

Apollo Medical Holdings, Inc.
Form S-1
March 09, 2015

As filed with the Securities and Exchange Commission on March 9, 2015

Registration No. 333-_____

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

APOLLO MEDICAL HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware	8090	20-8046599
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

700 North Brand Blvd., Suite 220

Glendale, California 91203

(818) 396-8050

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

Warren Hosseinion, M.D.

Chief Executive Officer

Apollo Medical Holdings, Inc.

700 North Brand Blvd., Suite 220

Glendale, California 91203

(818) 396-8050

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

With copies to:

P. Rupert Russell, Esq.

Shartsis Friese LLP

One Maritime Plaza, 18th Floor

San Francisco, California 94111

(415) 421-6500

Leslie Marlow, Esq.

Hank Gracin, Esq.

Gracin & Marlow, LLP

The Chrysler Building

405 Lexington Avenue, 26th Floor

New York, New York 10174

(212) 907-6457

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: "

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.

Large accelerated filer

Accelerated filer

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee
Common Stock, \$0.001 par value (2)(3)	\$ 17,250,000	\$ 2,005
Representative’s Warrants (4)		
Shares of Common Stock underlying Representative's Warrants (2)(5)	\$ 937,500	\$ 109
Total	\$ 18,187,500	\$ 2,114

(1) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(o) of the Securities Act of 1933, as amended (the “Securities Act”).

(2) Pursuant to Rule 416, the securities being registered hereunder include such indeterminate number of additional securities as may be issued after the date hereof as a result of stock splits, stock dividends or similar transactions.

(3) Includes additional shares of common stock of the Company which may be sold pursuant to an option granted to the underwriters in an amount equal to 15% of the shares sold in this Offering solely to cover over-allotments.

(4) No fee pursuant to Rule 457(g) under the Securities Act of 1933, as amended.

(5) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(g) under the Securities Act of 1933, as amended. The representative’s warrants are exercisable at a per share exercise price equal to 125% of the public offering price per share. As estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(g) under the Securities Act of 1933, as amended, the proposed maximum aggregate offering price of the representative’s warrants is \$937,500, which is equal to 125% of \$750,000 (5% of \$15,000,000).

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.

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 we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS SUBJECT TO COMPLETION DATED MARCH 6, 2015

__ Shares

Common Stock

This is a firm commitment public offering (the “Offering”) of shares of common stock of Apollo Medical Holdings, Inc. We are offering an aggregate of shares of our common stock, par value \$0.001 per share for the purchase price per share of __. Our common stock is currently quoted on the OTCQB under the symbol “AMEH” and we have applied to list our common stock on the NASDAQ Capital Market under the symbol “AMEH.” The last reported sale price of our common stock on March 2, 2015 on the OTCQB was \$0.40 per share. We expect to effect a __-for-__ reverse stock split of our outstanding common stock just prior to the date of this prospectus.

Investing in our securities involves a high degree of risk. Before making any investment in our securities, you should read and carefully consider the risks described in this prospectus under “Risk Factors” beginning on page 10 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	\$	\$
Underwriting discounts and commissions ⁽¹⁾	\$	\$

Offering proceeds to us, before expenses \$ \$

(1) The underwriters will receive compensation in addition to the underwriting discount. See “Underwriting” beginning on page 118 of this prospectus for a description of compensation payable to the underwriters.

The underwriters expect to deliver our shares of common stock to purchasers in the Offering on or about __, 2015. We have granted the underwriters an option for a period of 45 days to purchase up to __ shares of our common stock solely to cover over-allotments, if any.

Aegis Capital Corp

The date of this prospectus is _____, 2015.

TABLE OF CONTENTS

<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	1
<u>RISK FACTORS</u>	8
<u>USE OF PROCEEDS</u>	33
<u>DIVIDEND POLICY</u>	34
<u>CAPITALIZATION</u>	35
<u>DILUTION</u>	36
<u>MARKET PRICE OF AND DIVIDENDS ON COMMON EQUITY AND RELATED STOCKHOLDER MATTERS</u>	38
<u>CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE</u>	39
<u>UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND SOUTHERN CALIFORNIA HEART CENTERS</u>	40
<u>MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	48
<u>OUR BUSINESS</u>	65
<u>DESCRIPTION OF PROPERTY</u>	91
<u>LEGAL PROCEEDINGS</u>	92
<u>MANAGEMENT</u>	93
<u>EXECUTIVE COMPENSATION</u>	98
<u>SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS</u>	106
<u>TRANSACTIONS WITH RELATED PERSONS</u>	108
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	109
<u>DESCRIPTION OF CAPITAL STOCK</u>	110
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO HOLDERS OF OUR COMMON STOCK</u>	114

<u>UNDERWRITING</u>	118
<u>LEGAL MATTERS</u>	123
<u>EXPERTS</u>	123
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	123
<u>DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES</u>	124
<u>INDEX TO CONSOLIDATED FINANCIAL STATEMENTS</u>	F-1

You should rely only on the information contained in this prospectus, any amendment or supplement hereto, any free writing prospectus prepared by us or on our behalf, or any document incorporated herein by reference. We have not authorized anyone to provide you with information that is different or supplemental. We are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus, any free writing prospectus, or document incorporated herein by reference is current as of the date hereof, regardless of the time of delivery of this prospectus or any free writing prospectus or of any sale of the common stock, and we make no undertaking to update such information or statements.

For investors outside the United States: Other than with respect to actions we have taken in the United States, neither we nor any of the underwriters have taken any action that would permit this Offering or possession or distribution of this prospectus in any other jurisdiction where action for that purpose is required. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of shares of common stock and the distribution of this prospectus applicable in their jurisdiction.

This prospectus contains estimates and other statistical data made by independent parties relating to market size, expenditures, growth and other data about our industry. We have not independently verified the statistical and other industry data generated by independent parties and contained in this prospectus and, accordingly, we cannot guarantee their accuracy or completeness.

This prospectus includes registered and unregistered trademarks of Apollo Medical Holdings, Inc., its subsidiaries and its consolidated affiliates, as well as the registered and unregistered trademarks of others. All other trademarks, trade names and service marks appearing in this prospectus are the property of their respective owners.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

We caution readers that this prospectus contains “forward-looking statements.” Forward-looking statements, written, oral or otherwise, are based on our current expectations or beliefs rather than historical facts concerning future events, and they are indicated by words or phrases such as, but not limited to, “anticipate,” “could,” “may,” “might,” “potential,” “predict,” “should,” “estimate,” “expect,” “project,” “believe,” “think,” “plan,” “envision,” “continue,” “intend,” “target,” “contemplate,” and similar or comparable words, phrases or terminology. Forward-looking statements involve risks and uncertainties. We caution that these statements are further qualified by important economic, competitive, governmental and technological factors that could cause our business, strategy, or actual results or events to differ materially, or otherwise, from those in the forward-looking statements in this prospectus. We have based such forward-looking statements on our current expectations, assumptions, estimates and projections, and therefore there can be no assurance that any forward-looking statement contained herein, or otherwise, will prove to be accurate. The Company assumes no obligation to update such forward-looking statements.

We have a relatively limited operating history compared to others in our industry and we operate in a rapidly changing industry segment. As a result, our ability to predict results, or the actual effect of future plans or strategies, based on historical results or trends or otherwise, is inherently uncertain. While we believe that the forward-looking statements herein are reasonable, they are merely predictions or illustrations of potential outcomes, and they involve known and unknown risks and uncertainties, many beyond our control, that are likely to cause actual results, performance, or achievements to be materially different from those expressed or implied by such forward-looking statements. Factors that could have a material adverse effect on the operations and future prospects of the Company on a condensed basis include those factors discussed under “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this prospectus, and include, but are not limited to, the following:

- Our ability to raise capital when needed to finance our ongoing operations and new acquisitions on acceptable terms and conditions;
- Our ability to retain key individuals, including our Chief Executive Officer, Warren Hosseinion, M.D.;
- Our ability to locate, acquire and integrate new businesses;
- The effect of laws and regulations that apply to our operations and industry;
- The intensity of competition;
- Our reliance on a few key payors; and

·General economic conditions.

All written and oral forward-looking statements made in connection with this Registration Statement on Form S-1 that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Given the uncertainties that surround such statements, you are cautioned not to place undue reliance on such forward-looking statements.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus and does not contain all of the information you need to consider in making your investment decision. You should read carefully this entire prospectus, including the matters set forth in the section entitled “Risk Factors,” our consolidated financial statements and the related notes which are included in this prospectus and the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in this prospectus, before deciding whether to invest in our securities. In this prospectus, unless otherwise expressly stated or the context otherwise requires, references to “ApolloMed,” “we,” “us,” “our,” and the “Company” refer to Apollo Medical Holdings, Inc., a Delaware corporation, its subsidiaries and its consolidated affiliates. Unless otherwise included, all share amounts and per share amounts in this prospectus have been presented on a pro forma basis as if a reverse stock split of our outstanding shares of common stock at a ratio of -for- , that we expect to effect just prior to the date of this prospectus has occurred.

OUR BUSINESS

COMPANY OVERVIEW

ApolloMed is a patient-centered, physician-centric integrated healthcare delivery company with a management team with over a decade of experience working to provide coordinated, outcomes-based medical care in a cost-effective manner. ApolloMed has built a company and culture that is focused on physicians providing high quality care, population management and care coordination for patients, particularly for senior patients and patients with multiple chronic conditions. We believe that ApolloMed is well-positioned to take advantage of changes in the U.S. healthcare industry as there is a growing national movement towards more results-oriented healthcare centered on the triple aim of patient satisfaction, high-quality care and cost efficiency.

ApolloMed operates in one reportable segment, the healthcare delivery segment, and implements and operates innovative health care models to create a patient-centered, physician-centric experience. Accordingly, we report our consolidated financial statements in the aggregate, including all of our activities in one reportable segment.

ApolloMed has the following integrated, synergistic operations:

Hospitalists, which includes our contracted and employed physicians who focus on the delivery of comprehensive medical care to hospitalized patients;

Edgar Filing: Apollo Medical Holdings, Inc. - Form S-1

- An Accountable Care Organization (“ACO”), which focuses on the provision of high-quality and cost-efficient care to Medicare fee-for-service patients;
- Two independent practice associations (“IPAs”), which contract with physicians and provide care to Medicare, Medicaid, commercial and dual eligible patients on fee-for-service or risk and value based fee bases;
- Clinics, which provide primary care and specialty care in the Greater Los Angeles area; and
- Palliative care, home health and hospice services, which include, our at-home, and final stages of life services.

Our revenue streams are diversified among our various operations and contract types, and include:

- traditional fee-for-service reimbursement, which is the primary revenue source for our clinics; and

- risk and value-based contracts with health plans, third party IPAs, hospitals and the Medicare Shared Savings Program (“MSSP”) of the Centers for Medicare and Medicaid Services (“CMS”), which are the primary revenue sources for our hospitalists, ACO, IPAs and palliative care operations.

We describe in greater detail our revenue streams and the types of revenue earned by each of our synergistic operations in more detail below in “Our Business - Our Revenue Streams And Our Business Operations.” As described below, our subsidiaries manage all non-medical services for affiliated medical entities.

ApolloMed serves Medicare, Medicaid and HMO patients and uninsured patients primarily in California, as well as in Mississippi and Ohio (where our ACO has recently begun operations). We primarily provide services to patients that are covered by private or public insurance, although we do derive a small portion of our revenue from non-insured patients. We provide care coordination services to each major constituent of the healthcare delivery system, including patients, families, primary care physicians, specialists, acute care hospitals, alternative sites of inpatient care, physician groups and health plans.

Our mission is to transform the delivery of healthcare services in the communities we serve by implementing innovative population health models and creating a patient-centered, physician-centric experience in a high performance environment of integrated care.

The original business owned by ApolloMed was ApolloMed Hospitalists (“AMH”), a hospitalist company, which was incorporated in California in June, 2001 and which began operations at Glendale Memorial Hospital. Through a reverse merger, ApolloMed became a publicly held company in June 2008. ApolloMed was initially organized around the admission and care of patients at inpatient facilities such as hospitals. We have grown our inpatient strategy in a competitive market by providing high-quality care and innovative solutions for our hospital and managed care clients. In 2012, ApolloMed formed an ACO, ApolloMed Accountable Care Organization, Inc. (“ApolloMed ACO”), and an IPA, Maverick Medical Group, Inc. (“MMG”), and in 2013 we expanded our service offering to include integrated inpatient and outpatient services through MMG. In 2014, ApolloMed added several complementary operations by acquiring (either directly or through affiliated entities that are wholly-owned by Dr. Hosseinion) AKM Medical Group, Inc. (“AKM”), which is an IPA, outpatient primary care and specialty clinics and hospice/palliative care and home health entities. Our largest acquisition to date, which was through an affiliate wholly-owned by Dr. Hosseinion, was of Southern California Heart Centers (“SCHC”), a specialty clinic that focuses on cardiac care and diagnostic testing. SCHC has a management services agreement with Apollo Medical Management, Inc. (“AMM”) pursuant to which AMM manages all non-medical services for SCHC and has exclusive authority over all non-medical decision making related to the ongoing business operations of SCHC.

ApolloMed’s physician network consists of hospitalists, primary care physicians and specialist physicians primarily through the Company’s owned and affiliated physician groups. ApolloMed operates through the following subsidiaries: AMM, Pulmonary Critical Care Management, Inc. (“PCCM”), Verdugo Medical Management, Inc. (“VMM”), and ApolloMed ACO. Through its wholly-owned subsidiary, AMM, ApolloMed manages affiliated medical groups, which consist of AMH, ApolloMed Care Clinic (“ACC”), MMG, AKM and SCHC. Through its wholly-owned subsidiary, PCCM, ApolloMed manages Los Angeles Lung Center (“LALC”), and through its wholly-owned subsidiary VMM, ApolloMed manages Eli Hendel, M.D., Inc. (“Hendel”). ApolloMed also has a controlling interest in ApolloMed Palliative Services, LLC (“ApolloMed Palliative”), which owns two Los Angeles-based companies, Best Choice Hospice Care LLC and Holistic Health Home Health Care Inc. AMM, PCCM and VMM each operate as a physician practice management company and are in the business of providing management services to physician practice corporations under long-term management service agreements, pursuant to which AMM, PCCM or VMM, as applicable, manages all non-medical services for the affiliated medical group and has exclusive authority over all non-medical decision making related to ongoing business operations. AMM’s, PCCM’s and VMM’s management agreements generally provide for management fees that are recognized as earned based on a percentage of revenues or cash collections generated by the physician practices. Further, under each of AMM’s management agreements, the management fee and services provided are reviewed annually and the management fee is adjusted as necessary to reflect the fair market value of AMM’s services. ApolloMed ACO participates in the MSSP, the goal of which is to improve the quality of patient care and outcomes through more efficient and coordinated approach among providers.

As of February 28, 2015, the ApolloMed physician network:

· consists of over 900 contracted hospitalists, primary care physicians and specialist physicians through our owned and affiliated physician groups and ACO; and

Edgar Filing: Apollo Medical Holdings, Inc. - Form S-1

provides inpatient services at over 20 hospitals and long-term acute care facilities in Los Angeles and Central California where we have contracted with over 50 hospitals, IPAs and health plans to provide a range of inpatient services including hospitalist, intensivist, physician advisor and consulting services.

In addition, we operate:

- Four medical clinics in the Los Angeles area;

- MMG and AKM, our IPAs, that provide primary and specialist care through their contracted physicians throughout the Greater Los Angeles area for nearly 10,000 patients; and

ApolloMed ACO was one of only eight ACOs selected to participate in the MSSP by CMS in the State of California in 2012, and which now has nearly 30,000 Medicare beneficiaries assigned to it by CMS in California, Mississippi and Ohio.

Our recent financial highlights, , for the three and nine months ended December 31, 2014, are as follows:

Three Months

Net revenue of \$7.6 million, an increase of 170% from \$2.8 million in the comparable period of 2013, which net revenue consisted of approximately \$2.8 million from our hospitalists, approximately \$2.8 million from our IPAs, approximately \$0.5 million from our palliative care services and approximately \$1.5 million from our clinics; and

Generated loss from operations of \$1.53 million, an increase of 89% compared to a loss from operations of \$0.81 million in the comparable quarter of 2013.

Nine Months

Net revenue of \$23.4 million, an increase of 194% from \$8.0 million in the comparable period of 2013, which net revenue consisted of approximately \$8.1 million from our hospitalists, approximately \$6.3 million from our IPAs, approximately \$5.4 million from our ACO,* approximately \$3.1 million from our clinics, and \$0.5 million from our palliative care services; and

Generated loss from operations of \$0.86 million, a decrease of 74% compared to a loss from operations of \$3.37 million in the comparable period of 2013.

* Approximately \$5.4 million of the revenue for the nine months ended December 31, 2014 was derived from a receivable from CMS (the payment for which was received in October, 2014) related to ApolloMed ACO's portion of shared savings achieved during the period of July 1, 2012 to December 31, 2013. No assurance can be made that such a payment will be made in the future, and if any payment is made, it would be made on an annual basis.

INDUSTRY OVERVIEW

U.S. healthcare spending has increased steadily over the past 20 years. According to CMS, total U.S. healthcare expenditures grew 3.7% in 2012 to \$2.8 trillion, representing 17.2% of the U.S. gross domestic product. CMS projects total U.S. healthcare spending to grow by an average annual growth rate of 6.2% from 2015 through 2021. By these estimates, U.S. healthcare expenditures can be expected to reach approximately \$4.8 trillion, or 19.6% of the total U.S. gross domestic product by 2021.

These spending increases have been driven, in part, by the aging baby boomer generation, lack of a healthy lifestyle, both in terms of diet and exercise, rapidly increasing costs in medical technology and pharmaceutical research, the steady growth of the U.S. population and provider reimbursement structures that many argue promote volume over quality. Additionally, as healthcare exchanges created following the Affordable Care Act and Medicaid expansions become operational, healthcare spending is projected to increase even more.

ApolloMed is a healthcare management company that provides direct patient care, targeting the industry need for integrated, coordinated patient care at lower costs. ApolloMed aims to manage the medical care of patients in a more cost-effective way, with better patient outcomes, through an integrated network of healthcare entities, focusing on improving the inefficiencies associated with inpatient care, reducing readmissions and improving outcomes through better care coordination.

STRENGTHS AND COMPETITIVE ADVANTAGES

The following are some of the material opportunities that we believe exist for our Company.

Diversification

Through its subsidiaries and consolidated affiliates, ApolloMed has been able to reduce its business risk and increase revenue opportunities by diversifying its service offerings and expand its ability to manage patient care across a horizontally integrated care network. The revenue distribution is spread across all our operations. Additionally, because of ApolloMed's long-standing and strong relationships with its physicians and other medical service providers, and ApolloMed's associated ability to monitor and manage care within its wide network, ApolloMed is a more attractive business partner to health plans, IPAs and health systems seeking to provide better access to care at lower costs.

Strong Management Team

The ApolloMed management team and Board of Directors have decades of experience managing physician practices, risk-based organizations, health plans, hospitals and health systems. Collectively, they have a keen understanding of the healthcare marketplace, emerging trends and an exciting vision for the future of healthcare delivery that is serviced by physician-driven healthcare networks.

Scalable Business Model

ApolloMed believes that its physician-driven model of care across the healthcare continuum can be replicated in different communities across the nation. The ApolloMed model has been rolled out across disparate cities in Los Angeles County with a population size of 13 million, as well as Orange County and Tulare County in California. We have also established a presence with our ACO model in Ohio and Mississippi, although we have not derived any revenue from such states yet.

Strong Relationships with Physicians

As of February 28, 2015, the ApolloMed physician network consisted of over 900 additional contracted hospitalists, primary care physicians and specialist physicians through our owned and affiliated physician groups and ACO.

Long-Standing Relationships with Clients Generating Recurring Contractual Revenue

ApolloMed has long-standing relationships with multiple health plans, hospitals, hospital systems and IPAs which have been generating recurring contractual revenue.

Comprehensive and Effective Medical Management Programs

ApolloMed has developed comprehensive and effective programs for patients with multiple chronic conditions as well as hospitalized patients. ApolloMed has also developed its own protocol for identifying high-risk patients. In addition, ApolloMed has developed expertise in population health and care coordination for its ACO and IPA patients.

OUR STRATEGY

Our mission is to transform the delivery of health services to the communities we serve by implementing innovative population health and care coordination models and by creating a patient-centered, physician-centric experience in a high-performing environment of integrated care.

While we have taken many concrete steps to achieve our strategy and continue to work to achieve our strategy goals, please refer to the “Risk Factors” section of this prospectus for some of the potential risks we face in trying to carry out our strategy. The principal elements of our strategy are to:

- Pursue growth opportunities in established and new markets by working with local physician networks, including, as opportunities arise, potentially expanding hospitalist contracts, adding new risk-based insurance contracts and acquiring new clinics.

Edgar Filing: Apollo Medical Holdings, Inc. - Form S-1

- Continue to strengthen our market presence and reputation, including, among other items, by focusing on patient safety, patient satisfaction, care coordination, population health and by implementing clinical quality best practices across all our operations.
- Focus on high-quality, patient-centered care in the communities we serve.
- Drive physician collaboration and alignment through the provision of appropriate resources to support high-quality services, by encouraging physician leadership in ApolloMed ACO, MMG, AKM and hospitalist boards and subcommittees, and by utilizing various forms of risk contracting, including pay-for-performance.
- Expand ambulatory services and further our population health strategies.
- Pursue selective acquisitions, leveraging our existing organization that is built on patient-centered healthcare and clinical quality and efficiency.
- Expand our relationships with payors and facilities in selective markets across the U.S.

OUR CORPORATE INFORMATION

ApolloMed's principal executive offices are located at 700 North Brand Blvd., Suite 220, Glendale, California 91203. ApolloMed was incorporated in the State of Delaware on November 1, 1985 under the name of McKinnely Investment, Inc. On November 5, 1986 McKinnely Investment, Inc. changed its name to Acculine Industries, Incorporated and Acculine Industries, Incorporated changed its name to Siclone Industries, Incorporated on May 24, 1988. On July 3, 2008, Apollo Medical Holdings, Inc. reverse merged into Siclone Industries, Incorporated and Siclone Industries, Incorporated, as the surviving entity from the merger, simultaneously changed its name to Apollo Medical Holdings Inc. ApolloMed's telephone number is (818) 396-8050 and its website URL is <http://apollomed.net/>, which is included herein as an inactive textual reference. Information contained on, or accessible through, our website is not a part of, and is not incorporated by reference into, this prospectus.

THE OFFERING

Common stock offered: ___ shares of our common stock

Common stock to be
outstanding
immediately before this
Offering: 48,634,549 shares

Common stock to be
outstanding
immediately after this
Offering: ___ shares (or ___ shares if the underwriter exercises its over-allotment option in full)

Over-allotment option: We have granted the underwriters a 45-day option to purchase up to ___ shares of our common stock from us at the public offering price less underwriting discounts and commissions.

Use of proceeds: We estimate that we will receive net proceeds from this Offering of approximately \$___, after deducting the estimated underwriting discounts and estimated offering expenses. We intend to use the net proceeds of this Offering for working capital and general corporate purposes, which might include acquisitions or paying off and retiring indebtedness. For a more complete description of our intended use of proceeds from this Offering, see the "Use of Proceeds" section of this prospectus on pg. 35.

OTCQB Symbol: AMEH

Risk factors: See "Risk Factors" beginning on pg. 10 for a discussion of factors that you should consider carefully before deciding whether to purchase our securities.

Proposed NASDAQ Capital Market symbol We have applied to list our common stock on the NASDAQ Capital Market under the symbol "AMEH".

The number of shares of common stock to be outstanding after this Offering is based on 48,634,549 shares of common stock outstanding on December 31, 2014. This number excludes, as of December 31, 2014:

7,042,000 shares issuable upon the exercise of outstanding stock options at a weighted average price of \$0.25 per share;

_____ shares issuable upon the exercise of outstanding warrants at a weighted average exercise price of \$0.97 per share (which share number includes the additional shares issuable upon exercise of the warrant under the anti-dilution provision to be triggered upon the issuance of shares of common stock in this Offering at a price below \$0.90 on a pre-split basis);

2,750,000 shares issuable upon the conversion of the 9% Senior Subordinated Convertible Notes at a conversion price of \$0.40 per share;

_____ shares issuable upon the conversion of the 8% Senior Subordinated Convertible Note at a conversion price of \$1.00 per share (which share number includes the additional shares issuable upon exercise of the warrant under the anti-dilution provision to be triggered upon issuance of shares of common stock in this Offering at a price below \$0.90 on a pre-split basis);

· 1,600,000 remaining shares issuable under the Company's 2013 Equity Incentive Plan; and

the exercise by the underwriters of the over-allotment option to purchase up to ___ shares of common stock from us in this Offering.

We anticipate effecting a -for- reverse stock split of our outstanding shares of common stock just prior to the date of this prospectus. Unless we indicate otherwise, all references to share numbers in this prospectus reflect the effects of this reverse stock split.

SUMMARY CONSOLIDATED FINANCIAL DATA

On May 16, 2014, our Board of Directors approved a change to our Company's fiscal year end from January 31 to March 31. As a result, in this summary of historical and consolidated financial and other data, the March 31, 2014 and 2013 amounts are unaudited.

The following table presents our summary consolidated historical statements of operations for the fiscal years ended January 31, 2014 (as restated) and 2013 (as restated), for the interim two month periods ended March 31, 2014 and 2013 (as restated) and for the nine month periods ended December 31, 2014 and 2013 (as restated), and our summary consolidated historical and restated balance sheets as of January 31, 2014 and 2013 as of March 31, 2014 and as of December 31, 2014. (See Note 1 to the Condensed Consolidated Financial Statements for the three and nine months ended December 31, 2014 for further discussion of the restatement). The summary statement of operations and balance sheet data as of and for the fiscal years ended January 31, 2014 and 2013 (as restated) are derived in part from our audited consolidated financial statements as of and for the fiscal years ended January 31, 2014 and 2013 (as restated) included elsewhere in this prospectus. The summary consolidated statement of operations data for the two month periods ended March 31, 2014 and 2013 (as restated) and for the nine month periods ended December 31, 2014 and 2013 (as restated), and the summary consolidated historical and restated balance sheets as of March 31, 2014 and as of December 31, 2014 have been derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. Our unaudited consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and notes thereto, which include, in the opinion of our management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the information for the unaudited period. Our historical results for prior or interim periods are not necessarily indicative of results to be expected for a full fiscal year or for any future period. You should read this data together with our consolidated financial statements and related notes included in this prospectus and the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Risk Factors", and "Capitalization."

	Fiscal Year Ended January 31		Two Months Ended March 31,		Nine Months Ended December 31,	
	2014 (As restated) (Audited)	2013 (As restated)	2014 (Unaudited)	2013 (As restated)	2014 (Unaudited)	2013 (As restated)
Net revenues	\$ 10,484,305	\$ 7,776,131	\$ 2,336,522	\$ 1,662,951	\$ 23,402,254	\$ 7,970,276
Costs and expenses						
Cost of services	9,076,213	6,316,164	2,050,913	1,184,786	15,511,829	6,748,726
General and administrative	5,286,610	3,517,536	826,870	531,120	8,350,837	4,569,020
Depreciation and amortization	31,361	20,918	5,765	4,506	399,240	19,164
Total costs and expenses	14,394,184	9,854,618	2,883,548			