

ASPYRA INC
Form 424B3
September 25, 2006

**This filing is made pursuant to Rule 424(b)(3)
under the Securities Act of 1933 in connection
with Registration No. 333-134926**

PROSPECTUS

Aspyra, Inc.

5,400,000 Shares

Common Stock

(No Par Value)

This prospectus relates to the disposition of 5,400,000 shares of our common stock which may be disposed of, from time to time, by the selling shareholders listed in the section of this prospectus entitled "Principal and Selling Shareholders," or other transferees, pledges, donees or successors-in-interest. The selling shareholders purchased the common stock and the underlying warrants on November 22, 2005 and May 17, 2006. We will not receive any of the proceeds from the sale of the 5,400,000 shares being offered by the selling shareholders.

Our common stock is quoted on the American Stock Exchange under the symbol "APY." On September 21, 2006, the last reported sale price for our common stock on the American Stock Exchange was \$1.73 per share.

INVESTMENT IN OUR COMMON STOCK INVOLVES A HIGH DEGREE OF RISK. PLEASE CAREFULLY CONSIDER THE RISK FACTORS BEGINNING ON PAGE 4 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.

The date of this prospectus is September 22, 2006

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INFORMATION CONTAINED IN THIS PROSPECTUS

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS PROSPECTUS OR TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE ELSE TO PROVIDE YOU WITH DIFFERENT INFORMATION. THIS DOCUMENT MAY BE USED ONLY WHERE IT IS LEGAL TO OFFER OR SELL THESE SECURITIES. THE INFORMATION IN THIS PROSPECTUS MAY ONLY BE ACCURATE AS OF THE DATE OF THIS PROSPECTUS.

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The Aspyra family of related marks, images and symbols are our trademarks and intellectual property. Other trademarks, trade names and service marks appearing in this report are the property of their respective holders. Unless the context otherwise requires, the terms we, our, us, the Company, and Aspyra refer to Aspyra, Inc. and its subsidiaries.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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The SEC encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This prospectus contains such forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

Words such as anticipate, believe, estimate, expect, intend, may, plan, project, seek, will and words and terms of similar substance in connection with any discussion of future events, operating or financial performance, financing sources, product development, capital requirements, market growth and the like, identify forward-looking statements. Forward-looking statements are merely predictions and therefore inherently subject to uncertainties and other factors which could cause the actual results to differ materially from the forward-looking statement. These forward-looking statements include, among others:

- projections of revenues and other financial items;
- statements of strategies and objectives for future operations;
- statements concerning proposed applications or services;
- statements regarding future economic conditions, performance or business prospects;
- statements regarding competitors or competitive actions; and
- statements of assumptions underlying any of the foregoing.

You should not place undue reliance on our forward-looking statements. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of numerous risks and uncertainties that are beyond our control, including those we discuss in Risk Factors and elsewhere in this prospectus, and in our other reports we file with the Securities and Exchange Commission, or the SEC. The forward-looking statements in this prospectus speak only as of the date of this prospectus, and you should not rely on these statements without also considering the risks and uncertainties associated with these statements and our business.

PROSPECTUS SUMMARY

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This summary highlights information contained elsewhere in this prospectus. Because this is only a summary, it does not contain all of the information that you should consider before investing in our common stock. Therefore, you should read carefully and consider this entire prospectus, including the Risk Factors section and financial statements and the related notes included elsewhere in this prospectus, before investing in our common stock.

Aspyra, Inc. (formerly, Creative Computer Applications, Inc.)

Aspyra, Inc. is a healthcare information technology and service provider that provides software and browser-based solutions, specializing in Clinical Information Systems for hospital and clinic-based laboratories, pharmacies, and medical imaging departments. Our primary products, CyberLAB®, CyberMED® and CyberRAD® are highly functional, scalable, and can be deployed in a variety of healthcare settings. Aspyra's systems are deployed at more than 500 sites.

Our wholly owned subsidiaries, Aspyra Diagnostic Solutions, Inc. (formerly StorCOMM, Inc.) and Aspyra Technologies, Ltd. (formerly StorCOMM Technologies, Ltd.), are leaders in the design, development, implementation and support of highly scalable Picture Archive Communication Systems, or PACS, and Clinical Image Management Systems tailored to meet the needs of healthcare organizations in the United States and abroad. Our subsidiaries' Access.NET family of systems provides enterprise wide system solutions for imaging centers, orthopedic environments and hospitals. AccessNET systems are deployed at more than 200 sites in the United States and Europe.

We are a California corporation. We were originally incorporated in 1978 as Creative Computer Applications, Inc. In connection with our merger with our subsidiaries, we changed our name to Aspyra, Inc. on November 21, 2005. Our executive offices are located at 26115-A Mureau Road, Calabasas, California 91302, and our telephone number is (818) 880-6700. Our website address is www.aspyra.com. The information on or accessible through our website is not a part of this prospectus.

Recent Developments

On November 22, 2005, Creative Computer Applications, Inc., or CCA, consummated the acquisition of StorCOMM, Inc., or StorCOMM, a private company, through a merger. As a result of the merger, the resulting company has two wholly owned subsidiaries, Aspyra Diagnostic Solutions, Inc. (formerly StorCOMM) and Aspyra Technologies, Ltd. (formerly StorCOMM Technologies, Ltd.). The newly merged company was renamed Aspyra, Inc.

Concurrent with the consummation of the merger, we sold in a private placement up to 1,500,000 shares of our common stock and warrants to purchase up to 300,000 shares of our common stock. On May 17, 2006, we sold in a private placement up to 2,250,000 shares of our common stock and warrants to purchase up to 1,350,000 shares of our common stock. This prospectus relates primarily to the resale of the equity securities issued in connection with these private placements.

The Offerings

The selling shareholders listed in the section of this prospectus entitled "Principal and Selling Shareholders" may offer and sell up to 5,400,000 shares of our common stock.

Under this prospectus, the selling shareholders may sell their shares of common stock in the open market at prevailing market prices or in private transactions at negotiated prices. They may sell the shares directly, or may sell them through underwriters, brokers or dealers. Underwriters, brokers or dealers may receive discounts, concessions or commissions from the selling shareholders or from the purchaser, and this compensation might be in excess of the compensation customary in the type of transaction involved. See the section of this prospectus entitled "Plan of Distribution."

We will not receive any proceeds from the potential sale of the 5,400,000 shares offered by the selling shareholders.

Summary Consolidated Financial Data

	Years Ended		Four Months Ended		Six Months Ended	
	Dec. 31, 2005	Aug. 31, 2004	Dec. 31, 2004	Dec. 31, 2003 (unaudited)	June 30, 2006 (unaudited)	June 30, 2005 (unaudited)
CONSOLIDATED STATEMENTS OF OPERATIONS DATA:						
NET SYSTEM SALES AND SERVICE REVENUE:						
System sales	\$ 2,112,782	\$ 3,295,708	\$ 844,069	\$ 541,019	\$ 2,373,252	\$ 883,707
Service revenue	5,092,975	4,360,264	1,547,173	1,457,182	3,546,644	2,497,588
TOTAL SYSTEM SALES AND SERVICE REVENUE	7,205,757	7,655,972	2,391,242	1,998,201	5,919,896	3,381,295
COSTS OF PRODUCTS AND SERVICES SOLD:						
System sales	1,817,566	1,913,745	610,294	607,784	1,910,467	824,568
Service revenue	1,878,030	1,592,801	542,151	540,751	1,396,148	824,693
TOTAL COSTS OF PRODUCTS AND SERVICES SOLD	3,695,596	3,506,546	1,152,445	1,148,535	3,306,615	1,649,261
GROSS PROFIT	3,510,161	4,149,426	1,238,797	849,666	2,613,281	1,732,034
RESEARCH AND DEVELOPMENT EXPENSE	1,300,690	1,014,235	406,214	342,824	961,692	558,940
SELLING AND ADMINISTRATIVE EXPENSES	3,892,900	2,855,703	1,099,279	992,595	3,884,169	1,599,977
TOTAL OPERATING EXPENSES	5,193,590	3,869,938	1,505,493	1,335,419	4,845,861	2,158,917
OPERATING INCOME (LOSS)	(1,683,429)	279,488	(266,696)	(485,753)	(2,232,580)	(426,883)
OTHER INCOME (EXPENSE):						
Interest income	26,461	4,603	4,589	1,761	20,924	9,142
Interest and other expense	(37,934)	(3,704)	(2,020)	(1,888)	(166,242)	(7,761)
TOTAL OTHER INCOME (EXPENSE)	(11,473)	899	2,569	(127)	(145,318)	1,381
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	(1,694,902)					