

SOMANETICS CORP
Form SC 13D/A
May 12, 2003

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 4)*

Somanetics Corporation

(Name of Issuer)

Common Shares, par value \$0.01 per share

(Title of Class of Securities)

834445 40 5

(Cusip Number)

Bruce J. Barrett
Somanetics Corporation
1653 East Maple Road
Troy, Michigan 48083-4208
(248) 689-3050 x 300

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

May 10, 2003

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. ☐

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

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The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 834445 40 5

-
- | | | |
|----|---------------------------|--|
| 1. | Name of Reporting Person: | I.R.S. Identification Nos. of above persons (entities only): |
| | Bruce J. Barrett | |
-

2. Check the Appropriate Box if a Member of a Group (See Instructions):

(a) ☐

(b) ☐

-
3. SEC Use Only:
-

4. Source of Funds (See Instructions):
- PF
-

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e): ☐
-

6. Citizenship or Place of Organization:
- United States of America
-

- | | | |
|---|-------|----------------------|
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 7. | Sole Voting Power: |
| | | 732,866 |
| | <hr/> | |
| | 8. | Shared Voting Power: |

187,492

- | | |
|----|-------------------------|
| 9. | Sole Dispositive Power: |
| | 732,866 |
-

- | | |
|-----|---------------------------|
| 10. | Shared Dispositive Power: |
| | 187,492 |
-

11. Aggregate Amount Beneficially Owned by Each Reporting Person:
- 920,358
-

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12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions):

o

13. Percent of Class Represented by Amount in Row (11):

9.4%

14. Type of Reporting Person (See Instructions):

IN

CUSIP No. 834445 40 5

Item 1. Security and Issuer.

The title of the class of equity securities to which this statement relates is Common Shares, par value \$0.01 per share (Common Shares), of Somanetics Corporation, a Michigan corporation (the Company). The address of the Company s principal executive offices is 1653 East Maple Road, Troy, Michigan 48083-4208.

Item 2. Identity and Background.

This statement is being filed by Bruce J. Barrett. Bruce J. Barrett s and the Company s business address is 1653 East Maple Road, Troy, Michigan 48083-4208. Bruce J. Barrett s present principal occupation or employment is President and Chief Executive Officer and a director of Somanetics Corporation, which develops, manufactures and markets the INVOS® Cerebral Oximeter and which develops and markets the CorRestore System.

Bruce J. Barrett has not, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors). Bruce J. Barrett has not, during the last five years, 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.

Bruce J. Barrett is a citizen of the United States of America.

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

This statement is being filed to report (1) that, on March 20, 2003, Bruce J. Barrett and his wife purchased 40,000 Common Shares in their joint brokerage account for an aggregate purchase price of \$68,000, and (2) the vesting of stock options granted to Mr. Barrett by the Company. The source of funds used in making the purchase was the personal funds of Mr. Barrett and his wife. The options were granted by the Company to Mr. Barrett.

Item 4. Purpose of Transaction.

Bruce J. Barrett and his wife acquired Company Common Shares for investment purposes and to increase their investment in the Company. The options were granted to Bruce J. Barrett under the Company s stock option plan to secure for the Company the benefits of the additional incentive inherent in the ownership of its Common Shares by Bruce J. Barrett, a key employee of the Company, and to help the Company retain the services of Bruce J. Barrett and compensate him for those services.

Bruce J. Barrett may, from time to time, acquire additional Common Shares (1) by the exercise or additional vesting of his options, (2) by the grant of additional options to him by the Company, (3) from time to time for investment purposes if market conditions are favorable, or (4) any combination of the foregoing. Bruce J. Barrett and/or his wife may also dispose of some of all of the Company Common Shares that they beneficially own, periodically, by public or

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CUSIP No. 834445 40 5

private sale (registered or unregistered and with or without the simultaneous sale of newly-issued Common Shares by the Company), gift, pledge, expiration of options or otherwise, including, without limitation, sales of Common Shares pursuant to Rule 144 under the Securities Act of 1933, as amended, or otherwise. Bruce J. Barrett and his wife reserve the right not to acquire Common Shares or not to dispose of all or part of such Common Shares if they determine such acquisition or disposal is not in their best interests at that time.

Other than as described above, Bruce J. Barrett does not have any current plans or proposals which relate to, or would result in, (a) any acquisition or disposition by him of securities of the Company, (b) any extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries, (c) any sale or transfer of a material amount of assets of the Company or any of its subsidiaries, (d) any change in the present board of directors or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the Board, except that, from time to time, the Company might add additional directors if it finds qualified candidates willing to serve and from time to time, directors might resign, (e) any material change in the Company's present capitalization or dividend policy, except that, from time to time, the Company might raise additional capital based on its needs, (f) any other material change in the Company's business or corporate structure, (g) any changes in the Company's Articles of Incorporation or Bylaws or other actions which may impede the acquisition of control of the Company by any person, (h) causing a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association, (i) a class of the Company's equity securities becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934, as amended, or (j) any action similar to those enumerated above.

Item 5. Interest in Securities of the Issuer.

The number and percentage of Common Shares beneficially owned by Bruce J. Barrett as of May 12, 2003 are as follows:

	Number	Percent
Bruce J. Barrett	920,358(1)	9.4%(2)

(1) The shares shown above as beneficially owned by Bruce J. Barrett consist of (1) 187,492 shares held in a brokerage account that is in the joint name of Mr. Barrett and his wife, and (2) 732,866 shares that Bruce J. Barrett has the right to acquire within 60 days of May 12, 2003 pursuant to the exercise of options granted to him under the Company's stock option plans or independent of those plans, as more specifically described below (the "Option Shares").

(2) Based on the 9,080,363 Common Shares reported as outstanding as of April 4, 2003 in the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 2003.

Bruce J. Barrett has been granted the following options to purchase Common Shares under the Company's stock option plans or independent of those plans:

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CUSIP No. 834445 40 5

<u>Date of Grant</u>	<u>Number of Shares</u>	<u>Exercise Price</u>	<u>Percent Vested at July 11, 2003</u>	<u>Number Vested</u>	<u>Vesting Schedule</u>
5/16/94	25,000	\$ 10.00	100%	25,000	One-third a year starting 5/16/94
7/21/94	10,000	\$ 12.50	100%	10,000	100% at 8/2/95
9/27/94	5,000	\$ 8.4375	100%	5,000	One-third a year starting 9/27/94
12/22/95	16,500	\$ 13.125	100%	16,500	One-quarter a year starting 3/13/96
1/5/96	26,700	\$ 5.625	100%	26,700	50% on 6/5/96; 25% 6/5/97 and 98
4/24/97	135,000	\$ 4.75	100%	135,000	One-third a year starting 4/24/98
4/2/98	180,000	\$ 5.875	100%	180,000	One-third a year starting 4/2/99
5/20/99	60,000	\$ 3.56	100%	60,000	One-third a year starting 5/20/00
2/16/00	40,000	\$ 2.88	100%	40,000	One-third a year starting 2/16/01
12/4/00	50,000	\$ 1.97	67%	33,333	One-third a year starting 12/4/01
3/5/01	168,000	\$ 2.00	100%	168,000	One-24th a month starting 3/5/01
5/10/02	100,000	\$ 2.95	33%	33,333	One-third a year starting 5/10/03
Total	816,200			732,866	

The vesting of the unvested options described above will increase Bruce J. Barrett's beneficial ownership of Common Shares. If the above options were fully vested, Bruce J. Barrett would beneficially own 1,003,692 Common Shares, or 10.1% of the outstanding Common Shares.

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Bruce J. Barrett has sole voting and investment power over the Common Shares listed above as owned by Bruce J. Barrett, except that he shares voting and investment power over the 187,492 Common Shares held in the brokerage account owned by Mr. Barrett and his wife, Kristy Hull Barrett (Mrs. Barrett). Mrs. Barrett s principal address is One Abbott Park, Abbott Park, Illinois. Mrs. Barrett s present principal occupation or employment is Integrated Systems Executive, Abbott Laboratories, Inc., a diversified health care company.

Mrs. Barrett has not, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors). Mrs. Barrett has not, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent

CUSIP No. 834445 40 5

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. Mrs. Barrett is a citizen of the United States of America.

Other than the vesting of options granted to Bruce J. Barrett, as described above, the only transaction in the Company's Common Shares effected by Bruce J. Barrett or Mrs. Barrett since October 14, 2002 (the date of Amendment No. 3 to this Schedule 13D) was the purchase of 40,000 Common Shares in an open market transaction at \$1.70 a share on March 20, 2003 (described in Item 3 above).

No person (other than Mrs. Barrett with respect to the 187,492 Common Shares held in the brokerage account owned jointly by Mr. and Mrs. Barrett) is known to have the right to receive, or the power to direct the receipt of, dividends from, or the proceeds from the sale of, the Common Shares beneficially owned by Bruce J. Barrett.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

The options granted to Bruce J. Barrett are described in Item 5 and are subject to the terms of Stock Option Agreements between Bruce J. Barrett and the Company, and, with respect to options granted under stock option plans, the terms of those plans. The options are not transferable other than by will or the laws of descent and distribution. Copies of the Company's stock option plans and forms of option agreements for options granted independent of the Company's stock option plans are filed as exhibits to the Company's periodic reports under the Securities Exchange Act of 1934, as amended. The brokerage account owned by Mr. and Mrs. Barrett that holds some of the shares beneficially owned by Mr. Barrett is subject to a client agreement among the brokerage firm and Mr. and Mrs. Barrett.

Item 7. Material to be Filed as Exhibits.

1. Somanetics Corporation Amended and Restated 1991 Incentive Stock Option Plan, incorporated by reference to Exhibit 10.5 to the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 1991.
2. Fourth Amendment to Somanetics Corporation 1991 Incentive Stock Option Plan, incorporated by reference to Exhibit 10.7 to the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 1992.
3. Amended and Restated Fifth Amendment to Somanetics Corporation 1991 Incentive Stock Option Plan, incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 1995.

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CUSIP No. 834445 40 5

4. Somanetics Corporation 1997 Stock Option Plan, incorporated by reference to Exhibit 10.9 to the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 1996.
5. First Amendment to Somanetics Corporation 1997 Stock Option Plan, incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 1997.
6. Second Amendment to Somanetics Corporation 1997 Stock Option Plan, incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 1998.
7. Third Amendment to Somanetics Corporation 1997 Stock Option Plan, incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 1999.
8. Fourth Amendment to Somanetics Corporation 1997 Stock Option Plan, incorporated by reference to Exhibit 10.16 to the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2000.
9. Fifth Amendment to Somanetics Corporation 1997 Stock Option Plan, incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 2002.
10. Sixth Amendment to Somanetics Corporation 1997 Stock Option Plan, incorporated by reference to Exhibit 10.18 to the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2002.
11. Stock Option Agreement, dated May 16, 1994, between Somanetics Corporation and Bruce J. Barrett, incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended August 31, 1994.
12. Stock Option Agreement, dated July 21, 1994, between Somanetics Corporation and Bruce J. Barrett, incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended August 31, 1994.
13. Form of Stock Option Agreement, dated December 22, 1995, between Somanetics Corporation and various officers, incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 1995.
14. Form of Stock Option Agreement, dated January 5, 1996, between Somanetics Corporation and two officers, incorporated by reference to Exhibit 10.32 to the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 1995.

Page 7 of 8

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CUSIP No. 834445 40 5

15. Form of Stock Option Agreement, dated April 24, 1997, between Somanetics Corporation and twenty-three employees, incorporated by reference to Exhibit 10.32 to the Company's Registration Statement on Form S-1 (file no. 333-25275), filed with the Securities and Exchange Commission on May 30, 1997.

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.

Dated: May 12, 2003

/s/ BRUCE J. BARRETT

Bruce J. Barrett

Page 8 of 8