

ONCOSEC MEDICAL Inc
Form S-1/A
October 20, 2011
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As filed with the Securities and Exchange Commission on October 20, 2011

No. 333-175779

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 3

TO

FORM S-1/A

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

ONCOSEC MEDICAL INCORPORATED

(Exact name of registrant as specified in its charter)

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(State or other jurisdiction of
incorporation or organization)

(Primary Standard Industrial
Classification Code Number)

(I.R.S. Employer
Identification Number)

4690 Executive Drive, Suite 250

San Diego, CA 92121

(855) 662-6732

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

Punit Dhillon

President and Chief Executive Officer

4690 Executive Drive, Suite 250

San Diego, CA 92121

(855) 662-6732

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

With Copies to:

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Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement. x

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. o

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. o

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. o

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 o

Accelerated filer o

Non-accelerated filer o (Do not check if a smaller reporting company)

Smaller reporting company x

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

SUBJECT TO COMPLETION, DATED OCTOBER 20, 2011

ONCOSEC MEDICAL INCORPORATED

PROSPECTUS

Up to 16,440,000 Shares of Common Stock

This prospectus relates to the offering by the selling stockholders of OncoSec Medical Incorporated of up to 16,440,000 shares of common stock, par value \$0.0001 per share. These shares include 4,000,000 issued and outstanding shares of common stock, 4,000,000 shares of common stock underlying Series A warrants, 4,000,000 shares of common stock underlying Series B warrants and 4,000,000 shares of common stock underlying Series C warrants, all issued to certain of the selling stockholders in connection with a private placement offering completed in June 2011 (the June Private Placement). In addition, we are registering 240,000 shares of common stock underlying warrants issued to the co-placement agents in the June Private Placement, and 200,000 shares of common stock issued to a consulting firm in connection with its performance of consulting services unrelated to the June Private Placement. The common stock sold in the June Private Placement was sold at a purchase price of \$0.75 per share and the related warrants authorize the holders thereof to purchase shares of common stock at an exercise price of \$1.20 per share for the Series A and C Warrants and \$0.75 per share for the Series B Warrants, as further described in this prospectus.

The selling stockholders have advised us that they will sell the shares of common stock from time to time in the open market, on the OTC Bulletin Board, in privately negotiated transactions or a combination of these methods, at market prices prevailing at the time of sale, at prices related to the prevailing market prices or at negotiated prices.

We will not receive any proceeds from the sale of common stock by the selling stockholders.

Our common stock is traded on the OTC Bulletin Board under the symbol ONCS.OB. On October 18, 2011, the closing price of our common stock was \$0.37 per share.

Investing in our common stock involves a high degree of risk. Before making any investment in our common stock, you should read and carefully consider the risks described in this prospectus under Risk Factors beginning on page 5 of this prospectus.

You should rely only on the information contained in this prospectus or any prospectus supplement or amendment thereto. We have not authorized anyone to provide you with different information.

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.

This prospectus is dated _____, 2011

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SUMMARY

This summary does not contain all of the information that should be considered before investing in our common stock. Investors should read the entire prospectus carefully, including the more detailed information regarding our business, the risks of purchasing our common stock discussed in this prospectus under Risk Factors beginning on page 5 of this prospectus and our financial statements and the accompanying notes beginning on page F-1 of this prospectus.

As used in this prospectus, unless the context requires otherwise, the Company, we, us, and our refer to OncoSec Medical Incorporated, a Nevada corporation, and its consolidated subsidiary.

Our Company

We are an emerging drug-medical device company focused on designing, developing and commercializing innovative and proprietary medical approaches for the treatment of solid cancers that have unmet medical needs or where currently approved therapies are inadequate based on their efficacy or side-effects. We were incorporated under the laws of Nevada on February 8, 2008 as Netventory Solutions Inc. Initially, we provided online inventory services to small and medium sized companies. In March 2011, we acquired from Inovio Pharmaceuticals, Inc. (Inovio) certain assets related to the use of drug-medical device combination products for the treatment of different cancers. With this acquisition, we have abandoned our efforts in the online inventory services industry and are focusing our efforts in the biomedical industry.

The assets we acquired from Inovio include intellectual property relating to selective tumor ablation technologies, which we now refer to as the OncoSec Medical System (OMS), a therapeutic approach which is based on the use of an electroporation delivery device in combination with an approved chemotherapeutic drug or a DNA-based cytokine for immunotherapy to treat solid tumors. OMS consists of an electrical pulse generator console and various disposable applicators specific to the individual tumor size, type and location and is designed to increase the permeability of cancer cell membranes and, as a result, increases the intracellular delivery of selected therapeutic agents. Our electroporation platform for the delivery of therapeutic agents specifically and effectively targets the killing of cancerous cells and not healthy normal tissues. Our mission is to enable people with cancer to live longer with a better quality of life than otherwise possible or available with existing therapies.

Our OMS business is composed of two different therapeutic modalities: OMS ElectroImmunotherapy and OMS ElectroChemotherapy. Our OMS ElectroImmunotherapy approach is based on the use of electroporation to enhance the local delivery of DNA-based cytokines as immunotherapy agents that produce both a local and systemic immune response for the treatment of various cancers. A Phase I clinical trial using our OMS ElectroImmunotherapy approach has been completed and a Phase II clinical trial is expected to begin before the end of 2011. OMS ElectroChemotherapy utilizes our electroporation technologies for the local delivery of the chemotherapeutic drug bleomycin to treat solid tumors. The OMS ElectroChemotherapy approach has been developed up to Phase III clinical trials in the United States for the treatment of recurrent head and neck cancer and Phase I/II for the treatment of recurrent breast cancer and has suggested safety and efficacy in a wide range of solid tumors including basal cell, squamous carcinomas, melanoma, breast, prostate, and pancreatic. In addition, Phase IV pre-marketing studies to support the commercialization of the OMS ElectroChemotherapy in Europe were also performed for the treatment of primary and recurrent head and neck cancers and cutaneous skin cancers.

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The primary front line treatment of solid tumors involves surgical resection and/or radiation to eliminate or debulk tumor growth prior to initiating systemic therapy with chemotherapeutic agents. Because of the difficulty of determining the border, or margins, between healthy and diseased tissue, surgeons will often remove or resect an area outside of the obvious tumor mass to ensure that they have excised all of the cancerous tissue. This treatment can result in the loss of function and appearance of the surrounding tissues, significantly reducing the patient's quality of life. Although there have been recent advances in non-surgical forms of tumor ablation, such as cryoablation, microwave and high frequency radio ablation therapy, we believe they fail to fully satisfy the clinical need to preserve normal healthy tissue. Given the desire for improved outcomes in the surgical resection of solid tumors, we believe that there will be significant demand for our OMS technology from patients, dermatologists and surgical oncologists.

Our business model is based on a commercialization strategy that leverages previous in-depth clinical experiences (primarily at Inovio), previous approvals for the electroporation-based devices and late stage clinical studies in the United States (Phase III) and Europe (Phase IV). We plan to seek regulatory approvals to initiate specific studies in target markets to collect clinical, reimbursement, and pharmacoeconomic data in order to advance our commercialization strategy. Our strategy includes seeking approval from the FDA to initiate pivotal registration studies in the United States for select rare cancers that have limited, adverse or no therapeutic alternatives. Our strategy also includes expanding the addressable markets for the OMS therapies through the addition of relevant indications and partnering and/or co-developing OMS ElectroOncology in developing geographic locations, such as Eastern Europe and Asia, where local resources are best leveraged and appropriate collaborators can be secured.

For more information regarding our business, see Management's Discussion and Analysis of Financial Condition and Results of Operations and Business, included elsewhere in this prospectus.

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The June Private Placement

On June 21, 2011, we entered into a Securities Purchase Agreement (the "Securities Purchase Agreement"), with certain institutional investors providing for the issuance and sale of an aggregate of 4,000,000 shares of our common stock, Series A Warrants to purchase an aggregate of 4,000,000 shares of our common stock, Series B Warrants to purchase an aggregate of 4,000,000 shares of our common stock and Series C Warrants to purchase an aggregate of 4,000,000 shares of our common stock, for proceeds to us of \$3.0 million (the "June Private Placement"). The June Private Placement closed on June 24, 2011.

Pursuant to the terms of the Securities Purchase Agreement, each purchaser was issued a Series A Warrant, a Series B Warrant and a Series C Warrant, each to purchase up to a number of shares of our common stock equal to 100% of the shares issued to such purchaser pursuant to the Securities Purchase Agreement. The Series A Warrants have an exercise price of \$1.20 per share, are exercisable immediately upon issuance and have a term of exercise of five years. The Series B Warrants have an exercise price of \$0.75 per share, are exercisable immediately upon issuance and have a term of exercise equal to the earlier of (a) the later of (i) eight months following the closing of the June Private Placement and (ii) four months following the earliest date that the shares underlying such warrants have been sold or may be freely sold, whether pursuant to a registration statement, Rule 144 or an exemption from registration under Section 4(1) of the Securities Act, and (b) sixteen months from the closing of the June Private Placement (unless extended three additional months upon the occurrence of a single issuance by us of our common stock or warrants to purchase our common stock that meets certain criteria specified in the warrants). The Series C Warrants have an exercise price of \$1.20 per share, vest and are exercisable ratably in proportion to each holder's exercise of the Series B Warrants held by such holder and have a term of exercise equal to five years. On the date of our entry into the Securities Purchase Agreement, the exercise price of the Series B Warrants was lower than the market value of our common stock, which closed at \$1.12 on the OTCBB on that date, for an aggregate discount to our market price of \$1,480,000 as of June 21, 2011. The total value of the common stock underlying the Series B Warrants as of June 21, 2011 was \$4,480,000.

On June 24, 2011, we entered into a Registration Rights Agreement (the "Registration Rights Agreement"), with the purchasers in the June Private Placement. Under the Registration Rights Agreement, we are required to file a registration statement within 30 days following the closing of the June Private Placement to register the resale of the shares of common stock issued in the June Private Placement and the shares of common stock underlying the Series A, Series B and Series C Warrants. Our failure to meet the filing deadlines and other requirements set forth in the Registration Rights Agreement may subject us to the payment of substantial financial penalties. The shares of common stock to be registered on the registration statement of which this prospectus forms a part include all of the shares issued in the private placement and the shares underlying the issued warrants.

Rodman & Renshaw, LLC ("Rodman") acted as the lead placement agent for the June Private Placement. Pursuant to the terms of a Placement Agent Agreement entered into on June 1, 2011 and amended on June 21, 2011, we agreed to pay to Rodman and the co-placement agent fees equal to 6% of the aggregate gross proceeds raised in the private placement, to issue to Rodman and the co-placement agent warrants to purchase an aggregate of 240,000 shares of our common stock, and to reimburse Rodman for certain expenses. The shares of common stock underlying the warrants issued to the placement agents are included in the registration statement of which this prospectus forms a part.

After deducting for fees and expenses, the aggregate cash net proceeds to us from the June Private Placement were approximately \$2.79 million. The table below describes in more detail the costs to us associated with the June Private Placement:

Gross proceeds received by us in the June Private Placement:	\$ 3,000,000(1)
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Total cash payments to the placement agents in connection with the June Private Placement:	\$	210,000(2)
Total non-cash payments to the placement agents in connection with the June Private Placement	\$	130,708(3)
Resulting net cash proceeds to the Company in connection with the June Private Placement:	\$	2,790,000(4)
Resulting net proceeds to the Company in connection with the June Private Placement, including cash and non-cash payments:	\$	2,659,292(5)
Total possible profit to be realized by the Series B warrant holders as a result of any exercise discounts underlying the Series B Warrants:	\$	1,480,000(6)

-
- (1) Does not include the potential gross proceeds payable to us upon exercise of all of the warrants issued in connection with the June Private Placement, which equal \$12,600,000.
 - (2) This amount does not include additional payments that we may be required to make under certain circumstances but that are currently indeterminable, including (a) potential payments to the co-placement agents in connection with a future financing, (b) potential liquidated damages for failure to register the shares issued or issuable upon exercise of warrants to the investors in the June Private Placement (such liquidated damages not to exceed 9% of the aggregate subscription amount paid by each investor in the June Private Placement), (c) amounts payable if we fail to timely deliver certificates representing the required number of shares upon exercise of the Warrants, and (d) amounts payable if we or our transfer agent fail to timely remove certain restrictive legends from certificates representing shares.
 - (3) Includes the value of the warrants issued to the co-placement agents.
 - (4) Resulting cash net proceeds is calculated by subtracting the total possible and currently determinable cash payments from gross proceeds.
 - (5) Resulting cash and non-cash net proceeds is calculated by subtracting the total possible and currently determinable cash and non-cash payments from gross proceeds.

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- (6) On the date of our entry into the Securities Purchase Agreement, the Series B Warrants had an exercise price lower than the market value of our common stock, which closed at \$1.12 on the OTCBB on that date, for an aggregate discount to our market price of \$1,480,000 on that date. The total value of the common stock underlying the Series B Warrants as of June 21, 2011 was \$4,480,000. The table below indicates the total possible discount to the market price as of June 21, 2011, for the securities underlying the Series B Warrants.

Market price per share of the Common Stock on the date of the sale of the Series B Warrants:	\$1.12
Exercise price per share of the Series B Warrants:	\$0.75
Total possible shares of Common Stock underlying the Series B Warrants:	4,000,000 shares
Combined market price of total number of shares of Common Stock underlying the Series B Warrants on June 21, 2011:	\$4,480,000
Combined exercise price of total number of shares of Common Stock underlying the Warrants:	\$3,000,000
Total Possible Discount to the Market Price as of June 21, 2011	\$1,480,000

The last trading price of our common stock on the OTC Bulletin Board on June 24, 2011, the date of the closing of the June Private Placement, was \$0.77. Calculated as of June 24, 2011, the total possible discount to the market price of our common stock for the Series B Warrants would have been \$80,000.

The total value of payments made to the co-placement agents (including the value of the warrants issued to the co-placement agents) and the total possible discount to the market price of the shares underlying the Series B Warrants as of the date of the Securities Purchase Agreement, divided by the proceeds to us from the exercise of the Series B Warrants of \$3,000,000, is 60.7%. However, we do not expect to make any additional payments to the selling stockholders, the co-placement agents or any of their affiliates in connection with the exercise of the Series B Warrants. Excluding such payments made by us in connection with the June Private Placement, the applicable percentage is 49.3%.

The shares of common stock to be registered on the registration statement of which this prospectus forms a part also include 200,000 shares of common stock that were issued to a consulting firm in connection with its performance of consulting services for us that are unrelated to the June Private Placement.

The issuances of securities in the June Private Placement described above were issued under an exemption from the registration requirements of the Securities Act of 1933, as amended (the Securities Act), pursuant to Section 4(2) thereof and Rule 506 of Regulation D promulgated thereunder.

Corporate Information

We were incorporated under the laws of the State of Nevada on February 8, 2008 under the name Netventory Solutions Inc. to pursue the business of inventory management solutions. Effective March 1, 2011, we completed a merger with our subsidiary, OncoSec Medical Incorporated, a Nevada corporation which was incorporated solely to effect a change in our name. As a result, we have changed our name from Netventory Solutions Inc. to OncoSec Medical Incorporated. Our principal executive offices are located at 4690 Executive Drive, Suite #250,

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San Diego, CA 92121. The telephone number at our principal executive office is (855) 662-6732. Our website address is www.oncosec.com. Information contained on our website is not deemed part of this prospectus.

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The Offering

This prospectus relates to the resale from time to time by the selling stockholders identified in this prospectus of up to 16,440,000 shares of our common stock. The majority of the common stock, together with related warrants to purchase our common stock, was purchased by certain of the selling stockholders in the June Private Placement. No shares are being offered for sale by us.

Common stock outstanding prior to offering	56,856,000(1)
Common stock offered by the selling stockholders	16,440,000(2)
Common stock to be outstanding after the offering	69,096,000(3)
Use of Proceeds	We will not receive any proceeds from the sale of common stock offered by the selling stockholders under this prospectus.
OTC Bulletin Board Symbol	ONCS.OB

(1) As of October 18, 2011. Includes 4,000,000 shares of our common stock issued to certain selling stockholders in connection with the June Private Placement and 200,000 shares of our common stock issued to Vista Partners LLC (Vista) in connection with its performance of consulting services unrelated to the June Private Placement. Includes 15,968,480 shares of common stock held by our affiliates and 200,000 shares of common stock held by Vista. Other than Vista, none of the selling stockholders held shares of our common stock immediately prior to the closing of the June Private Placement. The total shares of common stock held by persons other than the selling stockholders, affiliates of the Company and affiliates of the selling stockholders as of June 23, 2011, was 36,687,520.

(2) Includes 4,000,000 shares of common stock offered by the selling stockholders issuable upon exercise of each of the Series A, Series B and Series C Warrants and 240,000 shares of common stock issuable to the co-placement agents upon exercise of their warrants (collectively, the Warrants).

(3) Assumes the full exercise of the warrants held by the selling stockholders to acquire 12,240,000 shares of common stock.

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RISK FACTORS

The following risk factors should be considered carefully in addition to the other information contained in this prospectus. This prospectus contains forward-looking statements. Our business, financial condition, results of operations and stock price could be materially adversely effected by any of these risks. Additional risks not presently known to us or that we currently deem immaterial may also impair our business financial condition, results of operations and stock price.

We must raise additional capital in order to continue operating our business, and such additional funds may not be available on acceptable terms or at all.

We do not generate any cash from operations and must raise additional funds in order to continue operating our business. Since inception we have funded our operations primarily through equity and debt financings and we expect to continue to do so in the future. As further described elsewhere in this prospectus, on June 24, 2011, we issued 4 million shares of common stock and three series of warrants to purchase an aggregate of 12 million shares of our common stock to two institutional investors for proceeds of \$3.0 million (the June Private Placement). However, we will require additional financing to fund our planned operations, including developing and commercializing the assets obtained under the Asset Purchase Agreement dated March 14, 2011, that we entered into with Inovio (the Asset Purchase Agreement), seeking to license or acquire new assets, researching and developing any potential patents, related compounds and other intellectual property, funding potential acquisitions, and supporting clinical trials and seeking regulatory approval relating to our assets and any assets we may acquire in the future. Additional financing may not be available to us when needed or, if available, may not be available on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we may be forced to delay or scale down some or all of our development activities or perhaps even cease the operation of our business. If we issue equity or convertible debt securities to raise additional funds, our existing stockholders may experience substantial dilution, and the new equity or debt securities may have rights, preferences and privileges senior to those of our existing stockholders. If we incur additional debt, it may increase our leverage relative to our earnings or to our equity capitalization, requiring us to pay additional interest expenses. Obtaining commercial loans, assuming those loans would be available, would increase our liabilities and future cash commitments.

We may not be able to obtain additional financing if the volatile conditions in the capital and financial markets, and more particularly the market for early development stage biomedical company stocks, persist. Weak economic and capital markets conditions could result in increased difficulties in raising capital for our operations. We may not be able to raise money through the sale of our equity securities or through borrowing funds on terms we find acceptable. If we cannot raise the funds that we need, we will be unable to continue our operations, and our stockholders could lose their entire investment in our company.

We have never generated revenue from our operations and our independent auditors have expressed substantial doubt about our ability to continue as a going concern.

We have not generated any revenue from operations since our incorporation. During the fiscal year ended July 31, 2010, we incurred a net loss of \$36,158 and during the annual period ended July 31, 2011, we incurred a net loss of \$3,758,817. From inception through July 31, 2011, we incurred an aggregate loss of \$3,835,876. We expect that our operating expenses will increase substantially over the next 12 months as we ramp-up our business. We estimate our average monthly expenses over the next 12 months to be approximately \$400,000, including general and administrative expenses but excluding future acquisition costs and the cost of any future development activities. As of July 31, 2011, we had cash and cash equivalents of \$2,457,693.

Although we have obtained some of the funds we expect to require in the June Private Placement, after deducting for fees and expenses, our aggregate net proceeds from the June Private Placement was approximately \$2.79 million. We will not receive proceeds for any of the sales of common stock made pursuant to this prospectus. In order to fund our anticipated budget for the next 12 months, including acquisition costs, we believe that we will need to raise approximately \$2.3 million in additional funds. This amount could increase if we encounter unanticipated difficulties. In addition, our estimates of the amount of cash necessary to fund our business and development and commercialization activities may prove to be wrong, and we could spend our available financial resources much faster than we currently expect. If we cannot raise the money that we need in order to continue to develop our business, we will be forced to delay, scale back or eliminate some or all of our proposed operations. If any of these were to occur, there is a substantial risk that our business would fail.