

MusclePharm Corp
Form S-1
September 09, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

MUSCLEPHARM CORPORATION
(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of Incorporation)	000-53166 (Primary Standard Industrial Classification Code Number)	77-0664193 (I.R.S. Employer Identification No.)
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4721 Ironton Street, Building A
Denver, CO 80239
Tel: (303) 396-6100
(Address and Telephone Number of Registrant's Principal
Executive Offices and Principal Place of Business)

Brad Pyatt
5348 Vegas Dr.
Las Vegas, NV 89108
Tel: (702) 953-1890
(Name, Address and Telephone Number of Agent for Service)
Communication Copies to:

Lucosky Brookman LLP
33 Wood Avenue South, 6th Floor
Iselin, New Jersey 08830
Tel No.: (732) 395-4400
Fax No.: (732) 395-4401

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

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 of 1933, please check the following box and list the Securities Act registration Statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, 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.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

CALCULATION OF REGISTRATION FEE

Title of Each Class Of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Aggregate Offering Price per share (2)	Proposed Maximum Aggregate Offering Price (2)	Amount of Registration Fee
Common stock, \$0.001 par value per share, issuable upon conversion of a convertible note.	40,000,000	\$ 0.02	\$ 800,000	\$ 92.88

(1) The 40,000,000 shares of our common stock to be registered includes 40,000,000 shares of our common stock that will be issuable upon conversion of a convertible promissory note (the "Note") of the Company of up to \$900,000 principal amount issued to an accredited investor (the "Noteholder") on June 7, 2011.

In the event of stock splits, stock dividends, or similar transactions involving the common stock, the number of common shares registered shall, unless otherwise expressly provided, automatically be deemed to cover the additional securities to be offered or issued pursuant to Rule 416 promulgated under the Securities Act of 1933, as amended (the "Securities Act").

(2) The offering price has been estimated solely for the purpose of computing the amount of the registration fee in accordance with Rule 457(c) of the Securities Act on the basis of the closing bid price of common stock of the registrant as reported on the Over-the-Counter Bulletin Board (the "OTCBB") on September 8, 2011.

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 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SUCH SECTION 8(a), MAY DETERMINE.

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the U.S. Securities and Exchange Commission (“SEC”) is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS

Subject to completion, dated September 9, 2011

MUSCLEPHARM CORPORATION

40,000,000 SHARES OF COMMON STOCK

This prospectus relates to the resale of up to 40,000,000 shares of our common stock, par value \$0.001 per share, by the selling security holder (the “Selling Security Holder”), including 40,000,000 shares that will be issuable upon conversion of the Note by the Noteholder.

This offering will terminate thirty-six (36) months after the registration statement to which this prospectus is made a part is declared effective by the SEC. The Noteholder will pay a conversion price equal to seventy percent (70%) of the lowest closing price of the common stock in the thirty (30) trading days immediately prior to conversion. Any such conversion will be cashless, and will not require further payment from the Noteholder.

We will not receive any proceeds from the sale of the shares of common stock offered by the Selling Security Holder. We will bear all costs associated with this registration statement.

Our common stock is quoted on the OTCBB under the symbol “MSLP.OB.” The shares of our common stock registered hereunder are being offering for sale by the Selling Security Holder at prices established on the OTCBB during the term of this offering. On September 8, 2011, the closing bid price of our common stock was \$0.02 per share. These prices will fluctuate based on the demand for our common stock.

This investment involves a high degree of risk. You should purchase shares only if you can afford a complete loss. See “Risk Factors” beginning on page 6.

Neither the SEC 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.

The date of this prospectus is _____, 2011

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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information different from that which is contained in this prospectus. This prospectus may be used only where it is legal to sell these securities. The information in this prospectus may only be accurate on the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of securities. This prospectus contains important information about us that you should read and consider carefully before you decide whether to invest in our common stock. If you have any questions regarding the information in this prospectus, please contact Brad Pyatt, our Chief Executive Officer, at: MusclePharm Corporation, 4721 Ironton Street, Denver, CO 80239, or by phone at (303) 396-6100.

PROSPECTUS SUMMARY

This summary highlights certain information contained elsewhere in this prospectus. Because it is a summary, it may not contain all of the information that is important to you. Before investing in our common stock, you should read this entire prospectus carefully, especially the sections entitled “Risk Factors” beginning on page 6 and “Management’s Discussion and Analysis of Financial Condition and Results of Operation” beginning on page 26, as well our financial statements and related notes included elsewhere in this prospectus. In this prospectus, the terms “MusclePharm,” “Company,” “we,” “us” and “our” refer to MusclePharm Corporation.

Overview

MusclePharm Corporation was initially incorporated in the State of Nevada on August 4, 2006, under the name Tone in Twenty, for the purpose of engaging in the business of providing personal fitness training using isometric techniques (“Tone in Twenty”). Tone in Twenty was never able to raise the level of funding necessary to commence operations. On February 18, 2010, the Company acquired all of the issued and outstanding equity and voting interests of Muscle Pharm, LLC, a Colorado limited liability company, in exchange for 26,000,000 shares of the Company’s common stock. The shares were issued pursuant to that certain Securities Exchange Agreement, dated February 1, 2010 (the “Securities Exchange Agreement”). As a result of this transaction, Muscle Pharm, LLC became a wholly owned subsidiary of the Company. The 26,000,000 shares represented approximately 99.7% of the common stock outstanding following the closing of this transaction. As part of this transaction, the Company’s former President sold his 366,662 shares to Muscle Pharm, LLC for \$25,000 and these shares were then cancelled.

As part of the Securities Exchange Agreement, the Company agreed to seek shareholder approval of an amendment to the Company’s Articles of Incorporation changing the name of the Company to “MusclePharm Corporation.” This amendment was approved by a majority of the Company’s shareholders and the name change became effective on March 1, 2010.

MusclePharm currently manufactures and markets seven branded, high-quality sports nutrition products: Assault™, Battle Fuel™, Bullet Proof®, Combat Powder®, Shred Matrix®, and Re-con®. These products are comprised of amino acids, herb, and proteins scientifically tested and proven as safe and effective for the overall health of athletes. These nutritional supplements were created to enhance the effects of workouts, repair muscles, and nourish the body for optimal physical fitness.

Sales & Recent Developments

We sell our products both domestically and internationally. With respect to our domestic sales, we started selling our products in the summer of 2009, in approximately 485 of The Vitamin Shoppes outlets, and currently sell into over 2500 General Nutrition Center (“GNC”) stores and will be launching our products in up to 400 Vitamin World retail stores. In addition to the foregoing retail stores, we also sell domestically through several distributors and through over 100 Internet sites. The primary domestic Internet site through which we sell our products is Bodybuilding.com (“Body Building”), which is the largest online retailer of sports nutrition products in the United States. Body Building awarded Muscle Pharm the title of the “best new brand for 2009,” and Muscle Pharm is now one of their top 10 best sellers. Our largest domestic distributor is Europa Sports, Inc., which distributes to over 12,000 small stores and gym/workout chains. During the third quarter of 2010, Lone Star Distribution, Inc. began distributing our products throughout the United States.

With respect to international sales, we started selling our products to GNC Canada during the third quarter of 2009. We use several other international distributors, and we recently started working with Sportika Export, Inc., a large international distributor which covers approximately 120 countries, selling primarily to larger stores.

In 2010, our three largest customers were accounted for 42.05%, 11.78% and 9.25%, respectively of the Company's sales.

Where You Can Find Us

Our principal executive office is located at 4721 Ironton Street, Denver, CO 80239, and our telephone number is (303)-396-6100. Our Internet address is www.musclepharm.com.

The Offering

Common stock offered by selling security holder	40,000,000 shares of common stock issuable upon conversion of the Note by the Noteholder.
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Common stock outstanding before the offering	307,964,602 common shares as of September 8, 2011.
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Common stock outstanding after the offering	347,964,602 common shares, assuming full conversion of the Note.
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Terms of the Offering	The Selling Security Holder will determine when and how they will sell the common stock offered in this prospectus.
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Termination of the Offering	The offering will conclude upon the earliest of (i) such time as all of the common stock has been sold pursuant to the registration statement or (ii) three years from the effective date of this Prospectus.
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Use of proceeds	We will not receive any proceeds from the sale of the shares of common stock offered by the Selling Security Holder.
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Risk Factors	The common stock offered hereby involves a high degree of risk and should not be purchased by investors who cannot afford the loss of their entire investment. See "Risk Factors" beginning on page 6.
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OTCBB Symbol	MSLP.OB
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This offering relates to the resale of up to 40,000,000 shares of our common stock, par value \$0.001 per share, by the Selling Security Holder, including 40,000,000 shares that will be issuable upon conversion of the Note by the Noteholder. The number of shares being registered in this registration statement would represent approximately 11.49% of the Company's common stock then outstanding and approximately 12.55% of the Company's common stock held by non-affiliates.

On June 7, 2011 (the "Closing Date"), we issued the Note to the Noteholder for a purchase price of \$900,000. Pursuant to the terms of the Note, the Company was expected to receive (i) \$480,000 within three (3) business days of the Closing Date and (ii) \$250,000 within 120 days' notice of an effective registration statement on Form S-1 (the "Registration Statement"), provided that (a) the Registration Statement is filed within 20 days of the Closing Date and

(b) the Registration Statement is declared effective no later than 135 days from the Closing Date, in accordance with the Registration Rights Agreement.

The Note bears a one-time interest rate of eight percent (8%) and has a maturity date of June 7, 2014. Prepayment under the Note is not permitted, unless approved by the Noteholder. Under the terms of the Note, the Noteholder is entitled, at its option, to convert all or part of the principal amount and accrued interest into shares of the Company's common stock, par value \$0.001 per share, at a conversion price equal to seventy percent (70%) of the lowest closing price of the Common Stock in the thirty (30) trading days immediately prior to the conversion, subject to adjustment in certain circumstances.

The Note is subject to various default provisions (an “Event of Default”), and the occurrence of such an Event of Default will cause the outstanding principal amount under the Note, together with accrued and unpaid interest and all other amounts payable under the Note, to become immediately due and payable to the Investor.

The Note contains a standard “blocker” provision so that the Investor shall not have the right to convert any portion of the Note to the extent that, after giving effect to such conversion, the Investor and its affiliates would beneficially own in excess of 4.99% of the number of shares of Common Stock outstanding immediately after giving effect to such conversion.

The total dollar value of the securities underlying the Note that have been registered for resale is \$800,000, based on the Company’s closing bid price for its common stock of \$0.02, as reported on the OTCBB on September 8, 2011.

We are relying on an exemption from the registration requirements of the Securities Act and/or Rule 506 of Regulation D promulgated thereunder. The transaction does not involve a private offering, each Selling Security Holder is an “accredited investor” and the Selling Security Holder has access to information about the Company and their investment.

SUMMARY OF FINANCIAL INFORMATION

The following selected financial information is derived from the Company's Financial Statements appearing elsewhere in this Prospectus and should be read in conjunction with the Company's Financial Statements, including the notes thereto, appearing elsewhere in this Prospectus.

Summary of Statements of Operations

For the Three Months Ended June 30,(unaudited):

	2011	2010
Sales	\$ 3,802,806	\$ 468,109
Loss from operations	\$ (1,893,768)	\$ (2,875,377)
Other expense	\$ (5,542,854)	\$ (316,283)
Net loss	\$ (7,436,623)	\$ (3,191,660)
Net loss per common share - basic and diluted	\$ (0.04)	\$ (0.11)
Weighted average number of common shares outstanding - basic and diluted	201,864,655	29,247,811

For the Six Months Ended June 30,(unaudited):

	2011	2010
Sales	\$ 7,320,580	\$ 1,726,697
Loss from operations	\$ (2,980,993)	\$ (5,127,033)
Other expense	\$ (9,467,552)	\$ (674,343)
Net loss	\$ (12,448,545)	\$ (5,801,376)
Net loss per common share - basic and diluted	\$ (0.07)	\$ (0.21)
Weighted average number of common shares outstanding - basic and diluted	174,365,323	27,702,640

For the Years Ended December 31, (audited):

	2010	2009
Sales	\$ 4,047,295	\$ 1,017,916
Loss from operations	\$ (18,251,836)	\$ (1,811,082)
Other expense	\$ (1,317,500)	\$ (102,390)
Net loss	\$ (19,569,337)	\$ (1,913,472)
Net loss per common share - basic and diluted	\$ (0.48)	\$ (0.07)
Weighted average number of common shares outstanding - basic and diluted	41,141,549	25,914,615

Statement of Financial Position

At June 30, 2011 compared to December 31, 2010:

	June 30, 2011 (unaudited)	December 31, 2010 (audited)
Cash	\$ 517,811	\$ 43,704
Total assets	\$ 4,873,071	\$ 2,720,981
Working Capital (Deficit)	\$ (7,037,918)	\$ (2,809,339)
Long term debt	\$ 87,620	\$ 250,000
Stockholders' deficit	\$ (5,561,132)	\$ (1,744,667)

