

# Cambridge Heart closes \$1.4 million warrant call

Mass Device

Cambridge Heart Inc. (OTC:CAMH) closed its call for nearly \$1 million worth of long-term warrants it issued last year as part of a Series D funding round with an unexpected bonus: Investors holding unrelated short-term warrants exercised \$457,000 worth, taking the total gross proceeds to more than \$1.4 million.

The Tewksbury, Mass.-based heart test maker said it would net \$754,000 if all holders of the Series D warrants for 6,775,611 shares exercised them at their 14.2 cent share price. Cambridge Heart already pulled in \$208,000 from the exercise of some of the warrants.

Cambridge Heart [said](#) [1] all of the Series D warrant holders exercised them, bringing in \$962,000 and prompting the issuance of about 6.8 million shares of common stock. The short-term warrant call caused the issuance of roughly 4.3 million shares.

[The May 5 call](#) [2] was triggered after the company's stock closed higher than 28.4 cents for 20 consecutive trading days. [CAMH](#) [3] stock was at [38 cents](#) [4] in mid-morning trading May 6. Cambridge Heart [said](#) [5] it will re-purchase any unexercised warrants after 6:30 p.m. June 4.

The [Series D round](#) [6] also included short-term warrants for about 11.3 million shares, at 10.7 cents per share. If all of those warrants were exercised the company would land another \$1.2 million, but the company is not calling those warrants yet. To date their exercise resulted in about \$261,000 from a pair of investors in the Series D round, according to a press release. As of June 7 Cambridge Heart said it had a total of 102.7 million shares of common stock outstanding and options and warrants for the purchase of 17 million more shares, for a fully diluted share count of 119.7 million shares.

The cash will come in handy for Cambridge Heart as it looks to find more customers for an OEM version of its microvolt T-wave alternans cardiac monitor. [The Food & Drug Administration granted 510\(k\) clearance to the OEM module](#) [7] in April, clearing the way for [a deal with Cardiac Science Corp.](#) [8] (NSDQ:CSCX) to incorporate the module into its heart stress-testing equipment.

Cambridge Heart used a series of cost-cutting measures to offset slumping sales during 2009, as it looked to revamp the way it does business. [Sales were \\$802,000 for the three months ended Dec. 31, 2009](#) [9], a 20 percent decrease from the same period in 2008. Cost-cutting efforts employed by the company since the first quarter of 2009, when it laid off about 33 percent of its workforce, continued to work out for Cambridge Heart. Net losses during the fourth quarter narrowed some 42 percent, going from \$2.9 million during the fourth quarter of 2008 to \$1.7 million during the just-ended quarter.

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The trend continued for the year, as Cambridge Heart narrowed its net losses to \$7.4 million on \$3 million in sales, compared to \$10 million in losses on \$4 million in sales during 2008.

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