

MusclePharm Corp
Form S-1/A
December 29, 2011

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

FORM S-1/A
(Amendment No. 1)

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

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

Nevada
(State or other jurisdiction
of incorporation)

000-53166
(Primary Standard Industrial
Classification Code Number)

77-0664193
I.R.S. Employer
Identification No.)

4721 Ironton Street, Building A
Denver, CO 80239
Tel: (303) 396-6100
(Address and telephone number of registrant's principal
executive offices and principal place of business)

Brad Pyatt
5348 Vegas Dr.
Las Vegas, NV 89108
Tel: (702) 953-1890
(Name, address and telephone number of agent for service)

Communication Copies to:

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

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

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act registration Statement number of the earlier effective registration statement for the same offering.

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

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

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

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

CALCULATION OF REGISTRATION FEE

Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Aggregate Offering Price per share	Proposed Maximum Aggregate Offering Price	Amount of Registration fee
Common Stock, \$0.001 par value per share	94,000,000	\$0.01 (2)	\$940,000	\$ 107.72
Common Stock, \$0.001 par value per share, issuable upon the exercise of outstanding warrants	32,400,000	\$0.015 (3)	\$486,000	\$ 55.70
Total	126,400,000	-	\$1,426,000	\$ 163.42

(1) We are registering 126,400,000 shares of our common stock, including (i) 12,000,000 shares of common stock (the “Put Shares”) that we will put to Southridge Partners II, LP (“Southridge”), pursuant to an equity purchase agreement (the “Equity Purchase Agreement”) by and between the Southridge and MusclePharm Corporation (the “Company”), effective on November 4, 2011, (ii) 82,000,000 shares of common stock issued to certain selling stockholders pursuant to stock purchase agreements (the “Purchase Shares”), and (iii) 32,400,000 shares underlying warrants issued to certain warrant holders (the “Warrant Shares”, and together with the Put Shares and the Purchase Shares, the “Shares”).

In the event of stock splits, stock dividends, or similar transactions involving the common stock, the number of common shares registered shall, unless otherwise expressly provided, automatically be deemed to cover the additional securities to be offered or issued pursuant to Rule 416 promulgated under the Securities Act of 1933, as amended (the “Securities Act”). In the event that adjustment provisions of the Equity Purchase Agreement require the Company to issue more shares than are being registered in this registration statement, for reasons other than those stated in Rule 416 of the Securities Act, the Company will file a new registration statement to register those additional shares.

(2) This offering price has been estimated solely for the purpose of computing the amount of the registration fee in accordance with Rule 457(c) of the Securities Act on the basis of the average of the low and high bid price of common stock of the Company as reported on the Over-the-Counter Bulletin Board (the “OTCBB”) on December 27, 2011.

(3) This offering price per share of \$0.015 is calculated based upon the price at which the warrants or rights may be exercised pursuant to Rule 457(g)(1) of the Securities Act of 1933, as amended.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SUCH SECTION 8(a), MAY DETERMINE.

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

PRELIMINARY PROSPECTUS

Subject to completion, dated December 29, 2011

MUSCLEPHARM CORPORATION

126,400,000 SHARES OF COMMON STOCK

This prospectus relates to the resale of 126,400,000 Shares of our common stock, par value \$0.001 per share, by the selling security holders (the "Selling Security Holders"), including (i) 12,000,000 Put Shares that we will put to Southridge pursuant to the Equity Purchase Agreement, (ii) 82,000,000 Purchase Shares, and (iii) 32,400,000 Warrant Shares.

The Equity Purchase Agreement provides that Southridge is committed, at our sole option, to purchase up to \$10,000,000 of our common stock. We may draw on the facility from time to time, as and when we determine appropriate in accordance with the terms and conditions of the Equity Purchase Agreement.

Southridge is an "underwriter" within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), in connection with the resale of the Put Shares under the Equity Purchase Agreement. No other underwriter or person has been engaged to facilitate the sale of the Put Shares in this offering. This offering will terminate twenty-four (24) months after the registration statement to which this prospectus is made a part is declared effective by the SEC. Southridge will pay us 94% of the average of the lowest closing bid price of our common stock reported by Bloomberg, LP in any two trading days, consecutive or inconsecutive, of the five consecutive trading day period commencing the date a put notice is delivered.

We will not receive any proceeds from the sale of the Shares. However, we will receive proceeds from the sale of our Put Shares under the Equity Purchase Agreement. The proceeds will be used for working capital or general corporate purposes. We will bear all costs associated with the registration of the Shares under the Securities Act.

Our common stock is quoted on the OTCBB under the symbol "MSLP.OB." The Shares registered hereunder are being offered for sale by the Selling Security Holders at prices established on the OTCBB during the term of this offering. On December 27, 2011, the closing bid price of our common stock was \$0.01 per share. These prices will fluctuate based on the demand for our common stock.

This investment involves a high degree of risk. You should purchase shares only if you can afford a complete loss. See "Risk Factors" beginning on page 5.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2011

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

PROSPECTUS SUMMARY

This summary highlights certain information contained elsewhere in this prospectus. Because it is a summary, it may not contain all of the information that is important to you. Before investing in our common stock, you should read this entire prospectus carefully, especially the sections entitled “Risk Factors” beginning on page 5 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 30, as well our financial statements and related notes included elsewhere in this prospectus. In this prospectus, the terms “MusclePharm,” “Company,” “we,” “us” and “our” refer to MusclePharm Corporation.

Overview

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

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

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

Sales & Recent Developments

MusclePharm is an expanding healthy life-style company that develops and distributes a full line of National Sanitation Foundation International and scientifically approved, nutritional supplements that are 100% free of any banned substances. Based on years of research, MusclePharm products are developed through an advanced six-stage research process involving the expertise of top nutritional scientists and field tested by more than 100 elite professional athletes from various sports including the National Football League, mixed martial arts, and Major League Baseball. The Company’s propriety and award winning products address all categories of an active lifestyle, including muscle building, weight loss, and maintaining general fitness through a daily nutritional supplement regimen. MusclePharm products are sold in over 120 countries and available in over 5,000 U.S. retail outlets, including GNC, Vitamin Shoppe, and Vitamin World. The Company also sells its products in over 100 online stores, including bodybuilding.com, amazon.com and vitacost.com.

In 2010, our three largest customers accounted for approximately 42%, 12% and %, respectively, of the Company’s sales. For the nine months ended September 30, 2011, our two largest customers accounted for approximately 39% and 14%, respectively, of the Company’s sales.

Where You Can Find Us

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

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The Offering

Common Stock Offered by the Selling Security Holders	126,400,000 shares of common stock.
Common Stock Outstanding Before the Offering	546,679,022 shares of common stock as of December 20, 2011.
Common Stock Outstanding After the Offering (1)	558,679,022 shares of common stock.
Terms of the Offering	The selling security holder will determine when and how they will sell the common stock offered in this prospectus.
Termination of the Offering	This offering will terminate at the earlier of (i) the date all of the shares of common stock are sold by the selling security holders or (ii) twenty-four (24) months after the registration statement to which this prospectus is made a part is declared effective by the SEC.
Use of Proceeds	We will not receive any proceeds from the sale of the shares of common stock offered by the Selling Security Holders. However, we will receive proceeds from sale of our common stock to the Southridge under the Equity Purchase Agreement. We intend to use net proceeds from our sale of common stock to Southridge for working capital and general corporate purposes. See “Use of Proceeds.”
Risk Factors	The common stock offered hereby involves a high degree of risk and should not be purchased by investors who cannot afford the loss of their entire investment. See “Risk Factors” beginning on page 5.
OTCBB Symbol	MSLP

(1) This number assumes the full sale of the 12,000,000 Put Shares we are registering hereunder that are issuable to Southridge pursuant to the Equity Purchase Agreement but does not include the 32,400,000 Warrant Shares.

Equity Purchase Agreement

This offering relates to the resale of up to 12,000,000 Put Shares that we will put to Southridge pursuant to the Equity Purchase Agreement. Assuming the resale of all of the shares being offered in this prospectus, such shares would constitute approximately 2.38% of the Company’s outstanding common stock.

On November 4, 2011, the Company and Southridge entered into the Equity Credit Agreement pursuant to which, we have the opportunity, for a two-year period, commencing on the date on which the SEC first declares effective this registration statement (the “Commitment Period”), of which this prospectus forms a part, registering the resale of our common shares by Southridge, to resell shares of our common stock purchased by Southridge under the Equity Credit Agreement.

In order to sell shares to Southridge under the Equity Credit Agreement, during the Commitment Period, the Company must deliver to Southridge a written put notice on any trading day (the “Put Date”), setting forth the dollar amount to be invested by Southridge (the “Put Notice”). For each share of our common stock purchased under the Equity Credit Agreement, Southridge will pay ninety-four percent (94%) of the average of the lowest two closing bid prices on any two applicable trading days, consecutive or inconsecutive, during the five trading days immediately following the date on which the Company has deposited an estimated amount of put shares to Southridge’s brokerage account in the manner provided by the Equity Credit Agreement (the “Valuation Period”). The Company may, at its sole discretion, issue a Put Notice to Southridge and Southridge will then be irrevocably bound to acquire such shares.

If, during any Valuation Period, the Company (i) subdivides or combines the common stock; (ii) pays a dividend in shares of common stock or makes any other distribution of shares of common stock; (iii) issues any options or other rights to subscribe for or purchase shares of common stock and the price per share is less than closing price in effect immediately prior to such issuance; (iv) issues any securities convertible into shares of common stock and the consideration per share for which shares of common stock may at any time thereafter be issuable pursuant to the terms of such convertible securities shall be less than the closing price in effect immediately prior to such issuance; (v) issue shares of common stock otherwise than as provided in the foregoing subsections (i) through (iv) at a price per share less than the closing price in effect immediately prior to such issuance, or without consideration; or (vi) makes a distribution of its assets or evidences of its indebtedness to the holders of common stock as a dividend in liquidation or by way of return of capital or other than as a dividend payable out of earnings or surplus legally available for dividends under applicable law (collectively, a “Valuation Event”), then a new Valuation Period shall begin on the trading day immediately after the occurrence of such Valuation Event and end on the fifth trading day thereafter.

We are relying on an exemption from the registration requirements of the Securities Act and/or Rule 506 of Regulation D promulgated thereunder. The transaction does involve a private offering, Southridge is an “accredited investor” and/or qualified institutional buyer and Southridge has access to information about us and its investment.

At the assumed offering price of \$0.01 per share, we will be able to receive up to \$112,800 in gross proceeds, assuming the sale of the entire 12,000,000 Put Shares being registered hereunder pursuant to the Equity Purchase Agreement. We would be required to register 1,051,829,788 additional shares to obtain the balance of \$10,000,000 under the Equity Purchase Agreement at the assumed offering price of \$0.01. Neither the Equity Purchase Agreement nor any rights or obligations of the parties under the Equity Purchase Agreement may be assigned by either party to any other person.

There are substantial risks to investors as a result of the issuance of shares of our common stock under the Equity Purchase Agreement. These risks include dilution of stockholders, significant decline in our stock price and our inability to draw sufficient funds when needed.

Southridge will periodically purchase our common stock under the Equity Purchase Agreement and will, in turn, sell such shares to investors in the market at the market price. This may cause our stock price to decline, which will require us to issue increasing numbers of common shares to Southridge to raise the same amount of funds, as our stock price declines.

SUMMARY OF FINANCIAL INFORMATION

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

Summary of Statements of Operations

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

	2011	2010
Sales	\$ 5,756,426	\$ 1,409,016
Loss from operations	\$ (2,412,344)	\$ (2,277,643)
Other income (expense)	\$ 2,528,653	\$ (596,211)
Net income (loss)	\$ 116,309	\$ (2,873,854)
Net income (loss) per common share - basic and diluted	\$ 0.00	\$ (0.08)
Weighted average number of common shares outstanding - basic and diluted	326,088,629	35,923,947

For the Nine Months Ended September 30, (unaudited):

	2011	2010
Sales	\$ 13,077,006	\$ 3,135,712
Loss from operations	\$ (5,393,337)	\$ (7,404,676)
Other expense	\$ (6,938,899)	\$ (1,270,554)
Net loss	\$ (12,332,236)	\$ (8,675,230)
Net loss per common share - basic and diluted	\$ (0.05)	\$ (0.28)
Weighted average number of common shares outstanding - basic and diluted	225,410,157	30,473,190

For the Years Ended December 31, (audited):

	2010	2009
Sales	\$ 4,047,295	\$ 1,017,916
Loss from operations	\$ (18,251,836)	\$ (1,811,082)
Other expense	\$ (1,317,500)	\$ (102,390)
Net loss	\$	