

LIME ENERGY CO.
Form S-4/A
February 06, 2009

Table of Contents

As filed with the Securities and Exchange Commission on February 6, 2009

Registration No. 333-156924

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Amendment No. 1
to**

Form S-4

**REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

LIME ENERGY CO.
(Exact Name of Registrant as Specified in its Charter)

Delaware <i>(State or Other Jurisdiction of Incorporation or Organization)</i>	3600 <i>(Primary Standard Industrial Classification Code Number)</i>	36-4197337 <i>(I.R.S. Employer Identification No.)</i>
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1280 Landmeier Road, Elk Grove Village, Illinois, 60007, (847) 437-1666
*(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive
Offices)*

Jeffrey R. Mistarz
Chief Financial Officer and Treasurer
1280 Landmeier Road, Elk Grove Village, Illinois, 60007, (847) 437-1666
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

J. Todd Arkebauer, Esq.
Reed Smith LLP
10 S. Wacker Drive
Chicago, Illinois 60606-7507
(312) 207-1000

David Mittelman, Esq.
Reed Smith LLP
Two Embarcadero Center, Suite 2000
San Francisco, CA 94111
(415) 659-5943

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective and upon consummation of the merger described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933 (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.

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
 (Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction.

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
 Exchange Act Rule 14d-1(d) (Cross-Border Third Party Tender Offer)

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, par value \$0.0001 per share	231,193(1)	N/A	536,000(2)	\$21.07(3)

- (1) The number of shares of common stock of the registrant being registered is based upon (x) an estimate of the maximum number of shares of common stock, par value \$0.001 per share, of Advanced Biotherapy, Inc. (ADVB) presently outstanding in connection with the merger of a wholly owned subsidiary of the registrant with ADVB, multiplied by (y) the exchange ratio of 0.002124 of a share of common stock, par value \$0.0001 per share, of the registrant, for each such share of common stock of ADVB. For purposes of this calculation, the maximum number of ADVB shares is 107,200,056, which represents 9.2% of the total number of ADVB shares of common stock presently outstanding held by approximately 3,500 ADVB shareholders. The number of shares of common stock being registered additionally includes 3,500 shares representing the estimated maximum number of shares of ADVB common stock subject to rounding due to fractions in the per share exchange ratio as contemplated by the ADVB merger.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f) under the Securities Act. The proposed maximum aggregate offering price for the common stock is (i) the product of (x) \$0.005, the average of the bid and asked prices of ADVB common stock, as quoted on the OTC Bulletin Board, on January 29, 2009, and (y) 107,200,056, the estimated maximum number of shares of ADVB common stock that may be exchanged for the shares of common stock of the registrant being registered.
- (3) Previously paid.

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

Table of Contents

This information statement/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 information statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy any securities in any jurisdiction where an offer or sale is not permitted.

PRELIMINARY SUBJECT TO COMPLETION DATED FEBRUARY 6, 2009

231,193 shares of common stock of Lime Energy Co.

ACQUISITION OF ADVANCED BIOTHERAPY, INC.

The board of directors and the holders of a majority of the capital stock of Lime Energy Co. have approved a set of transactions to acquire Advanced Biotherapy, Inc. (ADVB). Upon consummation of the merger described in this document, the holders of ADVB common stock will have a right to receive 0.002124 of a share of Lime common stock for each share of ADVB common stock held immediately prior to the merger.

Lime entered into a stock purchase agreement on November 18, 2008 to acquire 90.8% of the outstanding common stock of ADVB in exchange for 2,252,341 shares of our common stock from the controlling stockholders of ADVB, including Richard P. Kiphart, Lime's and ADVB's chairman and largest stockholder. Each ADVB stockholder selling through the stock purchase agreement will receive the same 0.002124 ratio of Lime shares as Lime is offering through this document to all remaining ADVB stockholders.

Lime common stock is quoted on the NASDAQ Capital Market under the symbol LIME . On February 5, 2009, the closing price of LIME common stock was \$4.54.

This information statement/prospectus is intended to provide you with information about the acquisition of ADVB. **We urge you to read this information statement/prospectus carefully, including the Risk Factors beginning on page 5.**

No earlier than 20 days after the date of this information statement/prospectus, Lime intends to (a) acquire the ADVB shares covered by the November 18, 2008 purchase agreement and (b) consummate a short-form merger between ADVB and a Lime subsidiary. As a result of the merger, all ADVB stockholders who have not exercised appraisal rights will become Lime stockholders. The merger is expected to represent a taxable event for ADVB stockholders.

We are not asking you for a proxy and you are requested not to send us a proxy.

The holders of a majority of the outstanding shares of Lime capital stock have approved the issuance of Lime common stock to the stockholders of ADVB. No other vote of the Lime stockholders is necessary to effect the acquisition of ADVB.

By order of the Lime Energy Co. Board of Directors,

/s/ David R. Asplund

David R. Asplund
Chief Executive Officer

Neither the SEC nor any state securities commission has approved or disapproved of the securities to be issued in connection with this transaction or determined if this information statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

This information statement/prospectus is dated February 6, 2009, and is first being mailed on or about February 11, 2009 to our stockholders of record as of the close of business on February 6, 2009.

Table of Contents

NOTICE OF MERGER AND RIGHT OF APPRAISAL

ATTN: Stockholders of Advanced Biotherapy, Inc.

Notice is hereby given pursuant to Section 262(d) of the Delaware General Corporation Law (DGCL) that on March 3, 2009 (the Effective Time), Advanced Biotherapy, Inc. (ADVB) will be merged (the Merger) with and into a subsidiary of Lime Energy Co. (the Merger Sub).

Pursuant to the Merger, each outstanding share of ADVB s common stock, par value \$0.001 per share (each an ADVB Share) which is not already held by the Merger Sub will be converted into the right to receive 0.002124 of a share of Lime Energy Co. common stock.

The Merger will become effective under Section 253 of the DGCL on March 3, 2009, upon adoption of a resolution by the Board of Directors of the Merger Sub, which owns approximately 90.8% of the outstanding ADVB Shares, and the filing by the Merger Sub of a Certificate of Ownership and Merger with the Delaware Secretary of State, without any vote or other action on the part of the stockholders of ADVB. As a result of the Merger, ADVB will be merged with and into the Merger Sub and will cease to exist as a corporate entity.

No further vote of any ADVB stockholder is required and no proxies or consents are being sought from you hereby. You will receive written instructions set forth in a Letter of Transmittal from the Merger Sub s exchange agent after the Merger is completed detailing how to exchange your ADVB stock certificates for certificates representing shares of Lime Energy Co. common stock or evidence of such shares in book entry form.

Appraisal Rights

As a stockholder of record of ADVB, you have the right, exercisable on or prior to the twentieth day after the mailing of this notice, to seek appraisal for part of or for all of your ADVB Shares by complying with the requirements of Section 262 of the Delaware Law. The procedures of Section 262 should be complied with strictly. Failure to follow any such procedures may result in the termination or waiver of your appraisal rights.

(a) *Demand for Appraisal.* Under Section 262, a stockholder who desires to exercise appraisal rights must perfect such rights by delivering to the Merger Sub, within 20 days after the date of mailing of this Notice, a written demand for appraisal of his or her ADVB Shares which reasonably informs the Merger Sub of the identity of the stockholder and that such stockholder intends thereby to demand the appraisal of part of or all his or her ADVB Shares. Any such demand may be delivered to the Merger Sub by mail in care of:

Jeffrey R. Mistarz, 1280 Landmeier Road, Elk Grove Village, Illinois, 60007

(b) *Withdrawal of Demand for Appraisal.* A written demand for appraisal may be withdrawn by a stockholder, who has not commenced an appraisal proceeding or joined that proceeding as a named party, at any time within 60 days after the effective date of the Merger.

(c) *Filing of Petition for Appraisal; Appraisal Proceeding.* Within 120 days after the effective date of the Merger, any stockholder who has perfected his or her appraisal rights and who is otherwise entitled to appraisal rights may file a petition in the Delaware Court of Chancery demanding a determination of the value of the ADVB Shares held by all stockholders entitled to an appraisal. Upon the filing of any such petition by a stockholder, service of a copy thereof must be made upon the Merger Sub. The Merger Sub must within 20 days after such service file in the office of the Register in Chancery in which the petition was filed a duly verified list of the names and addresses of all stockholders

who have demanded payment for their ADVB Shares and with whom agreements as to the value of their ADVB Shares have not been reached by the Merger Sub.

Within 120 days after the effective date of the Merger, any stockholder who has complied with the provisions of Section 262 is entitled, upon written request, to receive from the Merger Sub a statement setting forth the aggregate number of ADVB Shares in respect of which demands for appraisal were received by the Merger Sub, and the aggregate number of holders of such ADVB Shares. Such statement must be mailed within 10 days after the written request therefor has been received by the Merger Sub or within 10 days after expiration of the time for delivery of demands for appraisal under Section 262, whichever is later.

Table of Contents

If a petition for an appraisal is timely filed, the Delaware Court of Chancery will hold a hearing to determine the stockholders entitled to appraisal rights and will appraise the ADVB Shares owned by such stockholders. Such stockholders have a right to receive the fair value of their ADVB Shares, exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with interest, if any, to be paid thereon. Following the appraisal proceeding, the Court will direct the Merger Sub to make payment of the fair value of such ADVB Shares as so determined, together with interest, if any, to the stockholders entitled thereto.

No representation can be made as to the outcome of an appraisal proceeding. Stockholders should also be aware that the appraisal rights process is subject to uncertainties (including the financial and legal complexities involved in determining the fair value of minority interests in the stock of a company similar to ADVB), and to the possibility of lengthy and expensive litigation that could extend for a substantial period of time (without the stockholders having received any money for their ADVB Shares during such period). Stockholders should also recognize that an appraisal proceeding could result in a determination of a fair value higher or lower than or equal to the Merger consideration for the ADVB Shares.

Additional Information You Should Consider

The accompanying Form S-4 information statement/prospectus is incorporated into this Merger Notice and contains important information, including: (i) a detailed description of the Merger beginning on page 32; (ii) ADVB's Management, Discussion and Analysis beginning on page 66; (iii) the most recent quarterly and fiscal year financials of ADVB beginning on page F-77; and (iv) the text of Section 262 of the DGCL beginning on page A-1. **You are urged to review the information statement/prospectus in order to make an informed decision as to whether you should seek appraisal rights.**

In addition to the information found in the information statement/prospectus, we urge you to consider carefully: (i) ADVB's Quarterly Report on Form 10-Q with respect to the quarterly period ending September 30, 2008 filed by ADVB with the Securities and Exchange Commission (the SEC) and (ii) ADVB's Annual Report on Form 10-KSB with respect to the fiscal year ending December 31, 2007 filed by ADVB with the SEC. You may read and copy these reports at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 on official business days during the hours of 10:00 am to 3:00 pm. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. The SEC also maintains an Internet website that contains reports, proxy statements and other information regarding issuers, including ADVB, who file electronically with the SEC. The address of that site is www.sec.gov.

If you have any questions regarding your dissenters' rights described in this notice, you should consult with your own independent counsel.

TABLE OF CONTENTS

	Page
<u>QUESTIONS AND ANSWERS ABOUT THE ADVB ACQUISITION</u>	iv
<u>SUMMARY</u>	1
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	4
<u>RISK FACTORS</u>	5
<u>MARKET PRICES AND DIVIDENDS AND OTHER DISTRIBUTIONS</u>	16
<u>THE ADVB ACQUISITION</u>	18
<u>APPRAISAL RIGHTS</u>	26
<u>TAX CONSEQUENCES OF THE ADVB ACQUISITION</u>	27
<u>THE STOCK PURCHASE AGREEMENT</u>	29
<u>THE MERGER</u>	32
<u>INFORMATION ABOUT LIME</u>	33
<u>LIME MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	41
<u>INFORMATION ABOUT ADVB</u>	61
<u>ADVB MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	66
<u>LIME UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION</u>	69
<u>LIME UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET</u>	71
<u>LIME DIRECTORS AND EXECUTIVE OFFICERS</u>	74
<u>TRANSACTIONS WITH RELATED PERSONS, PROMOTERS AND CERTAIN CONTROL PERSONS</u>	76
<u>LIME EXECUTIVE COMPENSATION</u>	82
<u>COMPENSATION OF LIME DIRECTORS</u>	90
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	92
<u>DESCRIPTION OF LIME CAPITAL STOCK</u>	97
<u>COMPARISON OF RIGHTS OF STOCKHOLDERS OF LIME AND ADVB</u>	99
<u>LEGAL MATTERS</u>	104
<u>EXPERTS</u>	104
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	105
<u>APPENDIX A DGCL RIGHTS OF APPRAISAL FOR ADVB STOCKHOLDERS</u>	A-1
<u>APPENDIX B STOCK PURCHASE AGREEMENT</u>	B-1
<u>APPENDIX C FAIRNESS OPINION OF CORPORATE VALUE MANAGEMENT INC.</u>	C-1
<u>EX-5.1</u>	
<u>EX-21</u>	
<u>EX-23.1</u>	
<u>EX-23.2</u>	
<u>EX-23.4</u>	
<u>EX-23.5</u>	

You should rely only on the information contained in this information statement/prospectus. No one has been authorized to provide you with information that is different from that contained in this document. You should assume that the information in this information statement/prospectus is accurate only as of its date. Information contained in this document regarding ADVB has been prepared by ADVB.

This information statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in any jurisdiction to or from any person to whom it is unlawful to make any such offer or

solicitation in such jurisdiction.

Unless otherwise stated, all references in this information statement/prospectus to Lime are to Lime Energy Co.; to the Merger Sub are to Lime Merger Sub Co., a Delaware corporation and wholly owned subsidiary of Lime; all references to the Stock Purchase Agreement are to the Stock Purchase Agreement, dated November 18, 2008, by and among Lime and the controlling holders of the majority of ADVB common stock; all references to the Stock Purchase are to the purchase of ADVB common stock by Lime pursuant to the Stock Purchase Agreement; all references to the Merger are to the merger by the Merger Sub whereby the Merger Sub will merge with and into ADVB; all references to the Merger Certificate are to the Certificate of Ownership and Merger of Merger Sub effecting the Merger.

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE ADVB ACQUISITION

These questions and answers highlight selected information contained in this information statement/prospectus and may not include all the information that is important to you. We urge you to read carefully this information statement/prospectus, including the appendices, in its entirety.

Q: What are the transactions covered by this information statement/prospectus?

A: Lime is sending you this document to provide information to the holders of Lime common stock and ADVB common stock about the Stock Purchase Agreement between Lime and controlling ADVB stockholders for the purchase of more than 90% of ADVB common stock, and Lime's contractual obligation to acquire the remaining stock of ADVB through a short-form merger.

In this information statement/prospectus, we refer to the Stock Purchase Agreement and the Merger as the ADVB Acquisition in which Lime will obtain ownership of 100% of ADVB shares of common stock.

Q: What is the Stock Purchase Agreement?

A: We entered into the Stock Purchase Agreement, whereby we agreed to acquire 90.8% of the outstanding common stock of ADVB in exchange for 2,252,341 shares of our common stock from controlling stockholders of ADVB, including Richard P. Kiphart. Mr. Kiphart is our and ADVB's Chairman and largest stockholder. Pursuant to the Stock Purchase Agreement, each selling ADVB stockholder will receive 0.002124 of a share of our common stock for each share of ADVB common stock, which number represents \$0.008625 divided by \$4.06, the closing price of our common stock on November 14, 2008. A copy of the Stock Purchase Agreement is attached as Appendix B to this information statement/prospectus.

Q: What is the Merger?

A: Immediately after acquiring the ADVB shares through the Stock Purchase Agreement, Lime will hold more than 90% of ADVB shares and, in accordance with Delaware law, ADVB will merge into Lime.

Q: What will ADVB stockholders receive in the Merger?

A: Upon the effectiveness of the Merger, each holder of an outstanding share of ADVB common stock will be entitled to receive 0.002124 of a share of Lime common stock. Holders of ADVB common stock receiving Lime common stock in the Merger will not receive any fractional Lime shares in the Merger. Instead, the total number of shares of Lime common stock that a holder of ADVB common stock will receive for any shares of ADVB common stock will be rounded up to the nearest whole number.

Lime stockholders will continue to own their existing shares, and will not need to exchange their existing shares in connection with the Merger.

Q: Will the remaining ADVB stockholders in the Merger receive the same consideration as the controlling sellers of ADVB common stock under the Stock Purchase Agreement?

A: Yes. All of the ADVB stockholders will receive 0.002124 of a share of Lime common stock for each share of ADVB common stock that they hold.

Q: Why am I receiving these materials?

A: We are delivering this document to you as an information statement and prospectus of Lime. It is an information statement of Lime because, insofar as the majority of the outstanding shares of voting stock of Lime have approved the ADVB Acquisition, no further vote by Lime stockholders is required. It is a prospectus of Lime because Lime will exchange shares of its common stock for shares of ADVB common stock in the Merger.

Q: Are Lime stockholders voting on the Stock Purchase Agreement and the Merger?

A. No. Lime stockholders holding a majority of the outstanding shares of Lime common and preferred stock entitled to vote have already adopted and approved the Stock Purchase Agreement and the Merger by written consent. No further vote of Lime stockholders is required and no proxies or consents from Lime stockholders

Table of Contents

are being sought hereby. Rather, for Lime stockholders, this information statement/prospectus is intended to provide Lime stockholders with information about the terms of the Stock Purchase Agreement, Merger Certificate and the Merger, and the impact of the transactions contemplated thereby.

Q: Are ADVB stockholders voting on the Stock Purchase Agreement and the Merger?

A. No. Upon consummation of the Stock Purchase Agreement, Lime will hold in excess of 90% of the outstanding shares of ADVB common stock entitled to vote, and Lime will effect the Merger as the parent holding company. No further vote of ADVB stockholders is required and no proxies or consents from ADVB stockholders are being sought hereby. Rather, for ADVB stockholders, this information statement/prospectus is intended to provide ADVB stockholders with information about Lime, the terms of the Merger Certificate and the Merger, and the impact of the transactions contemplated thereby.

Q: When does Lime expect to complete the Merger?

A. Lime expects to complete the Merger at the end of the first quarter of 2009.

Q: Is the Merger expected to be taxable to ADVB stockholders?

A. Yes. In general, for United States federal income tax purposes, ADVB stockholders will recognize gain or loss in an amount equal to the difference between the value of the Lime common stock received and that stockholder's adjusted tax basis in the ADVB shares surrendered. **ADVB stockholders should consult their tax advisors for a full understanding of the tax consequences to them of the Merger.** For further information regarding the U.S. federal income tax consequences of the Merger, please see Tax Consequences of the ADVB Acquisition beginning on page 27.

Q: Do ADVB or Lime stockholders have appraisal or dissenters' rights?

A. The holders of record of ADVB common stock have a statutory right to dissent from the Merger and demand payment of the fair value of their shares of ADVB common stock as determined in a judicial appraisal proceeding in accordance with Section 262 of the Delaware General Corporate Law (the DGCL), plus interest, if any, from the date of the Merger. The value may be more or less than the value of the Lime common stock offered in the Merger. The record date for all ADVB holders of record shall be February 6, 2009.

The holders of Lime common stock are not entitled to exercise any appraisal rights in connection with the Merger.

Q: What do ADVB stockholders need to do to qualify for appraisal rights?

A: In order to qualify for appraisal rights, ADVB stockholders of record must make a written demand for appraisal within 20 days after the date of mailing of the Notice of Merger and Appraisal Rights mailed with this information statement/prospectus, which shall and otherwise comply with the procedures for exercising appraisal rights set forth in the DGCL. The statutory right of dissent is set out in Section 262 of the DGCL and is complicated. A copy of Section 262 is attached as Appendix A hereto. Any failure to comply with its terms will result in an irrevocable loss of such right. **ADVB stockholders seeking to exercise their statutory right of dissent are encouraged to seek advice from legal counsel.**

Q: Has ADVB's board of directors made a recommendation concerning the Stock Purchase Agreement and the Merger?

- A. No. The ADVB board of directors did not approve or disapprove of the Stock Purchase Agreement and Merger and was not required to make any recommendation to ADVB stockholders.

Q: Should ADVB stockholders send in their stock certificates to Lime?

- A. No. ADVB stockholders should not send their stock certificates to Lime. The ADVB stockholders will receive written instructions set forth in a Letter of Transmittal from the exchange agent after the Merger is completed detailing how to exchange their ADVB stock certificates for certificates representing shares of Lime common stock or evidence of such shares in book entry form.

Table of Contents

Q: What if a person holds warrants or options to purchase shares of ADVB common stock?

A. Unless previously exercised, warrants to purchase shares of ADVB common stock will remain outstanding and will not be exchanged in connection with the Merger. Following the Merger all holders of outstanding ADVB warrants and options will be offered the opportunity to exchange their warrants and options for warrants and options to purchase Lime common stock. The number of shares issuable upon exercise of such Lime warrants and options, and the exercise prices for such warrants and options, will be adjusted based on the exchange ratio and rounded up to the nearest whole number.

Q: Should Lime stockholders send in their stock certificates to Lime?

A. No. Lime stockholders will not be exchanging their stock certificates in connection with the Merger. Accordingly, Lime stockholders holding stock certificates should keep their stock certificates both now and after the Merger is completed.

Q: Where can I find more information about Lime?

A. More information regarding Lime is available from its public filings with the SEC. Please see [Where You Can Find More Information](#) beginning on page 105.

Q: Whom should I contact if I have any questions about the Stock Purchase Agreement or the Merger?

A. Please contact Jeffrey R. Mistarz at Lime. 1280 Landmeier Road, Elk Grove Village, Illinois, 60007, (847) 437-1666.

Table of Contents

SUMMARY

This summary highlights selected information contained in this information statement/prospectus and may not contain all the information that may be important to you. Each section of this summary is qualified in its entirety by reference to the full discussions of the related matters in the body of this information statement/prospectus, and we urge you to read carefully this information statement/prospectus, including the appendices, in its entirety.

The Companies

Lime Energy Co. (see page 33)

We are an energy efficiency and renewable energy service and construction company. We perform energy efficiency engineering and consulting as well as development and implementation of energy efficient lighting, HVAC, water, weatherization, and renewable energy solutions. Our clients include commercial and industrial businesses, building owners, and property management companies as well as federal, state and local government agencies through energy service company partners. Through our Energy Technology business, we also offer a proprietary line of intelligent controllers that provide continuous management of HVAC and lighting equipment using wireless communication technology in order to reduce energy usage and improve system reliability.

Advanced Biotherapy, Inc. (see page 61)

ADVB is a corporation organized and existing under the laws of the state of Delaware, headquartered in Chicago, Illinois. ADVB's common stock is quoted on the OTC Bulletin Board under the symbol ADVB. ADVB, which began as a development stage biotechnology company, ceased to actively pursue its biotechnology business in 2006 and currently has no operations. Richard P. Kiphart is ADVB's Chairman and largest stockholder.

The ADVB Acquisition (see page 18)

Our board of directors and the holders of a majority of our capital stock have approved a series of transactions, described herein, whereby we will acquire ADVB. ADVB's current assets include approximately \$7.5 million in cash, an \$800,000 convertible promissory note from a third party and a \$4.5 million promissory note from Lime, under which there were no outstanding advances as of February 6, 2009.

Our primary objective in the acquisition of ADVB is to obtain ADVB's cash assets in order to meet our significant need for operating capital and retire the \$4.5 million promissory note held by ADVB. We do not intend to pursue the development of ADVB's biotechnology business. We believe that the acquisition of ADVB is the best alternative to access operating capital and retire the ADVB note given the current state of the financial markets.

The most efficient way in our view to consummate the acquisition of ADVB is via a short-form merger pursuant to Section 253 of the DGCL. Under this structure, we will first acquire 90% or more of the outstanding capital stock of ADVB and then effect a statutory merger to acquire the remaining ADVB stock, without the need to seek the approval of the majority of ADVB's more than 3,400 stockholders.

Our Reasons for the ADVB Acquisition (see page 19)

We had significant need for operating capital in 2008. Given the state of the financial markets, our search for third-party lending sources was unsuccessful. Ultimately, we incurred over \$13.4 million of secured debt to finance

our operations in 2008, \$11.5 million of which was advanced by Mr. Kiphart directly and \$1.5 million of which was advanced by ADVB in addition to other smaller loans from other parties. All of this debt would have matured on March 31, 2009 and our board of directors determined that our timely repayment was unlikely without an additional capital raise. By effecting the ADVB Acquisition, we will own 100% of ADVB's assets, and thereby eliminate the need for repayment of any outstanding debt to ADVB. In addition, the Merger ultimately will give us access to the approximately \$7.5 million in cash held by ADVB, which we will use for general operating and capital expenses.

Table of Contents

Recommendation of the Lime Board of Directors and Corporate Value Management's Fairness Opinion (see page 20)

After careful consideration, the Lime board of directors recommended to its stockholders that they vote for the ADVB Acquisition. In reaching their recommendation they relied upon the fairness opinion prepared by Corporate Value Management, Inc., an independent valuation firm, whereby Corporate Value Management, Inc. determined that the consideration paid to ADVB was fair from a financial point of view. A copy of the Fairness Opinion is attached as Appendix C to this information statement/prospectus.

Material Interests of Certain of our Stockholders and Certain Stockholders of ADVB in the Control Transaction (see page 24)

Mr. Kiphart, one of the selling stockholders under the Stock Purchase, is the beneficial owner of more than 80% of the shares of ADVB and serves as its Chairman. David Valentine, Mr. Kiphart's son-in-law, is also a stockholder of ADVB. Messrs. Kiphart and Valentine also hold options to purchase a total of 6,075,000 shares of ADVB common stock and will be offered the opportunity to replace those options with options to purchase a total of 12,903 shares of our common stock.

Mr. Kiphart is also a significant stockholder of Lime and serves as its Chairman. Mr. Valentine is also a stockholder and board member of Lime.

Our board of directors and a majority of our stockholders approved the ADVB Acquisition, and were fully informed of the interests of Mr. Kiphart and Mr. Valentine. Mr. Kiphart and Mr. Valentine recused themselves from approving the ADVB Acquisition in their capacity as members of our board of directors, but have approved the transaction in their capacity as our stockholders.

Material Interests of ADVB's Management in the ADVB Acquisition (see page 25)

The ADVB Acquisition provides that we will use our best efforts to cause Christopher W. Capps, ADVB's current President and Chief Executive Officer, to be appointed to our board of directors. In addition, all of the directors and executive officers of ADVB own options and or warrants issuable and exercisable for 53,506,667 shares of ADVB common stock in the aggregate.

Tax Consequences of the ADVB Acquisition (see page 27)

The ADVB Acquisition will be treated as a purchase of the assets of ADVB in exchange for Lime common stock followed by a liquidation of ADVB. In general, for United States federal income tax purposes, ADVB will recognize taxable income or loss in an amount equal to the difference between the value of the Lime common stock issued in the ADVB Acquisition and any other consideration (including cash issued pursuant to an ADVB shareholder's statutory appraisal rights) and ADVB's tax basis in its assets. Lime does not believe that ADVB will recognize a material amount of taxable gain. In addition, to the extent that taxable gain is recognized, Lime believes that such taxable gain will not result in regular income tax due to the existence of net operating loss carryforwards, though a small amount of alternative minimum tax could be owed.

Tax Consequences of the ADVB Acquisition to ADVB and Lime Stockholders (see page 27)

The receipt of Lime common stock by ADVB stockholders pursuant to the ADVB Acquisition (or cash pursuant to the ADVB shareholder's statutory appraisal rights) will be a taxable transaction and each ADVB stockholder will generally recognize U.S. source capital gain or loss on the disposition of ADVB common stock equal to the

difference, if any, between (i) the value of Lime common stock (or the amount of cash) the ADVB stockholder receives and (ii) the ADVB stockholders adjusted tax basis in its ADVB common stock.

The issuance of Lime shares to ADVB stockholders under the Stock Purchase Agreement and the Merger is not a taxable event to Lime or its stockholders and is not expected to have any resulting tax consequences.

Tax matters are very complicated and the tax consequences of the ADVB Acquisition to ADVB stockholders will depend on their individual circumstances. Stockholders should consult their own tax

Table of Contents

advisors for a full understanding of the tax consequences to them of the ADVB Acquisition. See Tax Consequences of the ADVB Acquisition.

Accounting Treatment of the ADVB Acquisition (see page 26)

ADVB has no revenue generating operations and does not have employees capable of developing a product that will be considered a business. Therefore it is not considered a business as defined by Regulation S-X, Rule 11-01(d) or by generally accepted accounting principles. Consequently, the Merger will not be accounted for as a business combination under the guidance of Financial Accounting Standard No. 141R, *Business Combinations*. The substance of the ADVB Acquisition includes two distinct events. First, as a result of the transaction, we are settling any debt due to ADVB. In addition, we are receiving approximately \$7.5 million of cash in exchange for shares of our common stock issued in connection with the ADVB Acquisition. As a result of the Merger, we will eliminate the debt due to the ADVB, record the assets acquired (consisting primarily of cash and cash equivalents) at fair value and credit equity for the fair value of our common shares issued in connection with the ADVB Acquisition.

Appraisal Rights and Dissenters Rights (see page 26)

Lime and ADVB are both Delaware corporations and, under the DGCL, the holders of our common stock will not be entitled to exercise any appraisal rights in connection with the Merger but holders of shares of ADVB common stock will have a statutory right to dissent.

Authorization by Our Board of Directors and the Majority of Our Stockholders (see page 25)

Richard P. Kiphart, one of the sellers under the Stock Purchase Agreement, is the beneficial owner of more than 80% of the shares of ADVB and serves as its Chairman, and is also the beneficial owner of more than 22.5% of Lime's capital stock and serves as our Chairman as well. Because our common stock is traded on the NASDAQ Capital Market, we are subject to NASDAQ's Marketplace Rules that require stockholder approval when an acquisition involves a director or substantial stockholder on both sides of the same transaction.

On November 18, 2008, our board of directors unanimously adopted resolutions approving the ADVB Acquisition and the related agreements to which we are a party and recommended that our stockholders approve the issuance of our common stock to the stockholders of ADVB pursuant to the ADVB Acquisition. Pursuant to the recommendation of our board of directors, holders of a majority of our outstanding capital stock executed the director and shareholder consents on November 26, 2008 approving the issuance of our common stock to the ADVB stockholders pursuant to the ADVB Acquisition.

Based on the actions taken by our board of directors and the foregoing consents, we have obtained all necessary corporate approvals in connection with the ADVB Acquisition. No consents or approvals from the ADVB board of directors or stockholders are necessary in connection with the ADVB Acquisition.

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This information statement/prospectus contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. This forward-looking information includes statements about the financial conditions, results of operations, earnings outlook and prospects of Lime and ADVB and may include statements for the period following the completion of the merger. You can identify these forward-looking statements by the use of forward-looking words such as outlook, believes, forecasts, intends, target, expects, potential, continues, may, will, should, seeks, approximately, plans, estimates, anticipates, future or the negative version of those words or other comparable words. Any forward-looking statements contained in this information statement/prospectus are based upon the historical performance and on current plans, estimates and expectations. The inclusion of this forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations will be achieved.

Forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in these statements, including but not limited to those described under Risk Factors, as well as, among others, the following:

- implementation of our operating and growth strategy;
- the loss, or renewal on less favorable terms, of management contracts;
- development of new, competitive energy efficiency services;
- changes in federal and state regulations including those affecting energy efficiency tax credits and the energy efficiency industry;
- a significant decrease in the cost of energy leading to a decrease in the demand for energy efficiency services;
- our ability to consummate transactions and integrate newly acquired contracts into our operations; and
- availability, terms and employment of capital.

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this information statement/prospectus.

If one or more of these or other risks or uncertainties materialize, or if the underlying assumptions prove to be incorrect, actual results may vary materially from what may have been projected. Any forward-looking statements you read in this prospectus reflect current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to operations, results of operations, financial condition, growth strategy and liquidity. You should specifically consider the factors identified in this information statement/prospectus that could cause actual results to differ before making an investment decision.

Except as otherwise required by federal securities laws, Lime does not undertake any obligation to publicly update, review or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason, after the date of this information statement/prospectus.

Table of Contents

RISK FACTORS

You should carefully consider the following risk factors, together with all of the other information included in this information statement/prospectus.

Risks Related to Lime's Financial Condition

We have incurred significant operating losses since inception and may not achieve or sustain profitability in the future.

We have experienced operating losses and negative cash flow from operations since our inception and we currently have an accumulated deficit. Our ability to continue as a going concern is ultimately dependent on our ability to increase sales to a level that will allow us to operate profitably and sustain positive operating cash flows. We must overcome marketing hurdles, including gaining market acceptance, in order to increase sales of our services and technologies. In addition, we may be required to reduce the prices of our services and technologies in order to increase sales. If we reduce prices, we may not be able to reduce costs sufficiently to achieve acceptable profit margins. As we strive to grow our business, we have spent and expect to continue to spend significant funds for: (i) general corporate purposes, including working capital, marketing, recruiting and hiring additional personnel; (ii) acquisitions, including our purchase of Applied Energy Management, Inc. (AEM) in June 2008; and (iii) research and development. To the extent that our revenues do not increase as quickly as these costs and expenditures, our results of operations and liquidity will be adversely affected. If we experience slower than anticipated revenue growth or if our operating expenses exceed our expectations, we may not achieve profitability in the future or if we achieve profitability in the future, we may not be able to sustain it.

Our indebtedness could adversely affect our financial health and prevent us from fulfilling our obligations, and we might need to raise capital, which might not be available.

As of September 30, 2008, we had outstanding indebtedness of approximately \$24.4 million, which represents approximately 69% of our total capitalization of \$35.2 million.

Our substantial indebtedness could have important consequences. For example, it could:

increase our vulnerability to general adverse economic and industry conditions;

require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, growth initiatives, acquisitions and other general corporate purposes;

limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

limit our ability to borrow additional amounts for working capital, capital expenditures, acquisitions, debt service requirements, execution of our growth strategy, research and development costs or other purposes;

place us at a disadvantage compared to our competitors who have less debt; and

limit our ability to continue to offer customer financing in certain situations.

Any of the above listed factors could materially and adversely affect our business, results of operations and financial condition. Further, if we do not have sufficient earnings to service our debt, we may be required to refinance all or part of the existing debt, sell assets, borrow more money or sell securities, none of which we can guarantee we will be able to do.

Additionally, in the past we have relied, to a large extent, on financing from related parties, including the financing of the AEM acquisition. There are no assurances that such related parties will continue to provide financing or financing on terms that are acceptable to us. We may require additional equity or debt financing for additional working capital for expansion, to consummate an acquisition or if we continue to suffer losses. In the event additional financing is unavailable to us, we may be unable to expand or make acquisitions and our stock price may decline.

Table of Contents

If sufficient additional funding is not available to us, the commercialization of our services and technologies and our ability to grow is likely to be impaired.

Our operations have not generated positive cash flow since our inception on an annual basis. We have funded our operations through the issuance of common and Series A-1 preferred stock and debt. Our ability to continue to operate until our cash flow turns positive may depend on our ability to continue to raise funds through the issuance of equity or debt. If we are not successful in raising additional funds, we might have to significantly scale back or delay our growth plans, sell or shut down some of our businesses or possibly cease operations altogether. Any reduction or delay in our growth plans could materially adversely affect our ability to compete in the marketplace, take advantage of business opportunities and develop or enhance our services and technologies, which could have a material adverse effect on our business, results of operations and financial condition. If we should have to cease operations altogether, our stockholders' investment is likely to be lost.

A downturn in the general economy or a recession could harm our operations and financial performance.