• 5:00 p.m., New York City time, on the fifth anniversary of the date of this prospectus, or earlier upon redemption; and<br>• the date on which the trust account is paid to all public stockholders as part of our liquidation. |
| Redemption: | We may redeem outstanding warrants that constitute part of the units in this offering as well as the warrants that may be acquired by FTN Midwest Securities Corp. as a result of the exercise of its purchase option:<br>• in whole and not in part;<br>• at a price of $.01 per warrant;<br>• at any time after the warrants become exercisable;<br>• upon a minimum of 30 days prior written notice of redemption; and<br>• if, and only if, the reported last sales price of our common stock equals or exceeds $8.50 per share for any 20 trading days within a 30 trading day period ending three business days before we send the notice of redemption.<br>FTN Midwest Securities Corp. does not have the right to consent before we redeem any warrants. For more information, see the section entitled Description of Securities-Warrants in this prospectus. |
| Management warrant purchase: | Our directors and officers, and/or their designees, will agree with FTN Midwest Securities Corp., at the close of this offering, to place an irrevocable order with a third-party broker-dealer to purchase up to $1,000,000 of our warrants, collectively, in the open market, within the 60-trading days beginning on the later of the date that the warrants begin to trade separately and 90 days after the end of the restricted period under Regulation M (as further described in this prospectus). The purchases of the warrants on behalf of our officers and directors will be made by a broker-dealer who has not participated in this offering in such amounts and at such times as that broker-dealer may determine, in its sole discretion, subject to any applicable |

regulatory restrictions. If at the end of such 60 trading-day period the broker-dealer has not purchased up to the maximum of $1,000,000 of our warrants on behalf of our directors and officers, then our directors and officers will purchase warrants from us in a private placement at a price per warrant to be agreed upon in an amount equal to the difference of $1,000,000 and the total amount paid by the broker-dealer.

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| | Sean McDevitt, the chairman of our board, and Pat LaVecchia, our secretary and a director, are each managing directors, and therefore affiliates, of FTN Midwest Securities Corp. For purposes of ensuring compliance with Rule 2720 of the National Association of Securities Dealers, or the NASD, Messrs. McDevitt and LaVecchia will agree not to purchase warrants if as a result the aggregate number of shares of common stock owned or underlying all warrants owned by FTN Midwest Securities Corp. and its affiliates plus the 833,333 shares of common stock subject to FTN Midwest Securities Corp. s purchase option would exceed 9.00% of the total number of shares of our common stock then outstanding (assuming exercise in full of such purchase option and such warrants). |
| Offering proceeds to be held in trust: | $95,000,000 of the proceeds of this offering ($5.70 per unit) (including deferred underwriting discount and commission of $5,400,000) will be placed in a trust account at JPMorgan Chase Bank, N.A. pursuant to an agreement to be entered into between us and JPMorgan Chase Bank, N.A. at or prior to the consummation of this offering. These proceeds will not be released until the earlier of (i) the completion of a business combination on the terms described in this prospectus or (ii) our liquidation. Therefore, unless and until a business combination is consummated, the proceeds held in the trust account will not be available for our use for any expenses related to this offering or expenses which we may incur related to the investigation and selection of a target business and the structuring and negotiation of a business combination, including the making of a down payment or the payment of exclusivity or similar fees and expenses, if any. These expenses may be paid prior to a business combination only from the net proceeds of this offering not held in the trust account (initially, approximately $1,780,000 after the payment of the expenses relating to this offering or $1,980,000 if the underwriters over-allotment option is exercised in full). For more information, see the section entitled Use of Proceeds in this prospectus. |
| | Proceeds from the exercise, if any, of the warrants will be paid directly to us. Those proceeds will not be held in trust and may be used as the board of directors approves or directs. For more information, see the section entitled Description of Securities Warrants in this prospectus. |
| The stockholders must approve business combination: | We will seek stockholder approval before we effect our initial business combination, even if the nature of the acquisition would not ordinarily require stockholder approval under applicable state law. In connection with the vote required for our initial business combination, our initial stockholders will agree prior to the completion of this offering (and any persons to whom we transfer our reserved treasury shares will, as a condition to the transfer, be required to agree) to vote all of the shares of common stock owned by them in the same way as the holders of the majority of the shares sold to the public in this offering. We will proceed with a business combination only if a majority of the shares of common stock voted by the public stockholders are voted in favor of the business |

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| | combination. We will not proceed with a business combination if public stockholders owning 20% or more of the shares sold in this offering both vote against the business combination and, subsequently, exercise their conversion rights described below. Depending on the circumstances of a particular business combination, including the amount of the purchase price and the terms required by any third party financing, we may provide that we will not complete such business combination if public stockholders exercising their conversion rights exceed some other specified lesser percentage. For more information, see the section entitled Proposed Business Effecting a business combination Opportunity for stockholders to approve a business combination in this prospectus. |
| Conversion rights for stockholders voting to reject a business combination: | Public stockholders voting against a business combination will be entitled to convert their stock into a pro rata share of the trust account, including any interest earned thereon, if the business combination is approved and consummated. The underwriters have agreed to forego receiving any deferred underwriting discount and commission with respect to any shares our public stockholders may elect to convert into cash pursuant to such conversion rights. For more information, see the section entitled Proposed Business Effecting a business combination Conversion rights in this prospectus. |
| Audit Committee to monitor compliance: | We intend to establish and maintain an audit committee composed entirely of independent directors to, among other things, monitor compliance on a quarterly basis with the terms described above and the other terms relating to this offering. If any noncompliance is identified, then the audit committee will have the responsibility to immediately take all action necessary to rectify such noncompliance or otherwise cause compliance with the terms of this offering. For more information, see the section entitled Management Audit Committee in this prospectus. |
| Liquidation if no business combination: | We will liquidate and promptly distribute only to our public stockholders all amounts held in our trust account plus any remaining net assets if we do not consummate a business combination within 18 months after consummation of this offering (or within 24 months after the consummation of this offering if a definitive agreement relating to a business combination is executed within 18 months after consummation of this offering). Our initial stockholders do not have (and any persons to whom we transfer our reserved treasury shares will not have) the right to participate in any liquidation distribution if we fail to consummate a business combination within the time period described in this prospectus. Our initial stockholders and the other members of our management will agree prior to the completion of this offering (and any persons to whom we transfer our reserved treasury |

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shares will, as a condition to the transfer, be required to agree) not to purchase any additional shares of common stock, whether as part of this offering or otherwise, prior to the completion of a business combination. There will be no distribution from the trust account with respect to our warrants, and all rights with respect to our warrants will effectively cease upon our liquidation. For more information, see the section entitled Proposed Business Effecting a Business Combination Liquidation if no business combination in this prospectus.

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## SUMMARY FINANCIAL DATA

The following table summarizes the relevant financial data for our business and should be read in conjunction with our financial statements, and the notes and schedules related thereto, which are included in this prospectus. We have not had any significant operations to date, so only balance sheet data is presented.

| | December 31, 2005 | |
|---|---|---|
| | Actual | As Adjusted[(1)] |
| **Balance Sheet Data:** | | |
| Working capital (deficit) | $ (165,464) | $ 96,779,624 |
| Total assets | 178,678 | 96,779,624 |
| Total liabilities | 179,054 | |
| Value of common stock that may be converted to cash ($5.70 per share) | | 18,990,502 |
| Stockholders equity | (376) | 77,789,122 |

(1) Excludes the $100 purchase price of the purchase option paid by FTN Midwest Securities Corp.

The as adjusted information gives effect to the sale of the units in this offering and the application of the estimated net proceeds.

The working capital (as adjusted) and total assets (as adjusted) amounts include $95,000,000 that will be held in the trust account following the completion of this offering, including deferred underwriting discount and commission of $5,400,000 (less amounts the underwriters have agreed to forego with respect to any shares public stockholders have elected to convert into cash pursuant to their conversion rights), which will be available to us only upon the consummation of a business combination within the time period described in this prospectus. If a business combination is not so consummated, we will be liquidated and the proceeds held in the trust account will be distributed solely to our public stockholders.

We will not proceed with a business combination that has been approved by a majority of shares of common stock voted by our stockholders if public stockholders owning 20% or more of the shares sold in this offering both vote against the business combination and exercise their conversion rights. Accordingly, we may effect a business combination only if public stockholders owning less than 20% of the shares sold in this offering exercise their conversion rights. If this occurred, we would be required to convert to cash up to approximately 19.99% of the 16,666,667 shares of common stock sold in this offering, or 3,331,667 shares of common stock, at an initial per share conversion price of $5.70 plus interest earned thereon in the trust account. The actual per share conversion price will be equal to the amount in the trust account, including all accrued interest, at the close of business on the second business day prior to the proposed consummation of the business combination, divided by the number of shares of common stock sold in this offering.

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## RISK FACTORS

*An investment in our securities involves a high degree of risk. You should consider carefully all of the risks described below, together with the other information contained in this prospectus, before making a decision to invest in our securities. If any of the following events occur, our business, financial conditions and results of operations may be materially adversely affected. In that event, the trading price of our securities could decline, and you could lose all or part of your investment.*

### Risks associated with our status as a blank check company

**We are a development stage company with no operating history and, accordingly, you will have no basis upon which to evaluate our ability to achieve our business objective.**

We are a recently incorporated development stage company with no operating results to date. Therefore, our ability to begin operations is dependent upon obtaining financing through the public offering of our securities. Since we do not have an operating history, you will have no basis upon which to evaluate our ability to achieve our business objective, which is to acquire one or more operating businesses in the healthcare-related sector. We have not conducted any discussions and we have no plans, arrangements or understandings with any prospective acquisition candidates. We will not generate any revenues until, at the earliest, after the consummation of a business combination. We cannot assure you as to when or if a business combination will occur.

**We may not be able to consummate a business combination within the required time frame, in which case, we would be forced to liquidate.**

We must complete a business combination with a fair market value of at least 80% of our net assets (excluding deferred underwriting discount and commission held in the trust account in the amount of $5,400,000 or $6,210,000 if the over-allotment option is exercised in full) at the time of acquisition within 18 months after the consummation of this offering (or within 24 months after the consummation of this offering if a definitive agreement relating to a business combination has been executed within 18 months after the consummation of this offering). If we fail to consummate a business combination in the healthcare sector within the required time frame, we will be forced to liquidate our assets. We may not be able to find suitable target businesses within the required time frame. In addition, our negotiating position and our ability to conduct adequate due diligence on any potential target may be reduced as we approach the deadline for the consummation of a business combination. We do not have any specific business combination under consideration, and neither we, nor any representative acting on our behalf, has had any contacts with any target businesses regarding a business combination, nor taken any direct or indirect actions to locate or search for a target business regarding a business combination.

**If we are forced to liquidate before a business combination, our public stockholders will receive less than $6.00 per share upon distribution of the trust account and our warrants will expire worthless.**

If we are unable to complete a business combination and are forced to liquidate our assets, the per-share liquidation distribution on the shares of common stock sold in this offering will be less than $6.00 because of the expenses related to this offering, our general and administrative expenses and the anticipated costs of seeking a business combination. Furthermore, the warrants will expire worthless if we liquidate before the completion of a business combination.

**Depending on the circumstances, we may condition the completion of a business combination proposed to the stockholders on the level of stockholder conversions not exceeding a lesser percentage than 20%, which would give the holders of a small number of shares the ability to prevent the transaction.**

At the time we seek stockholder approval of our initial business combination, we will offer each public stockholder the right to have such stockholder s shares of common stock converted to cash if the stockholder votes against the business combination and the business combination is approved and completed. We will not complete any business combination if public stockholders owning 20% or more of the shares sold in this

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offering, both vote against the business combination, and subsequently, exercise their conversion rights. However, depending on the circumstances of a particular business combination, including the purchase price and terms required by any third party financing, we may provide that we will not complete such business combination if the public stockholders exercising their conversion rights exceed some other specified lesser percentage of outstanding shares. We will only do this if our board of directors determines that, in light of all circumstances, such provision is in the best interest of our company and its public stockholders. However, if this provision were to be adopted, it would give the holders of a smaller number of our shares of common stock the ability to prevent the transaction. Our failure to complete such a business combination in those circumstances may make it more difficult for us to subsequently identify and complete a business combination and increase the likelihood that we would be forced to liquidate without having completed a business combination.

**You will not be entitled to protections normally afforded to investors of blank check companies under federal securities laws.**

Since the net proceeds of this offering are intended to be used to complete a business combination with one or more operating businesses in the healthcare-related sector that have not been identified, we may be deemed to be a blank check company under the federal securities laws. However, since we will have net tangible assets in excess of $5,000,000 upon the successful consummation of this offering and will file a Current Report on Form 8-K with the Securities and Exchange Commission, or the SEC, upon consummation of this offering which will include an audited balance sheet demonstrating this fact, we believe that we are exempt from rules promulgated by the SEC to protect investors in blank check companies such as Rule 419 under the Securities Act of 1933, as amended, or Rule 419. Accordingly, investors will not be afforded the benefits or protections of those rules. Because we do not believe we are subject to Rule 419, our units will be immediately tradeable and we will have a longer period of time within which to complete a business combination in certain circumstances. For a more detailed comparison of this offering to offerings under Rule 419, see the section below entitled Proposed Business Comparison to offerings of blank check companies.

**If third parties bring claims against us, the proceeds held in trust could be reduced and the per-share liquidation distribution received by stockholders could be less than $5.70 per share.**

Our placing of funds in trust may not protect those funds from third party claims against us. Although we will seek to have all vendors, prospective target businesses or other entities we engage waive any right, title, interest or claim of any kind in or to any monies held in the trust account for the benefit of our public stockholders, there is no guarantee that they will execute such waivers. Nor is there any guarantee that such entities will agree to waive any claims they may have in the future as a result of, or arising out of, any negotiations, contracts or agreements with us and will not seek recourse against the trust account for any reason. Neither our initial stockholders, nor any of our other directors or officers will agree to be personally liable for, or to indemnify us against, these liabilities. Accordingly, the proceeds held in trust could be subject to claims which could take priority over the claims of our public stockholders and the per-share liquidation price could be less than $5.70, plus interest, due to claims of such creditors.

**Since we have not currently selected any prospective target businesses with which to complete a business combination, investors in this offering are unable to currently ascertain the merits or risks of any particular target business operations.**

Since we have not yet selected or approached any prospective target businesses, investors in this offering have no current basis to evaluate the possible merits or risks of any particular target business operations. Although our management will endeavor to evaluate the risks inherent in a particular target business, we cannot assure you that we will properly ascertain or assess all of the significant risk factors, or that we will have adequate time to complete due diligence. We also cannot assure you that an investment in our units will not ultimately prove to be less favorable to investors in this offering than a direct investment, if an opportunity were available, in any particular target business. For a more complete discussion of our selection of target businesses, see the section below entitled Proposed Business Effecting a business combination We have not selected or approached any target businesses.

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**We may issue shares of our capital stock, including through convertible debt securities, to complete a business combination, which would reduce the equity interest of our stockholders and likely cause a change in control of our ownership.**

Our Amended and Restated Certificate of Incorporation authorizes the issuance of up to 200,000,000 shares of common stock, par value $.0001 per share, and 1,000,000 shares of preferred stock, par value $.0001 per share. Immediately after this offering (assuming no exercise of the underwriters over-allotment option), there will be 143,333,333 authorized but unissued shares of our common stock available for issuance (after appropriate reservation for the issuance of shares upon full exercise of our outstanding warrants and the purchase option granted to FTN Midwest Securities Corp.), 2,416,666 treasury shares reserved for transfer to officers, directors or employees and all of the 1,000,000 shares of preferred stock available for issuance. This number of authorized but unissued shares of our common stock available following this offering was determined by subtracting from the 200,000,000 shares of common stock authorized pursuant to our Amended and Restated Certificate of Incorporation:

- 16,666,667 shares of common stock included in the units issued in this offering,
- 33,333,334 shares reserved for issuance upon full exercise of the warrants included in the units issued and sold in this offering,
- 2,499,999 shares reserved for issuance upon full exercise of the purchase option granted to FTN Midwest Securities Corp. including full exercise of the warrants included in the units covered by that option,
- 1,750,001 shares held by our initial stockholders, and
- the 2,416,666 treasury shares reserved for potential transfer to officers, directors or employees referred to above.

Although we have no commitments as of the date of this offering to issue any securities, we may issue a substantial number of additional shares of our common stock or preferred stock, or a combination of both, including through convertible debt securities, to complete a business combination. The issuance of additional shares of our common stock or any number of shares of preferred stock, including upon conversion of any debt securities:

- may significantly dilute the equity interest of investors in this offering;
- could cause a change in control if a substantial number of our shares of common stock or voting preferred stock are issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could also result in the resignation or removal of our present officers and directors; and
- may decrease prevailing market prices for our common stock.

For a more complete discussion of the possible structure of a business combination, see the section below entitled Proposed Business Effecting a business combination Selection of target businesses and structuring of a business combination.

**We may issue notes or other debt securities, assume debt of a target business, or otherwise incur substantial debt, to complete a business combination, which may increase our leverage.**

We may choose to issue a substantial amount of notes or other debt securities, assume outstanding indebtedness of a target business, or opt to incur substantial bank debt, or a combination of the aforementioned, to complete a business combination. The issuance of notes or other debt securities, the assumption of a target business s indebtedness**,** or the incurrence of debt:

- may lead to default and foreclosure on our assets if our operating revenues after a business combination are insufficient to service our debt obligations;

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may cause an acceleration of our obligations to repay the indebtedness even if we make all principal and interest payments when due if we breach the covenants contained in the terms of any debt instruments, such as covenants that require the satisfaction or maintenance of certain financial ratios or reserves, unless we obtain a waiver or modification of such covenants;

may create an obligation to immediately repay all principal and accrued interest, if any, upon demand to the extent any debt securities are payable on demand; and

may hinder our ability to obtain additional financing, if necessary, to the extent any indebtedness contains covenants restricting our ability to obtain additional financing while such security is outstanding, or to the extent our existing leverage discourages other potential investors.

**Our ability to operate successfully after a business combination will be largely dependent upon the efforts of the key personnel who will join us following a business combination, who may be unfamiliar with the requirements of operating a public company.**

Our ability to successfully effect a business combination will be dependent upon the efforts of our key personnel. The future role of our management personnel following a business combination, however, cannot presently be fully ascertained. Specifically, our current officers have no obligation to remain with us subsequent to a business combination (nor have any indicated an intent to leave). Depending on the target company s management composition, we may or may not negotiate to keep our current management or to keep the target company s management in place following the business combination. A decision involving whether or not to keep our current management could result in conflicts of interest in our management s evaluation of target businesses and could influence our negotiation of a potential business combination. If we do not keep our current management, we will have to employ other personnel following the business combination. While we intend to closely scrutinize any additional individuals we engage after a business combination, we cannot assure you that our assessment of these individuals will prove to be correct. These individuals may be unfamiliar with the requirements of operating a public company as well as with United States securities laws which could cause us to have to expend time and resources helping them become familiar with such laws. This could be expensive and time-consuming, which would reduce our profitability, and could lead to various regulatory problems that would further increase costs and reduce profitability.

**Our officers and directors will allocate their time to other businesses, which could produce conflicts of interest in their determination as to how much time to devote to our affairs and could cause us to be less efficient in completing an acquisition than a competitor.**

We do not intend to have any full time employees prior to the consummation of a business combination. Each of our officers and directors is engaged in other business endeavors and is not required to, and will not, commit their full time to our affairs, which may result in a conflict of interest in allocating their time between our operations and other businesses. This could cause us to be less efficient in completing an acquisition than a prospective competitor or otherwise have a negative impact on our ability to consummate a business combination. If our officers and directors other business affairs require them to devote substantial amounts of time to such affairs in excess of their current commitment levels, it could limit their ability to devote time to our affairs and could have a negative impact on our ability to consummate a business combination. We cannot assure you that these conflicts will be resolved in our favor.

Sean McDevitt, the chairman of our board, and Pat LaVecchia, our secretary and a director, are each managing directors of FTN Midwest Securities Corp., the representative of the underwriters in this offering. We cannot assure you that their interest as officers of the representative of the underwriters will not conflict with your interest as investors.

For a complete discussion of the potential conflicts of interest that you should be aware of, see the section below entitled Certain Relationships and Related Transactions.

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**Certain of our officers and directors are currently, and all may in the future become, affiliated with entities engaged in business activities similar to those intended to be conducted by us and, accordingly, may have conflicts of interest in determining to which entity, and in what priority, a particular business opportunity should be presented.**

John Voris, our CEO and a director, Erin Enright, our CFO, Jean-Pierre Millon, one of our directors, and Wayne Yetter, one of our directors, are currently, and all of our officers and directors may in the future become, affiliated with entities engaged in business activities similar to those intended to be conducted by us. See the section below entitled Management Directors and Executive Officers. In addition, all of our officers and directors may in the future become affiliated with other blank check companies. Our officers and directors may become aware of business opportunities which may be appropriate for presentation to us as well as the other entities with which they are or may be affiliated. Due to these existing affiliations, they may have fiduciary obligations to present potential business opportunities to those entities prior to presenting them to us which could cause additional conflicts of interest. Accordingly, they may have conflicts of interest in determining to which entity, and in what priority, a particular business opportunity should be presented. We have entered into agreements with FTN Midwest Securities Corp., Sean McDevitt and Pat LaVecchia, under the terms of which each of them has agreed to present to us for our consideration any opportunity to acquire all or substantially all of the outstanding equity securities of, or otherwise acquire a controlling equity interest in, an operating business in the healthcare, or a healthcare-related, sector, provided that they are under no obligation to present to us any opportunity involving a business in the healthcare, or a healthcare-related, sector seeking a strategic combination with another operating business in the healthcare, or a healthcare-related, sector. The terms of these agreements do not obligate these individuals or FTN Midwest Securities Corp. to present any opportunities to us for consideration prior to presenting such opportunities to any other person or entity. No fees or compensation for investment banking or other advisory services will be payable to FTN Midwest Securities Corp., or any of its affiliates, under these agreements. We cannot assure you that any conflicts that do arise will be resolved in our favor. For a complete discussion of our management s business affiliations and the potential conflicts of interest that you should be aware of, see the sections below entitled Management Directors and Executive Officers and Certain Relationships and Related Transactions.

**Because certain of our directors and officers own shares of our common stock that will not participate in any liquidation distributions of the trust funds, they may have a conflict of interest in determining whether a particular target business is appropriate for a business combination.**

Our directors and officers, other than Sean McDevitt and Pat LaVecchia, own shares of our common stock that were issued prior to this offering. Our initial stockholders (and any persons to whom we transfer shares of our reserved treasury shares) will not have the right to receive distributions from the trust account upon our liquidation in the event we fail to complete a business combination within the time frame provided in this prospectus. Additionally, all of our directors and officers will agree with FTN Midwest Securities Corp., at the close of this offering, to place an irrevocable order with a third-party broker-dealer, in accordance with guidelines specified by Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, to purchase up to $1,000,000 of our warrants on behalf of themselves, their affiliates or their designees, collectively, in the open market following this offering, subject to any regulatory restrictions. The purchases of the warrants on behalf of our officers and directors will be made by a broker-dealer who has not participated in this offering in such amounts and at such times as that broker-dealer may determine, in its sole discretion, subject to any regulatory restrictions. If at the end of a certain 60 trading-day period the broker-dealer has not purchased up to the maximum of $1,000,000 of our warrants on behalf of our directors and officers, then our directors and officers will purchase warrants from us in a private placement at a price per warrant to be agreed upon in an amount equal to the difference of $1,000,000 and the total amount paid by the broker-dealer. For a more complete discussion, including a detailed discussion of when the warrant purchases may begin, please see the section of this prospectus entitled Underwriting. The shares of our common stock and warrants owned by our directors and officers will be worthless if we do not consummate a business combination. The personal and financial interests of our management may influence their motivation in identifying and selecting target businesses and completing a business combination in a timely manner. Consequently, our directors and officers

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discretion in identifying and selecting suitable target businesses may result in a conflict of interest when determining whether the terms, conditions and timing of a particular business combination are appropriate and in our public stockholders best interest.

**If our common stock becomes subject to the SEC s penny stock rules, broker-dealers may experience difficulty in completing customer transactions and trading activity in our securities may be reduced.**

If at any time we have net tangible assets of $5,000,000 or less and our common stock has a market price per share of less than $5.00, transactions in our common stock may be subject to the penny stock rules promulgated under the Exchange Act. Under these rules, broker-dealers who recommend such securities to persons other than institutional accredited investors must:

- make a special written suitability determination for the purchaser;
- receive the purchaser s written agreement to a transaction prior to sale;
- provide the purchaser with risk disclosure documents which identify certain risks associated with investing in penny stocks and which describe the market for these penny stocks as well as the purchaser s legal remedies; and
- obtain a signed and dated acknowledgment from the purchaser demonstrating that the purchaser has actually received the required risk disclosure document before a transaction in a penny stock can be completed.

If our common stock becomes subject to these rules, broker-dealers may find it difficult to effect customer transactions and trading activity in our securities may be reduced. As a result, the market price of our securities may become depressed, and you may find it difficult to sell our securities.

**We may only be able to complete one initial business combination, which may cause us to be solely dependent on a single business and a limited number of products or services permanently or for an extended period.**

This offering will provide us with net proceeds of approximately $95,000,000 (including deferred underwriting discount and commission of $5,400,000), which we may use to complete a business combination. While we intend subsequently to effect a business combination with more than one target business, our initial business acquisition must be with one or more operating businesses whose fair market value, collectively, is at least equal to 80% of our net assets at the time of such acquisition (excluding deferred underwriting discount and commission held in the trust account in the amount of $5,400,000, or $6,210,000 if the over-allotment option is exercised in full). We may not be able to acquire more than one target business because of various factors, including insufficient financing or the difficulties inherent in consummating the contemporaneous acquisition of more than one operating business. Therefore, it is possible that we will only be able to complete an initial business combination with a single operating business, which may have only a limited number of products or services. The resulting lack of diversification may:

- result in our dependency upon the performance of a single operating business;

result in our dependency upon the development or market acceptance of a single or limited number of products, processes or services; and

subject us to numerous economic, competitive and regulatory developments, any or all of which may have a substantial adverse impact upon the particular industry in which we may operate subsequent to a business combination.

In this case, we will not be able to diversify our operations or benefit from the possible spreading of risks or offsetting of losses, unlike other entities which may have the resources to complete several business combinations in different industries or different areas of a single industry so as to diversify risks and offset losses. Further, the prospects for our success may be entirely dependent upon the future performance of the initial target business or businesses we acquire.

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In addition, since our business combination may entail the contemporaneous acquisition of several operating businesses and may be with different sellers, we will need to convince such sellers to agree that the purchase of their businesses is contingent upon the simultaneous closings of the other acquisitions.

**Because of our limited resources and the significant competition for business combination opportunities, we may not be able to consummate an attractive business combination.**

We expect to encounter intense competition from other entities having a business objective similar to ours, including venture capital funds, leveraged buyout funds and operating businesses competing for acquisitions. Many of these entities are well established and have extensive experience in identifying and effecting business combinations directly or through affiliates. Many of these competitors possess greater technical, human and other resources than we do and our financial resources will be relatively limited when contrasted with those of many of these competitors. While we believe that there are numerous potential target businesses in the healthcare sector that we could acquire with the net proceeds of this offering, our ability to compete in acquiring certain sizable target businesses will be limited by our available financial resources. This inherent competitive limitation gives others an advantage over us in pursuing the acquisition of certain target businesses. Further:

- our obligation to seek stockholder approval of a business combination may delay the consummation of a transaction and may make a transaction with us less attractive for potential targets;
- our obligation to convert into cash shares of our common stock held by our public stockholders in certain instances may reduce the resources available for a business combination; and
- our outstanding warrants and the purchase option granted to FTN Midwest Securities Corp., and the future dilution they potentially represent, may not be viewed favorably by certain target businesses.

Any of these obligations may place us at a competitive disadvantage in successfully negotiating and completing a business combination.

In addition, because our business combination may entail the contemporaneous acquisition of several operating businesses and may be with several different sellers, we will need to convince such sellers to agree that the purchase of their businesses is contingent upon the simultaneous closings of the other acquisitions.

**We may be unable to obtain additional financing, if required, to complete a business combination or to fund the operations and growth of the target business, which could compel us to restructure or abandon a particular business combination.**

Although we believe that the net proceeds of this offering will be sufficient to allow us to consummate a business combination, since we have not yet selected or approached any prospective target businesses, we cannot ascertain the capital requirements for any particular business combination. If the net proceeds of this offering prove to be insufficient, either because of the size of the business combination or the depletion of the available net proceeds in search of target businesses, or because we become obligated to convert into cash a significant number of shares from dissenting stockholders, we will be required to seek additional financing through the issuance of equity or debt securities or other financing arrangements. We cannot assure you that such financing would be available on acceptable terms, if at all. To the extent that additional financing proves to be unavailable when needed to consummate a particular business combination, we would be compelled to restructure or abandon that particular business combination and seek alternative target business candidates. In addition, if we consummate a business combination, we may

require additional financing to fund the operations or growth of the target businesses. The failure to secure additional financing could have a material adverse effect on the continued development or growth of the target businesses. None of our officers, directors or initial stockholders is required to provide any financing to us in connection with or after a business combination.

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**Our initial stockholders control a substantial interest in us and thus may influence certain actions requiring stockholder vote and could support proposals that are not in your interest.**

Our initial stockholders will own at least 9.5%, and assuming all of our reserved treasury shares are transferred to officers, directors or employees, as much as 20%, of our issued and outstanding shares of common stock. Our directors and officers, including our initial stockholders, will agree with FTN Midwest Securities Corp., at the close of this offering, to place an irrevocable order with a third-party broker-dealer, in accordance with guidelines specified by Rule 10b5-1 under the Exchange Act, to purchase up to $1,000,000 of our warrants on behalf of themselves, their affiliates or their designees, collectively, in the open market following this offering, subject to any regulatory restrictions. A broker-dealer who has not participated in this offering will agree to make the purchases of the warrants on behalf of our directors and officers in such amounts as that broker-dealer may determine, in its sole discretion, subject to any regulatory restrictions. If at the end of a certain 60 trading-day period the broker-dealer has not purchased up to the maximum of $1,000,000 of our warrants on behalf of our directors and officers, then our directors and officers will purchase warrants from us in a private placement at a price per warrant to be agreed upon in an amount equal to the difference of $1,000,000 and the total amount paid by the broker-dealer. Any exercise of these warrants by our initial stockholders would increase their relative ownership percentage of us.

It is unlikely that there will be an annual meeting of stockholders to elect new directors prior to the consummation of a business combination, in which case all of the current directors will continue in office at least until the consummation of the business combination. If there is an annual meeting, our initial stockholders, because of their ownership position, will have considerable influence regarding the outcome of the election of directors. Accordingly, our initial stockholders will continue to exert considerable control at least until the consummation of a business combination.

In connection with the vote required for our initial business combination, our initial stockholders will agree prior to the completion of this offering (and any person to whom we transfer our reserved treasury shares will, as a condition to the transfer, be required to agree) to vote all of the shares of common stock owned by them in the same manner as the holders of the majority of the shares sold to the public in this offering. Our initial stockholders and the other members of our management will agree prior to the completion of this offering (and any person to whom we transfer our reserved treasury shares will, as a condition to the transfer, be required to agree) not to purchase any additional shares of common stock, whether as part of this offering or otherwise, prior to the completion of a business combination. Our initial stockholders will prior to the completion of this offering (and any person to whom we transfer reserved treasury shares will, as a condition to the transfer, be required to) enter into lock-up agreements restricting the sale or other transfer of shares of our common stock until six months after a business combination is completed.

Notwithstanding these agreements, we cannot assure you that our initial stockholders will not have considerable influence over us and that their interests will not conflict with that of the public stockholders.

**You will experience immediate and substantial dilution from the purchase of our common stock.**

The difference between the public offering price per share of our common stock and the pro forma net tangible book value per share of our common stock after this offering constitutes the dilution to you and the other investors in this offering. The fact that the shares held by our initial stockholders were transferred to them prior to this offering at a nominal deemed price has significantly contributed to this dilution. Assuming this offering is completed, you and the other new investors will incur an immediate and substantial dilution of approximately 19% or $0.84 per share (the difference between the pro forma net tangible book value per share of $5.16 and the initial public offering price of $6.00 per unit).

**Our outstanding warrants may have an adverse effect on the market price of our common stock and make it more difficult to effect a business combination.**

In connection with this offering, as part of the units, we will be issuing warrants to purchase 38,333,334 shares of common stock (assuming full exercise of the underwriters over-allotment option). In addition, we have

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agreed to sell to FTN Midwest Securities Corp. an option to purchase up to a total of 833,333 units that, if exercised, would result in the issuance of warrants to purchase an additional 1,666,666 shares of common stock. To the extent we issue shares of common stock to effect a business combination, the potential for the issuance of substantial numbers of additional shares upon exercise of these warrants could make us a less attractive acquisition vehicle in the eyes of a target business as such warrants, when exercised, will increase the number of issued and outstanding shares of our common stock and reduce the value of the shares issued to complete the business combination. Accordingly, our warrants may make it more difficult to effectuate a business combination or increase the cost of a target business. Additionally, the sale, or even the possibility of sale, of the shares underlying the warrants could have an adverse effect on the market price for our securities or on our ability to obtain future public financing. If and to the extent these warrants are exercised, you will experience dilution to your holdings.

**The obligation of our directors and officers to purchase warrants in the open market during the 40-trading days beginning on the later of the date separate trading of the warrants has commenced or 90 calendar days after the end of the restricted period under Regulation M may support the market price of the warrants during such period and, accordingly, the termination of the support provided by such warrant purchases may materially adversely affect the market price of the warrants.**

Our directors and officers will agree with FTN Midwest Securities Corp., at the close of this offering, to place an irrevocable order with a third-party broker-dealer, in accordance with guidelines specified by Rule 10b5-1 under the Exchange Act, to purchase up to $1,000,000 of our warrants on behalf of themselves, their affiliates or their designees, collectively, in the open market, within the 60-trading days beginning on the later of the date that the warrants begin to trade separately and 90 days after the end of the restricted period under Regulation M (as further described in this prospectus). The purchases of the warrants on behalf of our directors and officers will be made by a broker-dealer who has not participated in this offering in such amounts and at such times as that broker-dealer may determine, in its sole discretion, subject to any regulatory restrictions. Our directors and officers will not have any discretion or influence with respect to such purchases. Such warrant purchases may serve to support the market price of the warrants during such 60-trading day period at a price above that which would prevail in the absence of such purchases by our directors and officers. If at the end of such 60 trading-day period the broker-dealer has not purchased up to the maximum of $1,000,000 of our warrants on behalf of our directors and officers, then our directors and officers will purchase warrants from us in a private placement at a price per warrant to be agreed upon in an amount equal to the difference of $1,000,000 and the total amount paid by the broker-dealer. The obligation to purchase warrants shall terminate thereafter. The termination of the support provided by the warrant purchases may materially adversely affect the market price of the warrants.

**If our initial stockholders exercise their registration rights, it may have an adverse effect on the market price of our common stock and the existence of these rights may make it more difficult to effect a business combination.**

Our initial stockholders are entitled (and any persons to whom our reserved treasury shares are transferred will be entitled) to demand that we register the resale of their shares of common stock in certain circumstances, including shares acquired upon the exercise of warrants. For more information, see Certain Relationships and Related Transactions Initial Share Issuances in this prospectus. If our initial stockholders (or persons to whom we transfer our reserved treasury shares) exercise their registration rights with respect to all of the shares of common stock held by them, then there will be at least 1,750,001 shares of common stock eligible for trading in the public market (and possibly more depending on the transfer of treasury shares and the exercise of warrants). The presence of this additional number of shares of common stock eligible for trading in the public market may have an adverse effect on the market price of our common stock. In addition, the existence of these rights may make it more difficult to effect a business combination or increase the cost of a target business, as the stockholders of a particular target business may be discouraged from entering into a business combination with us or will request a higher price for their securities as a result of these registration rights and the potential future effect their exercise may have on the trading market for our common stock.

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**You will be able to purchase the securities only if you are an institutional investor as defined under applicable state securities laws. In addition, there may be restrictions under applicable state securities laws on your ability to resell the securities you purchase in the offering.**

You will be able to purchase securities in the offering only if you are an institutional investor as defined under the securities laws of your state. The definition of an institutional investor varies from state to state but generally includes banks and other financial institutions, broker-dealers, insurance companies, pension or profit-sharing plans, and other qualified entities. You should consult with your own financial and legal advisors to determine whether you would qualify as an institutional investor under the laws of your state.

Even if you are able to purchase securities in this offering, your ability to resell your securities will also be limited by applicable state securities laws. You may be able to resell your securities only in the states in which the securities are registered or only to persons who qualify as institutional investors., which may have an adverse impact upon the price of the securities. For more information, see Underwriting State Blue Sky Information in this prospectus.

**We intend to have our securities quoted on the OTC Bulletin Board, which will limit the liquidity and price of our securities more than if our securities were quoted or listed on the Nasdaq National Market or a national exchange.**

Our securities will be traded in the over-the-counter market. It is anticipated that they will be quoted on the OTC Bulletin Board, an inter-dealer automated quotation system for equity securities sponsored and operated by The Nasdaq Stock Market, Inc., but not included in the Nasdaq National Market. Quotation of our securities on the OTC Bulletin Board will limit the liquidity and price of our securities more than if our securities were quoted or listed on the Nasdaq National Market or a national exchange. Lack of liquidity will limit the price at which you may be able to sell our securities or your ability to sell our securities at all.

**FTN Midwest Securities Corp. may be considered affiliated with us and its ability to be a market maker in our securities may be restricted, and this may limit the liquidity and price of our securities**.

Although FTN Midwest Securities Corp. has not committed to making a market in our securities, it is anticipated that it will do so. FTN Midwest Securities Corp. may be deemed an affiliate and, as a result, may not freely trade in our securities after the initial public offering in reliance on exemptions from the registration requirements under the Securities Act of 1933, as amended, or the Securities Act, typically applicable to market making activities. In connection with any market making activities, FTN Midwest Securities Corp. must deliver a prospectus that is part of an effective registration statement under the Securities Act and that contains current information (a market making prospectus ). It is anticipated that FTN Midwest Securities Corp. will use this prospectus for its market making activities. In order for it to do so, this prospectus will have to be updated periodically to reflect current information. During times when the information in this prospectus has become outdated, until an amended prospectus has been prepared, FTN Midwest Securities Corp. may have to cease its market making activities which could limit the ability of FTN Midwest Securities Corp. to effectively make a market in our securities and this could decrease the liquidity and price of our securities after the initial public offering.

**If we are deemed to be an investment company, we may be required to institute burdensome compliance requirements and our activities may be restricted, which may make it difficult for us to complete a business combination.**

If we are deemed to be an investment company under the Investment Company Act of 1940, as amended, or the 1940 Act, our activities may be restricted, including:

restrictions on the nature of our investments; and

restrictions on the issuance of our securities, each of which may make it difficult for us to complete a business combination.

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In addition, we may have imposed upon us burdensome requirements, including:

registration and regulation as an investment company;

adoption of a specific form of corporate structure; and

reporting, record keeping, voting, proxy and disclosure requirements and other rules and regulations.

We do not believe that our anticipated principal activities will subject us to the 1940 Act. To this end, the proceeds held in trust may only be invested by the trust agent in a money market fund fully collateralized by United States government securities. By restricting the investment of the proceeds to these instruments, we intend to meet the requirements for the exemption provided in Rule 3a-1 under the 1940 Act. If we were deemed to be subject to the 1940 Act, compliance with these additional regulatory burdens would require additional expense that we have not allotted for.

**Because there are numerous companies with a business plan similar to ours seeking to complete a business combination, it may be more difficult for us to complete a business combination.**

According to the investment firm of Sanders Morris Harris, there were fewer than fifteen initial public offerings of specified purpose acquisition companies in 2004 and only one in 2003. Published reports indicate that between 33 to 42 similarly structured blank check companies filed initial public offerings with the Securities and Exchange Commission from January 2005 through October 2005. Of these companies, few have announced that they have entered into a definitive agreement for a business combination, while even fewer have consummated a business combination. According to the Investment Dealers Digest, through October 2005, 19 such initial public offerings have been completed so far this year, raising a total of $1.1 billion, while nine IPOs raised $339.6 million in 2004. While some of those companies have targeted specific industries in which they must complete a business combination and only a few have targeted the healthcare industry, a number of them may consummate a business combination in any industry they choose. Competition from these and other companies seeking to consummate a business plan similar to ours could increase demand for attractive target companies. Further, the fact that very few of such companies have entered into a definitive agreement for a business combination and even fewer have completed a business combination may be an indication that there are only a limited number of attractive target businesses available or that target businesses may not be inclined to enter into business combinations with publicly held blank check companies like us. Therefore, we cannot assure you that we will be able to successfully compete for an attractive business combination, nor can we assure you that we will be able to effectuate a business combination within the required time period. If we are unable to find a suitable target business within such time periods, we will be forced to liquidate and the portion of your investment not placed in trust would be lost.

**A provision in our Amended and Restated Certificate of Incorporation preventing amendment of certain language therein may not be enforceable under Delaware law.**

Our Amended and Restated Certificate of Incorporation contains provisions governing the process for the approval of a business combination and the release of funds from the trust account that is described throughout this prospectus. The Amended and Restated Certificate of Incorporation also provides that these provisions may not be amended prior to the consummation of a business combination. The enforceability of this prohibition of any amendment under Delaware law is unclear. As a result, although we have no intention of doing so, Delaware law may allow us to amend these provisions upon obtaining the affirmative vote of the holders of a majority of our common stock.

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**Risks associated with the healthcare sector**

**The healthcare industry is susceptible to significant liability exposure. If liability claims are brought against us following a business combination, the defense of such claims could consume management s time and our resources and a negative outcome could disrupt our operations.**

Any target business we acquire in the healthcare industry will be exposed to potential liability risks that are inherent in the testing, manufacturing, marketing and sale of healthcare products and/or the provision of healthcare services. A successful liability claim could have material adverse effect on our business, financial condition or market price of our common stock and warrants. In addition, the time, energy and attention that our management could be required to devote to confronting any such claims could prevent it from concentrating on the growth and profitability of our acquired business, which could have a material impact on our financial results and the market prices of our securities.

**Changes in the healthcare industry are subject to various influences, each of which may affect our prospective business.**

The healthcare industry is subject to changing political, economic, and regulatory influences. These factors affect the purchasing practices and operations of healthcare organizations. Any changes in current healthcare financing and reimbursement systems could cause us to make unplanned enhancements of our prospective products or services, or result in delays or cancellations of orders, or in the revocation of endorsement of our prospective products or services by clients. Federal and state legislatures have periodically considered programs to reform or amend the U.S. healthcare system at both the federal and state level. Such programs may increase governmental regulation or involvement in healthcare, lower reimbursement rates, or otherwise change the environment in which healthcare industry participants operate. Healthcare industry participants may respond by reducing their investments or postponing investment decisions, including investments in our prospective products or services.

Many healthcare industry participants are consolidating to create integrated healthcare systems with greater market power. As the healthcare industry consolidates, competition to provide products and services to industry participants will become even more intense, as will the importance of establishing a relationship with each industry participant. These industry participants may try to use their market power to negotiate price reductions for our prospective products and services. If we were forced to reduce our prices, our operating results could suffer if we could not achieve corresponding reductions in our expenses.

**Any business we acquire will be subject to extensive government regulation. Any changes to the laws and regulations governing our prospective business, or the interpretation and enforcement of those laws or regulations, could cause us to modify our operations and could result in increased costs.**

We believe that our prospective business will be extensively regulated by the federal government and any states in which we decide to operate. The laws and regulations governing our operations, if any, are generally intended to benefit and protect persons other than our stockholders. The government agencies administering these laws and regulations have broad latitude to enforce them. These laws and regulations along with the terms of any government contracts we may enter into would regulate how we do business, what products and services we could offer, and how we would interact with the public. These laws and regulations, and their interpretations, are subject to frequent change. Changes in existing laws or regulations, or their interpretations, or the enactment of new laws or regulations could reduce our revenue, if any, by:

imposing additional capital requirements;

increasing our liability;

increasing our administrative and other costs;

increasing or decreasing mandated benefits;

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forcing us to restructure our relationships with providers; or

requiring us to implement additional or different programs and systems.

For example, Congress enacted the Health Insurance Portability and Accountability Act of 1996 which had serious implications for the healthcare industry, including the imposition of a vast array of additional requirements with respect to privacy protections, electronic security protections, and additional requirements with respect to the manner in which health care transactions (such as claim submissions) must be conducted. Another example of recently enacted and far-reaching legislation is the Medicare Prescription Drug, Improvement and Modernization Act of 2003, which will have very significant effects in greatly increasing the level of federal expenditures for prescription drugs. The new legislation will alter the nature and degree of reimbursement for drugs and for healthcare services as it is phased in in 2006. Any analogous requirements applied to our prospective products or services would be costly to implement and could affect our prospective revenues.

We believe that our business, if any, will be subject to various routine and non-routine governmental reviews, audits and investigation. Violation of the laws governing our prospective operations, or changes in interpretations of those laws, could result in the imposition of civil or criminal penalties, the cancellation of any contracts to provide products or services, the suspension or revocation of any licenses, and exclusion from participation in government sponsored health programs, such as Medicare, Medicaid and the State Children s Health Insurance Program. If we become subject to material fines or if other sanctions or other corrective actions were imposed upon us, we might suffer a substantial reduction in revenue, and might also lose one or more of our government contracts and as a result lose significant numbers of members and amounts of revenue.

For example, in recent years there have been an increasing number of investigations for sales under federal and state anti-kickback statutes relating to Medicare and Medicaid reimbursement and the federal False Claims Act and its state analogues, with settlements often reaching into the several hundred million dollar range. This risk applies to both healthcare service providers and medical device manufacturers. Investigations in this area will be further stimulated by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

The current administration s issuance of new regulations, its enforcement of the existing laws and regulations, the states ability to promulgate stricter rules, and uncertainty regarding many aspects of the regulations may make compliance with any new regulatory landscape difficult. In order to comply with any new regulatory requirements, any prospective business we acquire may be required to employ additional or different programs and systems, the costs of which are unknown to us at this time. Further, compliance with any such new regulations may lead to additional costs that we have not yet identified. We do not know whether, or the extent to which, we would be able to recover our costs of complying with any new regulations. Any new regulations and the related compliance costs could have a material adverse effect on our business.

**If we are unable to attract qualified healthcare professionals at reasonable cost, it could limit our ability to grow and could decrease our profitability.**

We may rely significantly on our ability to attract and retain qualified healthcare professionals who possess the skills, experience and licenses necessary to meet the certification requirements and the requirements of the hospitals, nursing homes and other healthcare facilities with which we may work, as well as the requirements of applicable state and federal governing bodies. We will compete for qualified healthcare professionals with hospitals, nursing homes and other healthcare organizations. Currently, for example, there is a shortage of qualified nurses in most areas of the United States. Therefore, competition for nursing personnel is increasing, and nurses salaries and benefits have risen. This may also occur with respect to other healthcare professionals on whom our business may become dependent.

Our ability to attract and retain such qualified healthcare professionals will depend on several factors, including our ability to provide attractive assignments and competitive benefits and wages. We cannot assure you that we will be successful in any of these areas. Because we may operate in a fixed reimbursement environment,

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increases in the wages and benefits that we must provide to attract and retain qualified healthcare professionals or increases in our reliance on contract or temporary healthcare professionals could decrease our revenue. We may be unable to continue to increase the number of qualified healthcare professionals that we recruit, decreasing the potential for growth of our business. Moreover, if we are unable to attract and retain qualified healthcare professionals, we may have to limit the number of clients for whom we can provide any of our prospective products or services.

**We may be dependent on payments from Medicare and Medicaid. Changes in the rates or methods governing these payments for our prospective products or services, or delays in such payments, could decrease our prospective revenue.**

A large portion of our revenue may consist of payments from Medicare and Medicaid programs. We cannot assure you that Medicare and Medicaid will continue to pay in the same manner or in the same amount that they currently do. Any reductions in amounts paid by government programs for our prospective products or services or changes in methods or regulations governing payments would decrease our potential revenue. Additionally, delays in any such payments, whether as a result of disputes or for any other reason, would also decrease our potential revenue.

**If our costs were to increase more rapidly than payment adjustments we receive from Medicare, Medicaid or other third-party payors for any of our potential products or services, our revenue could be decreased.**

We may receive fixed payments for our prospective products or services based on the level of service or care that we provide. Accordingly, our revenue may be largely dependent on our ability to manage costs of providing any products or services and to maintain a client base. We may become susceptible to situations where our clients may require more extensive and therefore more expensive products or services than we may be able to profitably deliver. Although Medicare, Medicaid and certain third-party payors currently provide for an annual adjustment of various payment rates based on the increase or decrease of the medical care expenditure category of the Consumer Price Index, these increases have historically been less than actual inflation. If these annual adjustments were eliminated or reduced, or if our costs of providing our products or services increased more than the annual adjustment, any revenue stream we may generate would be decreased.

**We may depend on payments from third-party payors, including managed care organizations. If these payments are reduced, eliminated or delayed, our prospective revenues could be decreased.**

We may be dependent upon private sources of payment for any of our potential products or services. Any amounts that we may receive in payment for such products and services may be decreased by market and cost factors as well as other factors over which we have no control, including regulations, cost containment, utilization decisions and reduced reimbursement schedules of third-party payors. Any reductions in such payments, to the extent that we could not recoup them elsewhere, would have a material adverse effect on our prospective business and results of operations. Additionally, delays in any such payments, whether as a result of disputes or for any other reason, would have a material adverse effect on our prospective business and results of operations.

**Medical reviews and audits by governmental and private payors could result in material payment recoupments and payment denials.**

Medicare fiscal intermediaries and other payors may periodically conduct pre-payment or post-payment medical reviews or other audits of our prospective products or services. In order to conduct these reviews, the payor would request documentation from us and then review that

documentation to determine compliance with applicable rules and regulations, including the documentation of any products or services that we might provide. We cannot predict whether medical reviews or similar audits by federal or state agencies or commercial payors of such products or services will result in material recoupments or denials, which could reduce our revenues and cause damage to our business reputation.

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**The FDA and state and foreign regulatory agencies have promulgated regulations that will affect our existing or potential products after consummating an acquisition.**

The business activities we may engage in following a business combination, including medical device manufacturing and drug development or testing, are subject to rigorous regulatory requirements at the federal, state and foreign levels, which lead to burdensome reporting requirements or potential sanctions. See the section below entitled Proposed Business Regulation of the healthcare sector.

The regulatory requirements applicable to our products may be modified in the future. We cannot determine what effect changes in regulations or statutes or legal interpretations may have on a product in the future. Changes could require alterations to manufacturing methods, expanded or different labeling, monitoring mechanisms, the recall, replacement or withdrawal of certain products, additional record keeping and expanded documentation of the properties of certain products or their effects on patients, and new scientific substantiation. Any changes or new legislation could have a material adverse effect on our ability to develop and sell new products and, therefore, our ability to generate revenue and cash flow from them.

Additionally, our potential products may be subject to regulation by similar agencies in other states and foreign countries. Compliance with such laws or regulations, including any new laws or regulations in connection any potential products developed by us, might impose additional costs on us or marketing impediments on such products which could decrease our revenues and increase our expenses. The FDA and state authorities have broad enforcement powers. Our failure to comply with applicable regulatory requirements could result in enforcement action by the FDA or state agencies, which may include any of the following sanctions:

- warning letters, fines, injunctions, consent decrees and civil penalties;
- repair, replacement, refunds, recall or seizure of our products;
- operating restrictions or partial suspension or total shutdown of production;
- refusal of requests for 510(k) clearance or premarket approval of new products, new intended uses, or modifications to existing products;
- withdrawal of 510(k) clearance or premarket approvals previously granted and
- criminal prosecution.

If any of these events were to occur, it could harm our business.

**The FDA can impose civil and criminal enforcement actions and other penalties on us if we were to fail to comply with stringent FDA regulations.**

Medical device manufacturing facilities must maintain records, which are available for FDA inspectors documenting that the appropriate manufacturing procedures were followed. Should we acquire such a facility as a result of a business combination, the FDA would have authority to conduct inspections of such a facility. Labeling and promotional activities are also subject to scrutiny by the FDA and, in certain instances, by the Federal Trade Commission. Any failure by us to take satisfactory corrective action in response to an adverse inspection or to comply with applicable FDA regulations could result in enforcement action against us, including a public warning letter, a shutdown of manufacturing operations, a recall of our products, civil or criminal penalties or other sanctions. From time to time, the FDA may modify such requirements, imposing additional or different requirements which could require us to alter our business methods which could potentially result in increased expenses.

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## USE OF PROCEEDS

The following table sets forth the proceeds we estimate to receive from this offering:

| | Without Over-Allotment Option | With Over-Allotment Option |
|---|---|---|
| *Gross proceeds*[1] | $ 100,000,002 | $ 115,000,002 |
| *Offering expenses* | | |
| Underwriting discount (7% of gross proceeds) | 7,000,000 | 8,050,000 |
| Underwriting non-accountable expense allowance (1% of gross proceeds)[2] | 1,000,000 | 1,000,000 |
| Legal fees and expenses (including blue sky services and expenses) | 400,000 | 400,000 |
| Printing and engraving expenses | 75,000 | 75,000 |
| Accounting fees and expenses | 50,000 | 50,000 |
| SEC registration fee | 38,351 | 38,351 |
| NASD filing fee | 33,083 | 33,083 |
| Miscellaneous expenses | 23,568 | 23,568 |
| *Proceeds after offering expenses* | $ 91,380,000 | $ 105,330,000 |
| *Proceeds held in trust* | | |
| Net offering proceeds held in trust | 89,600,000 | 103,350,000 |
| Deferred underwriting discount and commission | 5,400,000 | 6,210,000 |
| **Total proceeds held in trust** | **$ 95,000,000** | **$ 109,560,000** |
| *Net proceeds not held in trust* | $ 1,780,000 | $ 1,980,000 |
| *Use of net proceeds not held in trust* | | |
| Legal, accounting and other third party expenses attendant to the due diligence investigations, structuring and negotiation of a business combination | $ 350,000 | $ 350,000 |
| Internal due diligence of prospective target businesses | 100,000 | 100,000 |
| Legal and accounting fees relating to SEC reporting obligations | 50,000 | 50,000 |
| Working capital to cover miscellaneous expenses, stockholder note payable, D&O insurance and reserves | 1,280,000 | 1,480,000 |
| **Total** | **$ 1,780,000** | **$ 1,980,000** |

(1) Excludes the payment of $100 from FTN Midwest Securities Corp., for its purchase option, proceeds from the future sale of units under the purchase option and proceeds from the future exercise of any warrants.

(2) The non-accountable expense allowance, which is payable to FTN Midwest Securities Corp. alone, is not payable with respect to the units sold upon exercise of the underwriters over-allotment option.

We intend to use the proceeds from the sale of the units to acquire one or more operating businesses in the healthcare-related sector.

Of the net proceeds, $95,000,000 (including deferred underwriting discount and commission of $5,400,000), or $109,560,000 (including deferred underwriting discount and commission of $6,210,000) if the underwriters over-allotment option is exercised in full, will be placed in a trust account at JPMorgan Chase Bank, N.A. The proceeds will not be released from the trust account until the earlier of the completion of a business combination or our liquidation. The proceeds held in the trust account may be used as consideration to pay the sellers of a target business with which we ultimately complete a business combination. Depending on the total consideration

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paid to the sellers of the target business, and whether such consideration includes stock, cash on hand or borrowed money, it is possible that proceeds from the trust account will not be fully used as consideration for a business combination. In such event, amounts may be released from trust to the merged company upon completion of the business combination. These funds will remain assets of the merged company and may be used to finance the costs of the business combination, future operations and/or subsequent acquisitions. We may also use these funds to pay a finder s fee in connection with a business combination. We have no agreements in place with any person at the date of this prospectus in respect to finder s fees.

We intend to use the excess working capital (approximately $1,280,000) for director and officer liability insurance premiums (approximately $550,000), annual retainers for certain of our officers and directors (approximately $500,000) and repayment of loans from Healthcare Acquisition Partners Holdings, LLC (approximately $85,000), with the balance of $145,000 being held in reserve. We have reserved approximately $100,000 for reimbursement of internal expenses incurred in connection with conducting due diligence reviews of prospective target businesses, including any out-of-pocket expenses incurred by our initial stockholders in connection with activities on our behalf. We expect that internal due diligence of prospective target businesses will be performed by some or all of our officers and directors. We have reserved approximately $350,000 for legal, accounting and other third party expenses, such as engaging market research and valuation firms, as well as other expenses of structuring and negotiating business combinations, including the making of a down payment or the payment of exclusivity or similar fees and expenses.

We may not use all of the proceeds in the trust in connection with a business combination, either because the consideration for the business combination is less than the proceeds in trust or because we finance a portion of the consideration with our capital stock or debt securities. In that event, the proceeds held in the trust account as well as any other net proceeds not expended will be retained as working capital and may be used to finance the costs of the business combination, which may include a finder s fee, future operations and/or subsequent acquisitions. Because we do not have any specific business combination under consideration and have not (nor has anyone on our behalf) contacted any prospective target business or had any discussions, formal or otherwise, with respect to such a transaction, we are not able at this time to determine how, following a business combination, we would use any proceeds held in the trust account that are not used to consummate such business combination.

Healthcare Acquisition Partners Holdings, LLC, which is indirectly owned by FTN Midwest Securities Corp., has advanced to us approximately $85,000, which funds were used to pay certain expenses of the offering including the SEC registration fee of $38,351 and the NASD filing fee of $33,083. These borrowings will be repaid upon the consummation of the offering out of the net proceeds not placed in trust.

Our directors and officers will agree with FTN Midwest Securities Corp., at the close of this offering, to place an irrevocable order with a third-party broker-dealer, in accordance with guidelines specified by Rule 10b5-1 under the Exchange Act, to purchase up to $1,000,000 of our warrants, on behalf of themselves, their affiliates or their designees, collectively, in the open market, within the 60-trading days beginning on the later of the date that the warrants begin to trade separately and 90 days after the end of the restricted period under Regulation M (as further described in this prospectus). A broker-dealer who has not participated in this offering will agree to make the purchases of the warrants on behalf of our directors and officers in such amounts and at such times as that broker-dealer may determine, in its sole discretion, subject to any regulatory restrictions. If at the end of such 60 trading-day period the broker-dealer has not purchased up to the maximum of $1,000,000 of our warrants on behalf of our directors and officers, then our directors and officers will purchase warrants from us in a private placement at a price per warrant to be agreed upon in an amount equal to the difference of $1,000,000 and the total amount paid by the broker-dealer. For a more complete discussion, please see the section of this prospectus entitled Underwriting.

The net proceeds of this offering that are not immediately required for the purposes set forth above will be invested in a money market fund fully collateralized by United States government securities, so that we are not

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deemed to be an investment company under the 1940 Act. The interest income derived from investment of the net proceeds not held in trust during this period will be used to defray our general and administrative expenses, as well as costs relating to compliance with securities laws and regulations, including associated professional fees, until a business combination is completed.

We believe that, upon consummation of this offering, we will have sufficient available funds to operate for at least the next 24 months, assuming that a business combination is not consummated during that time.

No cash compensation will be paid to our initial stockholders or to FTN Midwest Securities Corp. and its affiliates for services rendered to us prior to or in connection with the consummation of the business combination, except for customary investment banking fees and expenses and/or finders fees in connection with that business combination approved by our directors that are not affiliated with FTN Midwest Securities Corp. Each of our officers and directors, other than Sean McDevitt and Pat LaVecchia, own shares of our common stock that they received, subject to forfeiture provisions, for no consideration as a condition of their accepting their positions with us in September and October 2005. We have agreed to reimburse our initial stockholders for any tax liability they may incur in connection with their receipt of shares of our common stock. Shares of our common stock held by our initial stockholders (and any of our reserved treasury shares that are transferred to any person) will be subject to lock-up agreements restricting their sale until six months after a business combination is completed. Our chief executive officer, chief financial officer, and each of our independent directors will receive an annual retainer of $50,000. John Voris, our chief executive officer and a director, will receive an additional $50,000 annual retainer for his services as a director. Our initial stockholders will receive reimbursement for any out-of-pocket expenses incurred by them in connection with activities on our behalf, such as identifying potential target businesses and performing due diligence on suitable business combinations. Since the role of present management after a business combination is uncertain, we have no ability to determine what remuneration, if any, will be paid to those persons after a business combination.

A public stockholder will be entitled to receive funds, on a pro rata basis, from the trust account (including interest earned on the trust account) only in the event of our liquidation upon our failure to complete a business combination within the time frame provided in this prospectus or if that public stockholder were to seek to convert such shares into cash in connection with a business combination which the public stockholder previously voted against and which we actually consummate. In no other circumstances will a public stockholder have any right or interest of any kind to or in the trust account.

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## CAPITALIZATION

The following table sets forth our capitalization at December 31, 2005 and as adjusted to give effect to the sale of our units in this offering and the application of the estimated net proceeds derived from the sale of our units (assuming no exercise of the underwriters over-allotment option):

| | December 31, 2005 | |
|---|---|---|
| | **Actual** | **As Adjusted** |
| | **(unaudited)** | |
| Common Stock, $.0001 par value, -0- and 3,331,667 shares of which, respectively, are subject to possible conversion[(1)] | $ | $ 18,990,502 |
| Accounts Payable | $ 93,954 | $ |
| Notes Payable | 85,100 | |
| Indebtedness | | |
| Stockholders equity (deficit) | | |
| Preferred stock, $.0001 par value, 1,000,000 shares authorized; none issued and outstanding | | |
| Common stock, $.0001 par value, 200,000,000 shares authorized; 4,166,667 shares issued and outstanding, actual, 17,501,667 shares issued and outstanding (excluding 3,331,667 shares which are subject to possible conversion), as adjusted | $ 417 | $ 1,750 |
| Additional paid-in capital | 24,583 | 77,812,748 |
| Deficit accumulated during the development stage | (10,876) | (10,876) |
| Treasury stock, 2,416,666 shares | (14,500) | (14,500) |
| **Total stockholders equity (deficit)** | (376) | 77,789,122 |
| **Total capitalization** | $ 178,678 | $ 96,779,624 |

(1) If we consummate a business combination, the conversion rights afforded to our public stockholders may result in the conversion into cash of up to approximately 19.99% of the aggregate number of shares sold in this offering at a per-share conversion price equal to the amount in the trust account including all accrued interest thereon, as of two business days prior to the proposed consummation of a business combination, divided by the number of shares of common stock sold in this offering.

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## DILUTION

The difference between the public offering price per share of common stock, assuming no value is attributed to the warrants included in the units, and the pro forma net tangible book value per share of our common stock after this offering constitutes the dilution to investors in this offering. Net tangible book value per share is determined by dividing our net tangible book value, which is our total tangible assets less total liabilities (including the value of common stock which may be converted into cash), by the number of outstanding shares of our common stock.

At December 31, 2005, our net tangible book value deficit was approximately $(165,464), or approximately $(0.10) per share of common stock. After giving effect to the sale of 16,666,667 shares of common stock included in the units (but excluding shares issuable upon exercise of the warrants included in the units), and the deduction of the underwriting discount and estimated expenses of this offering, our pro forma net tangible book value (as decreased by the value of 3,331,667 shares of common stock which may be converted into cash) at December 31, 2005 would have been approximately $77,789,122 or $5.16 per share, representing an immediate increase in net tangible book value of $5.26 per share to our initial stockholders and an immediate dilution of $0.84 per share or 19% to new investors not exercising their conversion rights.

The following table illustrates the dilution to the new investors on a per-share basis, assuming no value is attributed to the warrants included in the units:

| | | |
|---|---|---|
| Public offering price | | $ 6.00 |
| Net tangible book value before this offering | ($0.10) | |
| Increase attributable to new investors | 5.26 | |
| Pro-forma net tangible book value after this offering | | 5.16 |
| Dilution to new investors | | $ 0.84 |

Our pro forma net tangible book value after this offering has been reduced by approximately $18,990,502 because if we effect a business combination, the conversion rights to the public stockholders may result in the conversion into cash of up to approximately 19.99% of the aggregate number of the shares sold in this offering at a per-share conversion price equal to the amount in the trust account calculated as of two business days prior to the consummation of the proposed business combination, inclusive of any interest, divided by the number of shares sold in this offering.

The following table sets forth information with respect to our initial stockholders and the new investors:

| | Shares Purchased | | Total Contribution | Average Price Per Share |
|---|---|---|---|---|
| | Number | Percentage | | |