FIRST INTERSTATE BANCSYSTEM INC
Form 8-K
March 18, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15 (d)

of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 18, 2019

FIRST INTERSTATE BANCSYSTEM, INC.

(Exact name of registrant as specified in its charter)

Montana	**001-34653**	**81-0331430**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

401 North 31st Street, Billings, Montana	**59101**
(Address of principal executive offices)	**(Zip Code)**

Registrant s telephone number (including area code): (406) 255-5390

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Events

Settlement of Certain Litigation Relating to the Merger

On or about February 8, 2019, a purported individual stockholder of Community 1st Bank (CMYF) filed a lawsuit in the Court for the First Judicial District of The State of Idaho, Kootenai County (the Court), under the caption *Parshall v. Community 1st Bank, et. al.,* Case No. CV28-19-1063 (the Action). The complaint, which was filed as a putative class action and derivative action on behalf of the individual plaintiff and the public stockholders of CMYF, alleges that the proxy statement/prospectus (the Proxy Statement/Prospectus) forming a part of the Form S-4 Registration Statement filed by First Interstate BancSystem, Inc. (First Interstate) in connection with the proposed merger of CMYF with First Interstate Bank, the wholly-owned subsidiary of First Interstate, does not contain certain information alleged to be material to the CMYF stockholders concerning the proposed merger. The complaint asserts claims against CMYF s directors for breach of fiduciary duty, and against First Interstate for aiding and abetting the alleged breach of fiduciary duty. The complaint seeks, among other things, injunctive relief against consummation of the merger and additional, allegedly corrective disclosures as well as attorneys and expert fees.

Solely to avoid the costs, risks, nuisance and uncertainties inherent in litigation and to allow the CMYF stockholders to vote on the proposals required in connection with the proposed merger with First Interstate Bank at the CMYF special meeting of stockholders to be held on March 27, 2019 (the Special Meeting), CMYF hereby supplements the disclosures contained in the Proxy Statement/Prospectus (the Additional Disclosures). The Additional Disclosures are set forth below and should be read in conjunction with the Proxy Statement/Prospectus.

In light of the Additional Disclosures, plaintiff has agreed to dismiss the Action with prejudice as to his individual claims and without prejudice to the claims of the members of the putative class. In dismissing the Action, plaintiff has reserved the right to seek an award of attorneys fees from the Court.

The agreement to make the Additional Disclosures will not affect the merger consideration to be paid to CMYF s stockholders or the timing of the Special Meeting.

CMYF and the other defendants, including First Interstate, vigorously deny that the Proxy Statement/Prospectus is deficient in any respect and that the Additional Disclosures are material or required. CMYF and First Interstate believe that the claims asserted in the Action are without merit, and that the Additional Disclosures do not provide information required by the federal securities laws or Idaho law or that is material to the decision of the CMYF stockholders as to how to vote their shares at the Special Meeting. As noted above, the Additional Disclosures are being made solely to eliminate the burden, expense, and nuisance of further litigation, and to avoid any possible delay to the closing of the merger that might arise from further litigation. Nothing in this document shall be deemed an admission of the legal necessity or materiality under any applicable laws for any of the disclosures set forth herein.

SUPPLEMENT TO PROXY STATEMENT/PROSPECTUS

The following information supplements the Proxy Statement/Prospectus and should be read in connection with the Proxy Statement/Prospectus, which should be read in its entirety. To the extent that information herein differs from or updates information contained in the Proxy Statement/Prospectus, the information contained herein supersedes the information contained in the Proxy Statement/Prospectus. All page references in the information below are to pages in the Proxy Statement/Prospectus, and terms used below have the meanings set forth in the Proxy Statement/Prospectus, unless otherwise defined below. Without admitting in any way that the disclosures below are material or otherwise required by law, CMYF and First Interstate make the following Additional Disclosures:

The disclosure under the heading DESCRIPTION OF THE MERGER D.A. Davidson s Opinion to CMYF s Board of Directors is hereby supplemented by revising the fourth bullet on page 33 of the Proxy Statement/Prospectus:

financial projections for CMYF for the years ending December 31, 2018 and December 31, 2019 of $1.138 million and $1.787 million, respectively, extrapolated for CMYF for the years ending December 31, 2020, December 31, 2021, December 31, 2022, and December 31, 2023 based on <u>an assumed annual long-term</u> growth rate assumption <u>of 8.0%</u> as provided by CMYF management, in each case as discussed with and confirmed by senior management of CMYF;

The disclosure under the heading DESCRIPTION OF THE MERGER D.A. Davidson s Opinion to CMYF s Board of Directors is hereby supplemented by revising the third bullet on page 33 of the Proxy Statement/Prospectus:

certain publicly available analyst earnings estimates for First Interstate for the years ending December 31, 2018 and December 31, 2019 <u>of $179.494 million and $198.899 million, respectively,</u> as extrapolated for First Interstate for the years ending December 31, 2020, December 31, 2021, December 31, 2022, and December 31, 2023 based on <u>an assumed annual long-term</u> growth rate assumption <u>of 8.0%</u> as provided by First Interstate management, in each case as discussed with and confirmed by senior management of CMYF and First Interstate;

The disclosure under the heading DESCRIPTION OF THE MERGER D.A. Davidson s Opinion to CMYF s Board of Directors CMYF Comparable Companies Analysis is supplemented by adding the table below directly after the Market Performance Multiples table on page 38 of the Proxy Statement/Prospectus:

(CMYF Comparable Company Analysis)

	Financial Condition and Performance											Market Performance M		
tate	Assets ($MM)	Loan / Deposit	NPAs / Assets	TCE Ratio	Net Interest Margin	Cost of Deposits	Effic. Ratio	ROATCE	ROAA	Stock Price (10/9/18)	Mkt. Cap. ($MM)	Price Change (LTM)	Price Change (YTD)	Price MRQ EPS
OR	$ 400.4	93.7%	2.48%	8.31%	5.20%	0.23%	66.6%	10.73%	0.88%	$ 30.00	$ 35.7	2.6%	-3.4%	10.3
OR	$ 101.9	65.5%	0.00%	10.69%	4.11%	0.17%	73.1%	7.18%	0.80%	$ 10.30	$ 10.6	14.4%	0.0%	14.1
WA	$ 332.1	90.2%	0.00%	11.57%	5.28%	0.48%	58.8%	13.95%	1.61%	$ 16.85	$ 62.4	27.0%	18.4%	12.4
WA	$ 412.7	88.9%	0.04%	8.94%	4.65%	0.06%	68.2%	16.01%	1.37%	$ 30.00	$ 45.3	64.8%	38.3%	8.9
WA	$ 135.3	91.5%	5.30%	9.83%	3.28%	0.65%	95.4%	2.76%	0.26%	$ 0.06	$ 19.5	-12.7%	-8.8%	NM
ID	$ 188.1	92.1%	0.67%	9.01%	3.88%	0.76%	91.3%	1.98%	0.19%	$ 7.19	$ 21.6	8.9%	0.0%	NM
OR	$ 187.7	95.9%	0.00%	11.50%	4.85%	0.92%	63.1%	11.32%	1.32%	$ 39.25	$ 31.5	30.8%	24.6%	13.0
OR	$ 224.6	73.1%	0.52%	11.38%	4.91%	0.82%	73.5%	38.29%	4.22%	$ 24.20	$ 55.0	72.9%	38.3%	5.4
OR	$ 282.5	84.9%	0.91%	11.12%	4.26%	0.20%	75.7%	8.18%	0.90%	$ 6.45	$ 45.0	39.3%	32.2%	17.9
OR	$ 64.3	95.2%	0.00%	14.46%	4.60%	0.60%	79.5%	5.91%	0.67%	$ 15.00	$ 10.6	34.2%	30.4%	23.9
OR	$ 326.9	81.4%	0.96%	9.13%	4.19%	0.26%	74.6%	11.64%	1.06%	$ 13.97	$ 38.6	16.5%	13.7%	12.0
WA	$ 234.4	105.1%	0.32%	12.56%	4.43%	0.76%	74.3%	7.06%	0.92%	$ 12.10	$ 207.1	15.2%	15.2%	25.2
OR	$ 382.5	93.3%	0.64%	9.66%	5.70%	0.62%	55.6%	13.37%	1.32%	$ 16.95	$ 87.2	32.4%	32.3%	17.7
OR	$ 136.1	86.6%	0.42%	13.37%	4.58%	0.31%	90.4%	1.97%	0.25%	$ 10.05	$ 18.4	-0.5%	-8.7%	NM

Source: S&P Global Market Intelligence

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The disclosure under the heading DESCRIPTION OF THE MERGER D.A. Davidson s Opinion to CMYF s Board of Directors First Interstate Comparable Companies Analysis is supplemented by adding the table below directly after the Market Performance Multiples table on page 39 of the Proxy Statement/Prospectus:

(First Interstate Comparable Analysis)

Financial Condition and Performance									Market Performance					
sets IM)	**Loan / Deposit**	**NPAs / Assets**	**TCE Ratio**	**Net Interest Margin**	**Cost of Deposits**	**Effic. Ratio**	**ROATCE**	**ROAA**	**Stock Price (10/9/18)**	**Mkt. Cap. ($MM)**	**Price Change (LTM)**	**Price Change (YTD)**	**Price / MRQ EPS**	**Pri LT El**
319.3	98.6%	0.22%	6.57%	3.01%	1.14%	76.2%	5.84%	0.58%	$ 18.75	$ 949.8	-8.8%	-9.2%	26.0x	31
379.2	90.1%	0.14%	9.79%	4.39%	0.20%	65.4%	13.34%	1.25%	$ 61.66	$ 1,998.0	0.4%	11.9%	15.4x	27
628.6	81.4%	0.61%	9.71%	4.29%	0.10%	56.0%	15.40%	1.33%	$ 38.67	$ 2,833.4	-7.6%	-11.0%	17.0x	18
093.9	73.7%	0.13%	12.05%	3.82%	0.09%	41.6%	14.77%	1.73%	$ 22.40	$ 3,142.7	-5.4%	-4.9%	17.5x	20
397.6	84.3%	0.53%	9.79%	4.17%	0.20%	55.4%	16.18%	1.53%	$ 44.35	$ 3,748.3	17.9%	12.6%	21.3x	26
009.0	97.8%	1.12%	9.50%	3.97%	0.69%	45.8%	17.62%	1.55%	$ 42.25	$ 2,489.0	5.7%	6.2%	13.5x	16
158.1	99.5%	0.08%	9.91%	4.41%	0.50%	53.0%	15.48%	1.35%	$ 37.23	$ 2,322.8	-7.5%	-6.9%	16.0x	18
529.6	94.2%	0.42%	9.86%	5.18%	0.36%	39.8%	21.47%	1.93%	$ 47.99	$ 5,875.4	-2.3%	-4.8%	13.0x	14
766.3	101.5%	0.46%	10.83%	3.29%	0.68%	50.6%	12.30%	1.31%	$ 31.87	$ 2,662.3	-6.3%	-6.9%	13.1x	13
367.5	89.2%	0.29%	9.93%	4.70%	0.46%	42.1%	20.47%	2.02%	$ 57.47	$ 6,084.9	8.1%	1.5%	14.5x	16

(1) Earnings per share estimates based on publicly available consensus Street estimates
Source: S&P Global Market Intelligence

The disclosure under the heading DESCRIPTION OF THE MERGER D.A. Davidson s Opinion to CMYF s Board of Directors Precedent Transactions Analysis is supplemented by adding the following tables directly after the Transaction Multiples table on the top of page 42 of the Proxy Statement/Prospectus:

(Precedent Transaction Analysis)

Pacific Northwest Transactions

			Financial Condition and Performance						Transact	
cquirer	Target	Target State	Assets ($MM)	ROAA	ROAE	TCE Ratio	Effic. Ratio	NPAs / Assets	Price /TBV (Per Share)(1)	Pric TB (Aggreg
ancorp, Inc.	Anchor Bancorp	WA	$ 480.2	0.36%	2.56%	13.80%	72.0%	1.09%	115.6%	115
berland corp, Inc.	South Sound Bank	WA	$ 186.9	0.78%	5.69%	12.74%	68.6%	0.40%	154.9%	154
tage ncial oration	Premier Commercial Bancorp	OR	$ 400.5	0.85%	8.63%	9.97%	65.1%	0.74%	223.2%	223
Com Corp.	Plaza Bank	WA	$ 69.7	1.30%	11.23%	12.69%	94.6%	2.24%	119.0%	120
hwest corporation,	CenterPointe Community Bank	OR	$ 131.1	0.74%	7.99%	9.58%	73.2%	0.00%	122.0%	122
fic inental oration	Foundation Bancorp, Inc.	WA	$ 422.4	-0.46%	-4.36%	11.07%	85.0%	2.29%	141.0%	141
ade corp	Prime Pacific Financial Services	WA	$ 127.1	1.25%	12.02 62 $	$ 12				

-	-
62	12
401	630
(339)	(618)
8	(14)
(331)	(632)
532	11,846

	104		(1,552)
	636		10,294
$	305	$	9,662
$	-	$	-
$	-	$	0.04
$	-	$	0.04
	230,293,141		230,293,141

The accompanying notes are an integral part of these consolidated financial statements.

TIGER X MEDICAL, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in thousands, except share amounts)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Note Receivable from Stockholder	Accumulated Deficit	Total
Balance, December 31, 2010	230,293,141	$ 230	$ 25,773	$ (50)	$ (22,674)	$ 3,279
Stock option compensation	-	-	37	-	-	37
Net income	-	-	-	-	9,662	9,662
Balance, December 31, 2011	230,293,141	230	25,810	(50)	(13,012)	12,978
Stock option compensation	-	-	6	-	-	6
Reclassification of note receivable from stockholder			(50)	50		-
Net income	-	-	-	-	305	305
Balance, December 31, 2012	230,293,141	$ 230	$ 25,766	$ -	$ (12,707)	$ 13,289

The accompanying notes are an integral part of these consolidated financial statements.

TIGER X MEDICAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Years Ended December 31, 2012	2011
Cash flows from operating activities		
Net income	$ 305	$ 9,662
Adjustments to reconcile net income to net cash used in operating activities:		
Loss on abandonment of property and equipment	-	44
Gain on sale of Reconstructive and Spine Divisions	-	(11,846)
Stock option compensation	6	37
Provision for allowance for doubtful accounts	24	227
Changes in operating assets and liabilities:		
Accounts receivable	43	119
Inventories	-	85
Prepaid expenses and other current assets	56	10
Other assets	-	31
Accounts payable and accrued expenses	(744)	(1,456)
Net cash used in operating activities	(310)	(3,087)
Cash flows from investing activities		
Purchases of property and equipment	-	(137)
Decrease (increase) in restricted cash	900	(900)
Proceeds from sale of Reconstructive and Spine Divisions	-	17,175
Net cash provided by investing activities	900	16,138
Cash flows from financing activities		
Proceeds from notes payable	-	1,224
Payments of notes payable	-	(1,724)
Net cash used in financing activities	-	(500)
Net change in cash	590	12,551
Cash, beginning of year	12,678	127
Cash, end of year	**$** 13,268	**$** 12,678
Supplemental disclosure of cash flow information:		
Interest paid	$ -	$ 25
Income taxes paid	$ -	$ -

The accompanying notes are an integral part of these consolidated financial statements.

TIGER X MEDICAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Tiger X Medical, Inc. ("Tiger X" or the "Company"), formerly known as Cardo Medical, Inc., previously operated as an orthopedic medical device company specializing in designing, developing and marketing high performance reconstructive joint devices and spinal surgical devices.

As discussed below in the discontinued operations section, we sold our Reconstructive and Spine Divisions during the quarter ended June 30, 2011. Our current operations include the collection and management of our royalty income earned in connection with the Asset Purchase Agreement with Arthrex, as well as continuing to promote our former products sold to Arthrex and seek a joint venture partner or buyer for the remaining intellectual property owned by the Company. The Company will also be evaluating future investment opportunities and uses for its cash.

On June 10, 2011, the Company filed an amendment to its Certificate of Incorporation with the Secretary of State of Delaware for the purpose of changing its name to Tiger X Medical, Inc. The amendment was effective as of June 10, 2011.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP").

Principles of Consolidation

The consolidated financial statements include the accounts of Tiger X, Accelerated Innovation, Inc. ("Accelerated"), Uni-Knee LLC ("Uni") and Cervical Xpand LLC ("Cervical"). All significant intercompany transactions have been eliminated in consolidation.

Discontinued Operations

On October 7, 2010, the Company's management and Board of Directors decided to put substantially all of its assets up for sale. The assets determined to be held for sale were inventories, intellectual properties, and property and equipment of its reconstructive products line (the "Reconstructive Division") and spine products line (the "Spine Division"). The Company decided to put the assets of its Reconstructive and Spine Divisions up for sale primarily because it did not have sufficient working capital, and was not able to procure such financial resources through equity or debt financing, in order to fully execute a profitable sales strategy.

On January 24, 2011, the Company entered into an Asset Purchase Agreement with Arthrex, Inc. ("Arthrex") (the agreement being the "Arthrex Asset Purchase Agreement"), pursuant to which the Company agreed to sell the assets of the Reconstructive Division to Arthrex. The Arthrex Asset Purchase Agreement also provides for the Company to receive royalty payments equal to 5% of net sales of the Company's products made by Arthrex on a quarterly basis for a term up to and including the 20th anniversary of the closing date. During the years ended December 31, 2012 and 2011, the Company received total royalty payments of $62,000 and $12,000, respectively, from Arthrex and reflected this payment as revenue on the accompanying consolidated statements of operations.

The Company completed the sale of the Reconstructive Division on June 10, 2011. The total cash consideration received by the Company from Arthrex amounted to $14,586,000, which was comprised of $9,960,000 plus inventory with a value of $2,908,000 and property and equipment with a value of $1,718,000. From this amount, $1,159,000 was deposited with an escrow agent to be held for twelve months for any potential adjustments to the purchase price relating to future adjustments to the value of the inventory and property and equipment and other unasserted claims. The total gain on the sale of the Reconstructive Division assets as of December 31, 2011 amounted to $10,356,000.

On April 4, 2011, the Company entered into and closed an Asset Purchase Agreement with Altus Partners, LLC, a Delaware limited liability company ("Altus"), pursuant to which the Company sold substantially all of the assets of the Spine Division in exchange for cash consideration of $3,000,000 (the "Altus Asset Purchase Agreement"). Pursuant to the terms of the Altus Asset Purchase Agreement, $2,700,000 of the purchase price was paid at the closing and $300,000 was deposited into escrow with an escrow agent for a period of 90 days from the closing date (assuming there are no disputes) to be used for any adjustments to the closing value of the Company's inventory and property and equipment. In September 2011, $240,000 of the escrow amount was released to Altus and $60,000 was released to the Company to settle the adjustments relating to the closing value of the Company's inventory and property and equipment. The Company recorded $240,000 as a reduction of the gain on sale during the year ended December 31, 2011. The total gain on the sale of the Spine Division assets as of December 31, 2011 amounted to $2,046,000.

The total gain associated with the above sales of the assets of the Reconstructive and Spine divisions amounted to $11,846,000, which is presented net of the income tax expense effect of $556,000. During the year ended December 31, 2012, the Company filed its tax return and received an income tax refund of approximately $532,000 relating to the income tax paid on the gain on the sale of the discontinued divisions. As a result, the associated income tax benefit was recorded as a component of the gain on the sale of discontinued Reconstructive and Spine divisions on the accompanying consolidated statements of operations during the year ended December 31, 2012.

Pursuant to the sale transaction with Arthrex, the total aggregate amount remaining in escrow accounts as of December 31, 2011 was $900,000, which is reflected as restricted cash on the accompanying condensed consolidated balance sheets. As of December 31, 2012, there were no amounts remaining in the escrow accounts relating to the sales transaction with Arthrex or Altus.

Total sales associated with the discontinued Reconstructive and Spine Divisions reported as discontinued operations for the year ended December 31, 2012 and 2011, were $0 and $746,000, respectively. The total pretax gain (loss) associated with the discontinued Reconstructive and Spine Divisions, including the discontinued corporate support for those activities, reported as discontinued operations for the years ended December 31, 2012 and 2011 were $104,000 and ($1,552,000), respectively. The pretax gain associated with discontinued operations during the year ended December 31, 2012 resulted from the relief of liabilities associated with the discontinued divisions, net of the write off of remaining accounts receivables believed to be uncollectible. The continuing operations reflected are expenses associated with business insurance, legal and accounting fees that the Company will continue to incur.

Use of Estimates

Financial statements prepared in accordance with U.S. GAAP require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Among other things, management makes estimates relating to the estimated depreciable lives of property and equipment, share-based payment and the valuation allowance related to deferred income tax assets. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents are comprised of certain highly liquid investments with maturities of three months or less when purchased. The cash and cash equivalents held in the Company's business money market and escrow bank accounts were $13,268,000 and $12,678,000 as of December 31, 2012 and 2011, respectively. The Company's cash and cash equivalents are with local and national banking institutions and subjected to current FDIC insurance limits of $250,000 per banking institution. As of December 31, 2012, the Company bank balances in these bank accounts exceeded the insured amount by $12,969,000. The Company has not experienced any losses related to this concentration of risk.

Accounts Receivable

The Company periodically assesses its accounts receivable for collectability on a specific identification basis. If collectability of an account becomes unlikely, an allowance is recorded for that doubtful account. Once collection efforts have been exhausted, the account receivable is written off against the allowance. The Company does not require collateral for trade accounts receivable and has not experienced any significant write-offs. As of December 31, 2012 and 2011, the Company's allowance for doubtful accounts amounted to $0 and $278,000, respectively.

Fair Value of Financial Instruments

The Company has estimated the fair value amounts of its financial instruments using the available market information and valuation methodologies considered to be appropriate. The Company has determined that the book value of the Company's accounts receivable, prepaid expenses, accounts payable and accrued expenses as of December 31, 2012 and 2011 is the approximate fair value.

Share-Based Payment

The Company recognizes equity-based compensation using the fair value of stock option awards on the date of grant using an option-pricing model. Accordingly, compensation cost for stock options is calculated based on the fair value at the time of the grant and is recognized as expense over the vesting period of the instrument in general and administrative expense in the accompanying consolidated statements of operations.

Revenue Recognition

Prior to the Company selling its Reconstructive and Spine Divisions, the Company recognized revenue when it was realizable and earned. The Company considers revenue to be realizable and earned when the following criteria are met: persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the seller's price to the buyer is fixed or determinable, and collectability is reasonably assured.

Subsequent to the sale of the Reconstructive and Spine Divisions, revenue consists of royalty revenue, which is recorded as the amount becomes known and collectability is reasonably assured.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases as well as operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The likelihood of realizing the tax benefits related to a potential deferred tax asset is evaluated, and a valuation allowance is recognized to reduce that deferred tax asset if it is more likely than not that all or some portion of the deferred tax asset will not be realized.

Deferred tax assets and liabilities are calculated at the beginning and end of the year; the change in the sum of the deferred tax asset, valuation allowance and deferred tax liability during the year generally is recognized as a deferred tax expense or benefit. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date.

The Company evaluates the accounting for uncertainty in income tax recognized in its financial statements and determines whether it is more likely than not that a tax position will be sustained upon examination by the appropriate taxing authorities before any part of the benefit is recorded in its financial statements. Where applicable, associated interest and penalties are also recorded. The Company has not accrued for any such uncertain tax positions as of December 31, 2012 or 2011.

Net Income Per Share

Basic net income per share is computed by using the weighted-average number of common shares outstanding during the period. Diluted net income per share is computed giving effect to all dilutive potential common shares that were outstanding during the period. Dilutive potential common shares consist of incremental common shares issuable upon exercise of stock options or warrants. No dilutive potential common shares were included in the computation of diluted net income per share because their impact was anti-dilutive. As of December 31, 2012 and 2011, the Company had total options of 385,000 which were excluded from the computation of net income per share because they are anti-dilutive. As of December 31, 2012 and 2011, the Company had 575,613 warrants which were also excluded from the computation because they were anti-dilutive.

Subsequent Events

The Company has evaluated subsequent events from the balance sheet date through the date the financial statements were issued, and determined there are no additional events that require disclosure.

Recent Accounting Pronouncements

There are no recently issued accounting standards updates that the Company has yet to adopt that are expected to have a material effect on its financial position, results of operations, or cash flows.

2. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following as of December 31.

(In thousands)		2012		2011
Accounts payable	$	-	$	127
Accrued income taxes		-		556
Accrued professional fees		12		73
	$	12	$	756

3. STOCKHOLDERS' EQUITY

Our authorized capital consists of 750,000,000 shares of common stock and 50,000,000 shares of preferred stock. Our preferred stock may be designated into series pursuant to authority granted by our Certificate of Incorporation, and on approval from our Board of Directors. As of December 31, 2012 and 2011, we did not have any preferred stock issued.

4. INCOME TAXES

The items accounting for the difference between income taxes computed at the federal statutory rate and the provision for income taxes from continuing operations were as follows:

	2012	2011
Statutory federal income tax rate	34%	34%
State taxes, net of federal benefit	-1%	7%
Permanent differences	-7%	-2%
Change in valuation allowance	-26%	-39%
	0%	0%

The Company's provision (benefit) for income tax for the years ended December 31, 2012 and 2011 for discontinued operations amounted to ($532,000) and $556,000, respectively. This provision (benefit) for income tax is reflected as a reduction (increase) of the gain on the sale of the discontinued Reconstructive and Spine Divisions in the accompanying consolidated statements of operations.

Significant components of deferred income tax assets and liabilities are as follows:

(In thousands)		2012		2011
Net operating loss carryforwards	$	4,488	$	2,452
State income taxes		-		(259)
Allowance for doubful accounts		-		115
Depreciation and amortization		-		2,132
Other		299		185
Total, net		4,787		4,625
Valuation allowance		(4,787)		(4,625)
Deferred tax assets, net	$	-	$	-

At December 31, 2012, the Company has Federal and State net operating loss carryforwards ("NOL") available to offset future taxable income of approximately $11,777,388 and $4,851,783, respectively. These NOLs will begin to expire in the year ending December 31, 2028. The Company's NOL in California is currently suspended and is not available for use in 2012. These NOL's may be subject to various limitations on utilization based on ownership changes in the prior years under Internal Revenue Code Section 382. Based on its analysis, management does not believe that an ownership change has occurred that would trigger such a limitation.

The Company periodically evaluates the likelihood of the realization of deferred tax assets, and adjusts the carrying amount of the deferred tax assets by the valuation allowance to the extent the future realization of the deferred tax assets is not judged to be more likely than not. Management considers many factors when assessing the likelihood of future realization of the Company's deferred tax assets, including its recent cumulative earnings experience by taxing jurisdiction, expectations of future taxable income or loss, the carryforward periods available to the Company for tax reporting purposes, and other relevant factors.

At December 31, 2012 and 2011, based on the weight of available evidence, management determined that it was unlikely that the Company's deferred tax assets would be realized and have provided for a full valuation allowance associated with the net deferred tax assets.

The Company periodically analyzes its tax positions taken and expected to be taken and has determined that since inception there has been no need to record a liability for uncertain tax positions.

The Company classifies income tax penalties and interest, if any, as part of selling, general and administrative expenses in the accompanying consolidated statements of operations. There was no accrued interest or penalties as of December 31, 2012 or 2011.

The Company is neither under examination by any taxing authority, nor has it been notified of any impending examination. The Company's tax years for its Federal and State jurisdictions which are currently open for examination are the years of 2006 - 2011.

5. SHARE BASED PAYMENT

The Company has outstanding stock options issued to employees and Board members which are exercisable at $0.23 per share. The options vest 20% each year over a five year period and expire after ten years. The total expense recognized during the years ended December 31, 2012 and 2011 in the consolidated statements of operations was $6,000 and $37,000, respectively. There were no options granted during the year's ended December 31, 2012 or 2011.

On June 16, 2010, the Company's stockholders approved the 2010 Equity Incentive Plan, which provided for available awards up to 23,000,000 shares. No awards have been issued pursuant to this plan.

A summary of option activity as of December 31, 2012 and 2011, and changes during the years then ended is presented below.

	Options		Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)		Aggregate Intrinsic Value
Outstanding at December 31, 2010	1,961,400	$	0.23	7.67	$	-
Granted	-		-	-		-
Exercised	-		-	-		-
Forfeited	(1,576,400)		0.23	-		-
Outstanding at December 31, 2011	385,000		0.23	6.67		-
Granted	-		-	-		-
Exercised	-		-	-		-
Forfeited	-		-	-		-
Outstanding at December 31, 2012	385,000	$	0.23	5.66	$	-
Vested and expected to vest at December 31, 2012	385,000	$	0.23	5.66	$	-
Exercisable at December 31, 2012	308,000	$	0.23	5.66	$	-

The aggregate intrinsic value in the table above is before applicable income taxes and represents the closing stock price as of the reporting dates less the exercise price, multiplied by the number of options that have an exercise price that is less than the closing stock price.

As of December 31, 2012, there were 77,000 unvested options and total unrecognized stock-based compensation expense related to these options of approximately $2,000, which is expected to be recognized through August 2013.

The Company has 575,613 warrants outstanding as of December 31, 2012 which entitle the holders to immediately purchase one share of the Company's common stock at an exercise price of $0.44 per share. The warrants expire on November 13, 2014.

6. LEASE COMMITMENTS

The Company leases its office space in Los Angeles, California under an operating lease that extends through March 2013 at a rate of approximately $1,200 per month. Rent expense for the years ended December 31, 2012 and 2011 amounted to approximately $16,000 and $112,000, respectively.

Future minimum lease payments under are as follows.

Year Ended December 31,		
2013		3,600
Total	$	3,600

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

CONTROLS AND PROCEDURES

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, that are designed to ensure that information required to be disclosed in our reports under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and our interim chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

We carried out an evaluation under the supervision and with the participation of our management, including our principal executive officer, who is also our interim chief financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Annual Report. Based on this evaluation, our Chief Executive Officer and interim Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of December 31, 2012.

The determination that our disclosure controls and procedures were not effective as of December 31, 2012 was a result of:

- the departure of the former Chief Financial Officer in late June 2011;
- the fact that we no longer have significant operations and as a result have eliminated our internal accounting and financial department; and
- insufficient segregation of duties.

Internal Control Over Financial Reporting

Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control Over Financial Reporting

In late June 2011, our then-Chief Financial Officer left the Company. We also dismantled the finance and accounting department and engaged consultants to assist us with the preparation of the interim financial statements and complete the day-to-day accounting requirements of the Company. Given the Company's diminished activity following the sale of substantially all of its assets during the 2011 second quarter, the Company's Chief Executive Officer is filling the role of Chief Financial Officer.

Management's Report on Internal Control Over Financial Reporting

Under the direction of our principal executive officer, who is also our interim chief financial officer, management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act). Management evaluated the effectiveness of our internal control over financial reporting as of December 31, 2011 based upon the control criteria established in a report entitled *Internal Control - Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Our internal control over financial reporting was deemed to be not effective as of December 31, 2012.

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to the Dodd-Frank Act that permanently exempted non-accelerated filers from the auditor attestation requirement.

Item 9B. Other Information

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The Board of Directors currently has seven directors. The term of office of each director is one year and each director continues in office until he resigns or until a successor has been elected and qualified. The following table sets forth the names and ages of our directors.

Directors

:

Name	Age
Andrew A. Brooks, M.D.	51
Jonathan Brooks	49
Stephen Liu, M.D.	53
Thomas H. Morgan	60
Ronald N. Richards, Esq.	46
Steven D. Rubin, Esq.	52
Subbarao Uppaluri, Ph.D.	63

The following additional information is provided for each of the directors listed above.

Andrew A. Brooks, M.D.

Dr. Brooks has served as our Chairman of the Board and Chief Executive Officer since September 2008. He founded Tiger X Medical, LLC (f/k/a Cardo Medical, LLC) on April 6, 2007, and has served as the President and Chief Executive Officer and manager of Tiger X Medical, LLC and of Accelerated Innovation, LLC. Dr. Brooks has been in the private practice of orthopedic surgery since 1994, specializing in sports medicine, arthroscopy and joint reconstruction. He has previously served as a design consultant to major companies for joint reconstruction and sports medicine products.

Dr. Brooks was a founder and managing partner of Specialty Surgical Centers, a group of multi-specialty outpatient surgical centers operating in Beverly Hills, Encino, Irvine, Arcadia and Westlake Village. These surgical centers were sold to Symbion Healthcare, Inc. in August 2005. Dr. Brooks currently serves as a managing partner of Specialty Surgical Center in Westlake Village. Dr. Brooks also co-founded the Ridgecrest Sports Rehabilitation Center in 1995, which was sold to a public company in February 1998.

Dr. Brooks is a graduate of the University of Southern California School of Medicine. He completed his residency in Orthopaedic Surgery at the University of Southern California, and subsequently completed a fellowship in arthroscopic reconstructive surgery and sports medicine at the Hughston Clinic in Columbus, Georgia. Dr. Brooks is board-certified by the American Board of Orthopaedic Surgery and is a Fellow of the American Academy of Orthopaedic Surgeons. He is also a Fellow of the American College of Surgeons and a member of the Arthroscopy Association of North America. He is an active member of the Los Angeles Chapter of the Young Presidents Organization.

Dr. Brooks brings extensive leadership, business, and medical experience, as well as tremendous knowledge of the orthopedic industry generally, to the Board. His experience as a practicing orthopedic surgeon, design consultant to major companies for joint reconstruction and sports medicine products, and an entrepreneur, has given him broad understanding and expertise, particularly relating to medical and business matters.

Jonathan Brooks. Mr. Brooks was appointed as a director of the company effective August 22, 2011. Mr. Brooks is the primary portfolio manager of JMB Capital Partners Master Fund, L.P. (the "JMB Fund") and the managing partner and managing member of the JMB Fund's investment adviser and general partner, respectively, both of which he founded in 2002. Mr. Brooks served as a director of Maguire Properties, Inc. from July 2008 until July 2009. Mr. Brooks is the brother of Dr. Andrew Brooks, the Company's Chief Executive Officer.

Mr. Brooks brings extensive leadership and business experience to the Board. As the Company evaluates its future business and investment opportunities, Mr. Brooks financial and business expertise will prove valuable to the Company in evaluating potential transactions.

Stephen Liu, M.D.

Dr. Liu has served as a director of our company since April 2010. Dr. Liu currently serves as Chairman and Chief Executive Officer of IFG MEDIA Inc., a visual health content provider for consumers in Asia, as well as Chief Executive Officer of Arrin Corporation, a publicly traded shell company with no operations. From September 2000 through September 2008, Dr. Liu served as Chairman of InterBusiness Bank and from 1992 until 2006, Dr. Liu served on the faculty of the UCLA School of Medicine and was a team physician staff member for UCLA athletics for 8 years. Between 1994 and 2000, Dr. Liu provided clinical advisory services to several health related organizations. Dr. Liu graduated from the University of Southern California School of Medicine, and trained as an orthopedic surgeon specializing in Sports Medicine.

Dr. Liu brings extensive leadership, business, and medical experience to the Board. His experience as a practicing medical doctor, provider of clinical advisory services, executive officer and board member to multiple companies has given him broad understanding and expertise, particularly relating to business and medical matters.

Thomas H. Morgan.

Mr. Morgan has served as a director of our company since September 2008. He is the Managing Member of Morgan Exploration, LLC, Morgan Marathon, LLC and Morgan United, LLC. Since 1982, Mr. Morgan also has been the founder and President of Morgan Energy Corporation, an oil and gas exploration company. Prior to that, he worked for Conoco Oil Company and Gulf Oil Company. Mr. Morgan has drilled, developed and owned interests in thousands of oil and gas wells throughout the Rocky Mountain region, Texas and Oklahoma. Through other entities, since 1985, Mr. Morgan has owned and developed numerous shopping centers, apartment complexes, condo towers and luxury single-family residences throughout the United States.

Mr. Morgan brings extensive leadership and business experience to the Board. His experience as an executive officer and entrepreneur, has given him broad understanding and expertise, particularly relating to business and finance matters.

Ronald N. Richards, Esq.

Mr. Richards has served as a director of our company since September 2008. Mr. Richards has represented Specialty Surgical Centers, as one of its litigation counsel, and other medical professionals and clinics throughout Southern California. Since 2000, he was the senior partner of Ronald Richards & Associates based in Beverly Hills, California. Since 2003, Mr. Richards has served as Secretary of Sierra Towers Homeowners Association. Mr. Richards was a professor of law at the San Fernando Valley College of Law from 2006 to 2007. He has had numerous published opinions in the state courts and federal courts of appeal. Mr. Richards lectures to other attorneys on various legal matters and has published works on various related medical topics. In 2008, he obtained a Certificate of Management from the Anderson School of Management at the University of California, Los Angeles. Mr. Richards received his law degree from University of La Verne in 1995 and his undergraduate degree from the University of California, Los Angeles, in 1991.

Mr. Richards brings extensive leadership, business, and legal experience to the Board. He has advised medical professionals and clinics in several aspects of business, regulatory, transactional, and legal affairs for more than 15 years. His experience as a practicing lawyer advising medical professionals and clinics has given him broad understanding and expertise, particularly relating to legal and medical matters.

Steven D. Rubin, Esq. Mr. Rubin has served as a director of our company since September 2008. Mr. Rubin has served as the Executive Vice President of OPKO Health, Inc. ("OPKO") since May 2007 and a director of OPKO since February 2007. Mr. Rubin also currently serves on the board of directors of SafeStitch Medical, Inc., a medical device company, Non-Invasive Monitoring Systems, Inc., a medical device company ("NIMS"), PROLOR Biotech, Inc., a developmental stage biopharmaceutical company, Neovasc, Inc., a company developing and marketing medical specialty vascular devices ("Neovasc"), Kidville, Inc., which operates upscale learning and play facilities for children ("Kidville"), Castle Brands, Inc., a marketer of premium spirits, , and Tiger Media, Inc, (fka SearchMedia Holdings Limited), a multi-platform billboard and in-elevator advertising company in China. Mr. Rubin previously served as the Senior Vice President, General Counsel and Secretary of IVAX from August 2001 until September 2006. Mr. Rubin was previously a director of Ideation Acquisition Corp. and Dreams, Inc., a vertically integrated sports licensing and products company.

Mr. Rubin brings extensive leadership, business, and legal experience, as well as tremendous knowledge of the pharmaceutical industry generally, to the Board. His experience as a practicing lawyer, general counsel, and board member to multiple public companies, including several pharmaceutical and life sciences companies, has given him broad understanding and expertise, particularly relating to strategic planning and acquisitions.

Subbarao Uppaluri, Ph.D.

Dr. Uppaluri has served as a director of our company since September 2008. Dr. Uppaluri currently serves as a consultant and previously served as Senior Vice President and Chief Financial Officer of OPKO from May 2007 to June 2012. Dr. Uppaluri served as Vice President, Strategic Planning and Treasurer of IVAX from 1997 until December 2006. Before joining IVAX, from 1987 to August 1996, Dr. Uppaluri was Senior Vice President, Senior Financial Officer and Chief Investment Officer with Intercontinental Bank, a publicly traded commercial bank in Florida. In addition, he served in various positions, including Senior Vice President, Chief Investment Officer and Controller, at Peninsula Federal Savings & Loan Association, a publicly traded Florida S&L, from October 1983 to 1987. His prior employment, during 1974 to 1983, included engineering, marketing and research positions with multinational companies and research institutes in India and the United States. Dr. Uppaluri currently serves on the board of directors of Kidville and NIMS. Dr. Uppaluri previously served on the board of directors of Ideation Acquisition Corp., OPKO and Winston Pharmaceuticals Inc.

Dr. Uppaluri brings extensive leadership, business, and accounting experience, as well as tremendous knowledge of the pharmaceutical industry generally, to the Board. His experience as the former chief financial officer of OPKO and as a board member to multiple public companies, including several pharmaceutical and life sciences companies, has given him broad understanding and expertise, particularly relating to business, accounting and finance matters.

Executive Officers

The following individual is currently our only executive officer.

Name	Age	Position
Andrew A. Brooks, M.D.	51	Chairman of the Board and Chief Executive and Financial Officer

Dr. Brooks and any future officers appointed by the Board of Directors will serve until they resign or are replaced or renamed at the discretion of the Board of Directors.

The description of the business background for Dr. Brooks is provided above under the caption "Directors."

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), requires our directors and executive officers and persons who own more than ten percent of our outstanding common stock, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock. Such persons are required by SEC regulation to furnish us with copies of all such reports they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, we believe that all Section 16(a) filing requirements applicable to our officers, directors and greater than ten percent beneficial owners for the fiscal year ended December 31, 2012 ("Fiscal 2012") were complied with, except for one Form 4 for Dr. Andrew Brooks related to a purchase of our common stock on December 26, 2012 which was filed late on January 2, 2013.

Code of Ethics

We have adopted a Code of Conduct and Ethics applicable to our directors, officers and employees including our Chief Executive Officer, Chief Financial Officer and principal accounting officer. A copy of our Code of Conduct and Ethics is available on our website at www.tigerxmed.com. We intend to post amendments to or waivers from our Code of Conduct and Ethics (to the extent applicable to our Chief Executive Officer, Chief Financial Officer or principal accounting officer or to our directors) on our website. Our website is not part of this Form 10-K.

CORPORATE GOVERNANCE

The Audit Committee

The Board of Directors has established an Audit Committee. The duties and responsibilities of the Audit Committee include (1) reviewing the Company's financial statements and other financial information prepared by the Company and monitoring the integrity of such financial information, (2) monitoring the Company's systems of internal controls established for finance, accounting, legal compliance and ethics, (3) reviewing the Company's accounting and financial reporting processes generally and the audits of the financial statements of the Company, (4) monitoring the independence and performance of the Company's independent registered public accounting firm, (5) providing effective communication among the Board of Directors, senior and financial management and the Company's independent registered public accounting firm and (6) monitoring the Company's compliance with legal regulatory and ethical requirements. The Board of Directors adopted a written charter for the Audit Committee, which is available on our website at www.tigerxmed.com.

The Audit Committee currently consists of Subbarao Uppaluri (Chair) and Steve Rubin. The Board of Directors has determined that all current members of the Audit Committee are "financially literate," "financially sophisticated," and "independent" within the meaning of the listing standards of NYSE Amex and applicable SEC regulations. The Board of Directors has determined that Subbarao Uppaluri meets the attributes of an "audit committee financial expert" within the meaning of SEC regulations.

ITEM 11. EXECUTIVE COMPENSATION.

Summary Compensation Table

The following table sets forth a summary of compensation awarded to, earned by or paid to the named executive officers of the company.

Name and Principal Position (1)	Year	Salary ($)		Bonus ($)	Option Awards ($)	All Other Compensation ($)		Total ($)
Andrew A. Brooks	2012	-	(2)	-	-	8,593	(3)	8,593
Chairman of the Board and Chief Executive and Financial Officer	2011	-		-	-	-		-

(1) There were no executive officers of the Company who served as executive officers during any time in 2011 that earned in excess of $100,000 of compensation for 2011. As provided in the instructions to Item 402(m) of Regulation S-K, we are required to disclose the compensation of the principal executive officer even if it does not exceed $100,000.

(2) Dr. Brooks did not receive any compensation for the years ended December 31, 2012 or 2011. Dr. Brooks agreed to forego his salary subsequent to October 1, 2010 based on the Company's financial condition and as a cost reduction measure.

(3) Represents $8,593 in reimbursement of health insurance premiums.

Outstanding Equity Awards at Fiscal Year-End

	Option Awards					**Stock Awards**			
Name	**Number of Securities Underlying Unexercised Options(#)(1) Exercisable**	**Number of Securities Underlying Unexercised Options (#) (1) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)**	**Option Exercise Price($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested(#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights Not Vested ($)**
Andrew A. Brooks, Chairman of the Board and Chief Executive and Financial Officer	180,000	45,000	-	$0.23	8/29/2018	-	-	-	-

(1) These options were granted on August 29, 2008 and vest over a five-year period in five equal installments on the anniversary of the grant date.

Employment Agreements and Change in Control Arrangements

Compensation of Directors

We do not pay our directors compensation in connection with their service to the Board. We reimburse our directors for reasonable travel expenses related to the directors' attendance at Board of Directors and committee meetings.

As of December 31, 2012, all non-employee directors, except Dr. Liu and Jonathan Brooks, hold an option to purchase 40,000 shares of common stock.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Equity Compensation Plan Information

The following table summarizes the number of outstanding options granted to employees, service providers and directors under the Company's compensation plans and arrangements as of the fiscal year ended December 31, 2012.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation Plans
Equity compensation plans approved by security holders	1,961,400 (1)	$ 0.23	23,000,000 (2)
Equity compensation plans not approved by security holders	-	-	-
Total	1,961,400	$ 0.23	23,000,000

(1) Consist of options to purchase shares, which we assumed in connection with the reverse merger involving Tiger X Medical, LLC.
(2) Consists of shares that may be issued pursuant to awards under the 2010 Equity Incentive Plan.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following tables set forth information with respect to the beneficial ownership of our outstanding common stock as of March 22, 2013, by (i) each director, (ii) each named executive officer identified in the Summary Compensation Table, (iii) all directors and executive officers as a group, and (iv) each stockholder identified as beneficially owning greater than 5% of our common stock. Except as otherwise indicated below, each person named in the tables has sole voting and investment power with respect to all shares of common stock beneficially owned by that person, except to the extent that authority is shared by spouses under applicable law. To our knowledge, none of the shares reported below are pledged as security.

For purposes of the following tables, a person is deemed to be the beneficial owner of securities that can be acquired by that person within 60 days from March 22, 2013 upon exercise of options, warrants and/or other convertible or exercisable securities. Each beneficial owner's percentage ownership is determined by assuming that options, warrants and other convertible or exercisable securities that are held by that person (but not those held by any other person) and that are convertible or exercisable within the 60-day period have been exercised. The percentage of outstanding common shares has been calculated based upon 230,293,141 shares of common stock outstanding on March 15, 2012. None of the stockholders listed below have any options, warrants or other derivative securities with respect to our common stock that are convertible or exercisable within 60 days from March 15, 2012, unless indicated otherwise below.

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Directors and Officers	Amount and Nature of Beneficial Ownership (1)	Percent of Class
Andrew A. Brooks, M.D.	63,456,394 (2)	27.6%
Jonathan Brooks	34,255,292 (3)	14.9%
Stephen Liu, M.D.	2,800,000 (4)	1.2%
Thomas H. Morgan	7,910,885	3.4%
Ronald N. Richards, Esq.	699,205	*
Steven D. Rubin	134,822	*
Subbarao Uppaluri, Ph.D.	428,592	*
All directors and executive officers as a group (7 persons)	109,685,190	47.6%

*Indicates ownership of less than 1%.

(1)

Includes currently exercisable options to purchase shares of common stock held by the directors and executive officers as follows: Dr. Brooks - 180,000; Mr. Morgan - 32,000; Mr. Richards - 32,000; Mr. Rubin - 32,000 and Mr. Uppaluri - 32,000.

(2) Based on an amended Schedule 13D filed on August 26, 2011, the number of shares reflected in this column excludes 34,255,292 shares of our Common Stock held by Mr. Jonathan Brooks. As indicated in the Amended Schedule 13D, Dr. Brooks and Jonathan Brooks may be deemed to be a group for purposes of Rule 13d-5.

(3) Based on an amended Schedule 13D filed on August 26, 2011, the number of shares reflected in this column excludes 61,959,189 shares of our Common Stock held by Dr. Brooks. As indicated in the Amended Schedule 13D, Jonathan Brooks and Dr. Brooks may be deemed to be a group for purposes of Rule 13d-5.

(4)

Represents the following: (1) 200,000 shares held by Dr. Liu's spouse and mother-in-law as joint tenants, (2) 2,000,000 shares held by Portal Venture LLC and (3) 600,000 shares held by PacRim Capital Partners, LLC. Dr. Liu owns 35% of Portal Venture LLC and PacRim Capital Partners, LLC, and is a director of PacRim Capital Partners, LLC. Dr. Liu disclaims beneficial ownership of these securities, except to the extent of any pecuniary interest in such securities.

Other 5% or More Stockholders

	Number and Nature of Beneficial Ownership	Percent of Class
Frost Gamma Investments Trust [1]	33,445,596	

14.5%

(1)

The business address of Frost Gamma Investments Trust is 4400 Biscayne Boulevard, Suite 1500, Miami, Florida 33137. Phillip Frost, M.D. is the trustee and Frost Gamma Limited Partnership is the sole and exclusive beneficiary of Frost Gamma Investments Trust.

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ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Certain Relationships and Related Transactions

The Audit Committee reviews and approves transactions in which the company was or is to be a participant, where the amount involved exceeded or will exceed $120,000 annually and any of our directors, executive officers or their immediate family members had or will have a direct or indirect material interest. We have a written policy stating that the Audit Committee is responsible for reviewing and, if appropriate, approving or ratifying any related party transactions. The related party transaction will not be approved unless at a minimum it is for our benefit and is upon terms no less favorable to us than if the related party transaction was with an unrelated third party. In Fiscal 2012, no related party transaction occurred where this process was not followed.

Determining Director Independence

The Board of Directors previously undertook a review of each director's independence. During this review, the Board of Directors considered transactions and relationships between each director or any member of his or her immediate family and us and our subsidiaries and affiliates. The Board of Directors also examined transactions and relationships between directors or their known affiliates and members of our senior management or their known affiliates. The purpose of this review was to determine whether any such relationships or transactions were inconsistent with a determination that the director is independent under applicable laws and regulations and the NYSE Amex listing standards. As a result of our review of the relationships of each of the members of the Board of Directors, the Board of Directors affirmatively determined that a majority of our directors, specifically Stephen Liu, Thomas H. Morgan, Steven D. Rubin, Ronald N. Richards and Subbarao Uppaluri are "independent" directors within the meaning of the listing standards of NYSE Amex and applicable law. Mr. Jon Brooks is the brother of our CEO, Dr. Andrew Brooks.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

The following table presents fees for professional services rendered by Anton Chai, LLP, our current independent registered public accounting firm, and Marcum LLP, our previous independent registered public accounting firm, for the fiscal years ended December 31, 2012 and 2011 for the audit of our annual financial statements, fees for audit-related services, tax services and all other services.

	Fiscal 2012	Fiscal 2011
Audit fees	$ 50,259	$ 158,228
Audit related fees	-	-
Tax fees	-	-
All other fees	-	-
	$ 50,259	$ 158,228

We did not have any audit related fees, tax fees or other fees during Fiscal 2012 or Fiscal 2011.

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Our Audit Committee must review and pre-approve both audit and permitted non-audit services provided by the independent registered public accounting firm and shall not engage the independent registered public accounting firm to perform any non-audit services prohibited by law or regulation. Periodically at the Audit Committee meetings, our Audit Committee receives updates on the services actually provided by the independent registered public accounting firm, and management may present additional services for pre-approval. Our Audit Committee has delegated to the Chairman of the Audit Committee the authority to evaluate and approve engagements on behalf of the Audit Committee in the event that a need arises for pre-approval between regular Audit Committee meetings. If the Chairman so approves any such engagements, he will report that approval to the full Audit Committee at the next Audit Committee meeting.

Each year, the independent registered public accounting firm's retention to audit our financial statements, including the associated fee, is approved by our Audit Committee before the filing of the preceding year's Annual Report on Form 10-K.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a)(1) The following consolidated financial statements of Tiger X Medical, Inc. are incorporated by reference in Part II:

Management's Report on Internal Control over Financial Reporting
Reports of Independent Registered Accounting Firms
Consolidated Balance Sheets
Consolidated Statement of Operations
Consolidated Statements of Changes in Stockholders' Equity
Consolidated Statements of Cash Flows
Notes to Consolidated Financial Statements

(a)(2) Financial Statement Schedules

All schedules have been omitted because they are inapplicable or the information is provided in the consolidated financial statements including the notes hereto.

(a)(3) Exhibits Required by Item 601 of Regulation S-K:

INDEX TO EXHIBITS

Exhibit Number	Description
2.1[(1)]	Asset Purchase Agreement, dated January 24, 2011, by and among Cardo Medical, Inc. (nka Tiger X Medical, Inc.), Cardo Medical, LLC (nka Tiger X Medical, LLC) and Arthrex, Inc.
2.2[(2)]	First Amendment to Asset Purchase Agreement, effective March 18, 2011, by and among Cardo Medical, Inc. (nka Tiger X Medical, Inc.), Cardo Medical, LLC (nka Tiger X Medical, LLC) and Arthrex, Inc.
2.3[(3)]	Asset Purchase Agreement, dated April 4, 2011, by and among Cardo Medical, Inc. (nka Tiger X Medical, Inc.), Cardo Medical, LLC (nka Tiger X Medical, LLC) and Altus Partners, LLC.
3.1[(4)]	Amended and Restated Certificate of Incorporation.
3.2[(5)]	Certificate of Amendment of Amended and Restated Certificate of Incorporation.
3.3[(6)]	Certificate of Amendment of Amended and Restated Certificate of Incorporation
3.4[(7)]	Amended and Restated Bylaws.
10.1*[(8)]	Amended and Restated 1996 Incentive and Nonqualified Stock Option Plan.
10.2*[(9)]	Form of Cardo Medical, LLC (nka Tiger X Medical, LLC) Nonstatutory Option Agreement.
10.3[(9)]	Form of Indemnification Agreement for officers and directors.
10.4[(10)]	Form of Registration Rights Agreement, dated October 27, 2009, by and among Cardo Medical, Inc. (nka Tiger X Medical, Inc.) and the several purchasers signatory thereto.
10.5*[(11)]	Cardo Medical, Inc. (nka Tiger X Medical, Inc.) 2010 Equity Incentive Plan
10.6[(12)]	Secured Promissory Note by the Company in Favor of Jon Brooks, dated November 2, 2010.
10.7[(12)]	Security Agreement between the Company and Jon Brooks, dated November 2, 2010.
10.8[(12)]	Secured Promissory Note by the Company in Favor of Earl Brien, dated November 4, 2010.
10.9[(12)]	Security Agreement between the Company and Earl Brien, dated November 4, 2010.
10.10[(2)]	Secured Promissory Note by Cardo Medical, Inc. (nka Tiger X Medical, Inc.) and Cardo Medical, LLC (nka Tiger X Medical, LLC) in favor of Arthrex, Inc. dated March 18, 2011.
21.1[(9)]	Subsidiaries of Tiger X Medical, Inc.
31.1[#]	Certification of Chief Executive Officer
31.2[#]	Certification of Chief Financial Officer
32.1[#]	Certification of Chief Executive Officer Pursuant to Rule 13a-14(b) and Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Title 18, United States Code)
32.2[#]	Certification of Chief Financial Officer Pursuant to Rule 13a-14(b) and Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Title 18, United States Code)
101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase
101.DEF**	XBRL Taxonomy Extension Definition Linkbase
101.LAB**	XBRL Taxonomy Extension Label Linkbase

101.PRE** XBRL Taxonomy Extension Presentation Linkbase

#	Filed herewith.
*	Management compensation plan or agreement.
**	Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise not subject to liability.
(1)	Previously filed as an exhibit to the Current Report on Form 8-K filed by us on January 27, 2011.
(2)	Previously filed as an exhibit to the Current Report on Form 8-K filed by us on March 24, 2011.
(3)	Previously filed as an exhibit to the Current Report on Form 8-K filed by us on April 8, 2011.
(4)	Previously filed as an exhibit to the Current Report on Form 8-K filed by us on March 18, 2008.
(5)	Previously filed as an Annex to the Information Statement on Schedule 14C filed by us on September 30, 2008.
(6)	Previously filed as an exhibit to the Current Report on Form 8-K filed by us on June 16, 2011.
(7)	Previously filed as an exhibit to the Current Report on Form 8-K filed by us on February 1, 2008.
(8)	Previously filed as an exhibit to the Annual Report on Form 10-KSB filed by us on September 28, 1998.
(9)	Previously filed as an exhibit to the Current Report on Form 8-K filed by us on September 9, 2008.
(10)	Previously filed as an exhibit to the Current Report on Form 8-K filed by us on October 29, 2009.
(11)	Previously filed as an exhibit to the Quarterly Report on Form 10-Q filed by us on August 12, 2010.
(12)	Previously filed as an exhibit to the Current Report on Form 8-K filed by us on November 8, 2010.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TIGER X MEDICAL, INC.

Dated: March 22, 2013

/s/ Andrew A. Brooks
Andrew A. Brooks

Chief Executive Officer

Pursuant to the requirements of the Securities and Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Andrew A. Brooks Andrew A. Brooks	Chairman of the Board and Chief Executive Officer and Interim Chief Financial Officer (Principal Executive Officer) (Principal Financial and Accounting Officer)	March 22, 2013
/s/ Jonathan Brooks Jonathan Brooks	Director	March 22, 2013
/s/ Stephen Liu Stephen Liu	Director	March 22, 2013
/s/ Thomas H. Morgan Thomas H. Morgan	Director	March 22, 2013
/s/ Ronald N. Richards Ronald N. Richards	Director	March 22, 2013
/s/ Steven D. Rubin Steven D. Rubin	Director	March 22, 2013
/s/ Subbarao Uppaluri Subbarao Uppaluri	Director	March 22, 2013