

METROPOLITAN HEALTH NETWORKS INC
Form 10-Q
May 05, 2009

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

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2009

OR

.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-32361

METROPOLITAN HEALTH NETWORKS, INC.
(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction of
incorporation or organization)

65-0635748
(I.R.S. Employer
Identification No.)

250 Australian Avenue, Suite 400
West Palm Beach, FL
(Address of principal executive offices)

33401
(Zip Code)

(561) 805-8500
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No ..

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes .. No x

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 21, 2009
Common Stock, \$.001 par value per share	46,645,147 shares

Metropolitan Health Networks, Inc.

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PART 1. FINANCIAL INFORMATION

Item 1. Financial Statements

METROPOLITAN HEALTH NETWORKS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2009 (unaudited)	December 31, 2008
ASSETS		
CURRENT ASSETS		
Cash and equivalents	\$ 2,494,005	\$ 2,701,243
Investments, at fair value	32,400,796	33,641,140
Accounts receivable, net	107,585	286,003
Due from Humana	7,660,741	2,823,355
Inventory	267,453	315,811
Prepaid expenses	719,589	570,792
Deferred income taxes	283,522	262,874
Other current assets	53,538	266,007
TOTAL CURRENT ASSETS	43,987,229	40,867,225
PROPERTY AND EQUIPMENT, net	1,254,831	1,336,094
RESTRICTED CASH	1,412,054	1,408,089
DEFERRED INCOME TAXES	1,030,985	980,842
OTHER INTANGIBLE ASSETS, net	1,101,946	1,184,142
GOODWILL, net	2,587,332	2,587,332
OTHER ASSETS	777,493	780,631
TOTAL ASSETS	\$ 52,151,870	\$ 49,144,355
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 646,478	\$ 483,621
Accrued payroll and payroll taxes	1,687,650	2,288,224
Income taxes payable	3,227,981	1,865,926
Accrued termination costs of HMO administrative services agreement	900,000	1,080,000
Accrued expenses	811,228	621,854
TOTAL CURRENT LIABILITIES	7,273,337	6,339,625
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock, par value \$.001 per share; stated value \$100 per share;	500,000	500,000

10,000,000 shares authorized; 5,000 issued and outstanding		
Common stock, par value \$.001 per share; 80,000,000 shares authorized; 47,104,047 and 48,251,395 issued and outstanding at March 31, 2009 and December 31, 2008, respectively	47,104	48,251
Additional paid-in capital	35,689,810	37,649,331
Retained earnings	8,641,619	4,607,148
TOTAL STOCKHOLDERS' EQUITY	31.4% (2)	

14

TYPE OF REPORTING PERSON

IN

-
- (1) Includes 34,722 stock options exercisable within 60 days of the filing of this Schedule 13D/A.
 (2) Based upon 190,120,907 shares of common stock outstanding as of April 14, 2010.
-

1 NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

Todd Oretsky

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) x

(b) ..

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)

..

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

7 SOLE VOTING POWER

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH

9,334,528 (1)

8 SHARED VOTING POWER

9 SOLE DISPOSITIVE POWER

9,334,528 (1)

10 SHARED DISPOSITIVE POWER

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

60,175,866 (1)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

..

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

31.6% (2)

14 TYPE OF REPORTING PERSON*

IN

(1) The shares of common stock are held by Jack Oretsky Holdings, LLC, a limited liability company by which Mr. Oretsky is the sole manager. Includes 555,556 stock options exercisable within 60 days of the filing of this Schedule

13D/A.

(2) Based upon 190,120,907 shares of common stock outstanding as of April 14, 2010.

Item 1.

Security and Issuer

This Schedule 13D relates to the common stock, \$0.0001 par value of Money4Gold Holdings, Inc. (the "Company"). The principal address of the Company is 200 E. Broward Blvd., Suite 1200, Fort Lauderdale, Florida 33301.

Item 2.

Identity and Background

- a. Douglas Feirstein
b. 200 E. Broward Blvd., Suite 1200, Fort Lauderdale, Florida 33301.
c. Chief Executive Officer of the Company
- d. The Reporting Person has not been convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors) within the last five years.
- e. The Reporting Person has not been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws within the past five years.
- f. The Reporting Person is a United States citizen.
- a. Daniel Brauser
b. 200 E. Broward Blvd., Suite 1200, Fort Lauderdale, Florida 33301.
c. Chief Financial Officer of the Company
- d. The Reporting Person has not been convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors) within the last five years.
- e. The Reporting Person has not been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws within the past five years.
- f. The Reporting Person is a United States citizen.
- a. Hakan Koyuncu
b. 200 E. Broward Blvd., Suite 1200, Fort Lauderdale, Florida 33301.
c. President of the Company
- d. The Reporting Person has not been convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors) within the last five years.
- e. The Reporting Person has not been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws within the past five years.
- f. The Reporting Person is a Turkish citizen.
- a. Todd Oretsky
b. 547 N.E. 59th St., Miami, Florida 33137.
c. Consultant for the Company
- d. The Reporting Person has not been convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors) within the last five years.
- e. The Reporting Person has not been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws within the past five years.

f. The Reporting Person is a United States citizen.

Item 3. Source or Amount of Funds or Other Consideration.

In May 2009, the Company, MGE Enterprises Corporation (“MGE”) and MGE’s shareholders entered into a share exchange agreement (the “Share Exchange Agreement”). Under the Share Exchange Agreement, Messrs. Oretsky and Feirstein, two principal shareholders of MGE, acquired 21,537,307 and 26,074,669 shares of the Company’s common stock, respectively. Messrs. Brauser and Koyuncu acquired their shares as founders of the Company. A Schedule 13D/A was filed to amend the initial Schedule 13D (the “Initial Schedule 13D”) filed on May 18, 2009 to disclose a sale of 2,000,000 shares owned by Jack Oretsky Holdings, LLC (the “Oretsky LLC”), which company is beneficially owned by Mr. Oretsky. A Schedule 13D/A was filed to disclose a subsequent sale of 5,000,000 shares owned by the Oretsky LLC.

The Company closed a private placement transaction and sold a total of 5,758,335 shares at \$0.20 per share. This Schedule 13D/A is being filed to disclose that the Oretsky LLC sold an equal number of shares to one investor at \$0.10 per share. That investor simultaneously resold the 5,758,335 shares at \$0.10 per share to the same investors who purchased 5,758,335 shares from the Company. Also, Mr. Feirstein invested \$50,000 in this private placement and acquired 333,334 shares.

As originally reported in the Initial Schedule 13D, the Reporting Persons in this Schedule 13D/A entered into a stockholders agreement whereby the Reporting Persons agreed to vote together on certain matters (the “Stockholders Agreement”). A waiver to the Stockholders Agreement was executed by Messrs. Brauser, Koyuncu and Feirstein permitting the Oretsky LLC sale to occur. Each Reporting Person expressly disclaims any beneficial ownership in the common stock of the Company owned by the others, and the reporting of joint beneficial ownership shall not be deemed to be an admission that he beneficially owns the common stock owned by the other Reporting Persons.

Item 5. Interest in Securities of the Issuer.

(a) Douglas Feirstein owns 26,442,725 shares of the Company’s common stock. This amounts to approximately 13.9% of the outstanding shares as of April 13, 2010. Daniel Brauser owns 10,539,586 shares of the Company’s common stock. This amounts to approximately 5.5% of the outstanding shares as of April 13, 2010. Hakan Koyuncu owns 14,834,723 shares of the Company’s common stock. This amounts to approximately 7.8% of the outstanding shares as of April 13, 2010. Todd Oretsky beneficially owns 9,334,528 shares of the Company’s common stock. This amounts to approximately 4.9% of the outstanding shares as of April 13, 2010. Mr. Oretsky’s shares are held by Jack Oretsky Holdings, LLC, of which Mr. Oretsky is the sole manager.

(b) Each of the Reporting Persons has the sole power to vote or to direct the vote, sole power to dispose or to direct the disposition of all shares owned by the Reporting Person.

(c) Except as described in this Schedule 13D, the Reporting Persons did not engage in any transactions in shares of the Company’s common stock during the past 60 days.

(d) Not Applicable.

(e) Not Applicable.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: April 20, 2010.

By: /s/ Douglas Feirstein

/s/ Daniel Brauser

/s/ Hakan Koyuncu

/s/ Todd Oretsky

Attention. Intentional misstatements or omissions of fact constitute federal criminal violations (see 18 U.S.C. 1001).
