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MEDIX RESOURCES INC  
Form POS AM  
April 03, 2002

As filed with the Securities and Exchange Commission on April 3, 2002  
Registration No. 333-63162

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SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

POST-EFFECTIVE AMENDMENT NO.1  
TO  
FORM S-2  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

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**MEDIX RESOURCES, INC.**

(Exact Name of Registrant as Specified in Its Charter)

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**Colorado**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**84-1123311**  
(I.R.S. Employer  
Identification Number)

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**The Graybar Building**  
**420 Lexington Ave., Suite 1830**  
**New York, New York 10170**  
**(212) 697-2509**  
(Address, Including Zip Code, and Telephone Number, Including  
Area Code, of Registrant's Principal Executive Offices)

**Lyle B. Stewart, Esq.**  
**Lyle B. Stewart, P.C.**  
**3751 S. Quebec Street**  
**Denver, CO 80237**  
**(303) 267-0920**  
(Name, Address, Including Zip Code, and Telephone Number,  
Including Area Code, of Agent for Service)

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Approximate date of commencement of proposed sale to the  
public: From time to time 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, other than securities offered only in connection with dividend or interest  
reinvestment plans, check the following box:

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 of 1933 or until this Registration Statement shall become  
effective on such date as the Commission, acting pursuant to said Section 8(a),  
may determine.

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**SUBJECT TO COMPLETION**

**DATED APRIL 3, 2002**

PROSPECTUS

**MEDIX RESOURCES, INC.**

**10,450,000 Shares of Common Stock**

The shareholders of Medix Resources, Inc. named herein will have the right to offer and sell up to an aggregate of 10,450,000 shares of our common stock under this Prospectus. Of these shares, up to 9,500,000 may be issued in connection with the draw down of funds by Medix under an equity line of credit, up to 900,000 may be issued as payments for services rendered, and up to 50,000 may be issued upon exercise of warrants to purchase our common stock. As of March 25, 2002, 4,468,629 shares issued under the equity line, and 542,847 shares issued for services rendered have been sold in this offering.

Cornell Capital Partners, L.P. and Dutchess Private Equities Fund, L.P., two of the selling shareholders named herein, who are providers of the equity line of credit are statutory underwriters under Section 2a(11) of the Securities Act of 1933, as amended. See "Equity Line of Credit," "Selling Shareholders," and "Plan of Distribution."

Medix will not receive directly any of the proceeds from the sale of these shares by the selling shareholders. However, Medix will receive the proceeds of draws under the equity line and from the exercise of any warrants to purchase the shares to be sold hereunder. Medix will pay the expenses of registration of these shares.

The common stock is traded on the American Stock Exchange under the symbol "MXR". On March 28, 2002, the closing price of the common stock was reported as \$0.47.

The securities offered hereby involve a high degree of risk. See "RISK FACTORS" beginning on page 3 for certain risks that should be considered by prospective purchasers of the securities offered hereby.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the 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 April \_\_, 2002

No dealer, salesman or other person has been authorized to give any information or to make any representation not contained in or incorporated by reference in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by us, the selling shareholders or any other person. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that the

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information herein is correct as of any time subsequent to the date hereof or that there has been no change in our affairs since such date.

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### **SUMMARY**

This Prospectus covers the offering and sale of up to 10,450,000 shares of our common stock to the public by certain selling shareholders listed under the heading "Selling Shareholders" further back in this Prospectus. As of March 25, 2002, we had 58,386,516 shares of our common stock outstanding, and approximately 26,023,837 shares were issuable upon the exercise of outstanding options, warrants or other rights, and the conversion of outstanding preferred stock.

We are developing software products for Internet-based communications and information management by medical service providers. We have no revenue from operations and are funding the development of our software products through the sales of our securities. We have granted a security interest in all of our intellectual property assets to secure a financing. See "The Company-Recent Developments" and "Risk Factors."

Because of our continuing losses, and the lack of a certain source of capital to fund our development of software products, our independent accountants included a "going concern" exception in their audit report on our audited financial statements for the year 2001. The "going concern" exception signifies that significant questions exist about our ability to continue in business. See "Risk Factors."

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Currently, we are funding our development and deployment activities through an equity line of credit financing, which is not an assured source of funds. See "Equity Line of Credit." As of March 25, 2001, we had received \$2,584,910 in advances, from which offering expenses of \$191,278 were paid, under the financing, and had issued to the investors 4,468,629 shares of our common stock relating to the advances and an additional 542,847 shares to their affiliates as fees for arranging the equity line facility. The shares issued pursuant to the equity line advances to date have been priced from \$0.46 to \$0.77 per share. See "Risk Factors."

Our principal executive office is located at 420 Lexington Avenue, Suite 1830, New York, NY 10170, and its telephone number is (212) 697-2509. Our principal administrative office is at 7100 East Belleview Ave., Greenwood Village, CO 80111, and its telephone number is (303) 741-2045.

### RISK FACTORS

An investment in our common stock:

- o has a high degree of risk;
- o is highly speculative;
- o should only be considered by those persons or entities who can afford to lose their entire investment.

In addition to the other information contained in this Prospectus, the following risk factors should be carefully considered in evaluating our business and an investment in our shares. The order in which the following risk factors are presented does not indicate the relative magnitude of the risks described.

**Our continuing losses endanger our viability and have caused our accountants to issue a "going concern" exception in their annual audit report.**

We reported net losses of (\$10,636,000) (\$5,415,000), (\$4,847,000) and (\$5,422,000) for the years ended December 31, 2001, December 31, 2000, December 31, 1999 and December 27, 1998, respectively. At December 31, 2001 we had an accumulated deficit of (\$34,059,000) and a negative working capital of (\$1,404,000). Our Cymedix(R)products are still in the testing and deployment stage and have not generated any significant revenue to date. We are funding our operations through the sale of our securities. Our independent accountants have included a "going concern" exception in their audit reports on our audited 2000 and 2001 financial statements. See our Form 10-K for the fiscal year ended December 31, 2001.

**Our need for additional financing is acute and failure to obtain it could lead to the financial failure of our company.**

We expect to continue to experience losses, in the near term, until such time as our Cymedix(R)software products can be successfully deployed with customers and produce revenue. The continuing development, marketing and deployment of the Cymedix software products will depend upon our ability to obtain additional financing. Our Cymedix(R)products are still in the testing and deployment stage and have not generated any significant revenue to date. We are funding our operations through the sale of our securities. There can be no assurance that additional investments or financings will be available to us as needed to support the development and deployment of Cymedix products. Failure to obtain such capital on a timely basis could result in lost business opportunities, the sale of the Cymedix business at a distressed price or the financial failure of our company. See "The Company-Recent Developments."

**We have granted a security interest in all of our intellectual property assets to secure a financing, which means if we default in our obligations to the**

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**lender, we may lose these assets in the foreclosure process.**

The use of secured borrowings increases the risk of loss of the assets used to secure the borrowing. If an event of default occurs under the security agreement, the lender will be able to foreclose on the assets used to secure the borrowing and sell those assets to the highest bidder. In addition, it is generally believed that foreclosure sales, which are "distress sales", will not maximize the proceeds that are paid for the assets being sold. The loan we entered into is secured by the grant of a security interest in all Medix's intellectual property, including its patent, copyrights and trademarks. While Medix can cure a payment default by the forced conversion of the loan into its common stock, a bankruptcy or similar event of default will trigger the foreclosure provision of the security agreement. See "The Company-Recent Developments."

**We are a development stage company, which means our products and services have not yet proved themselves commercially viable and therefore our future is uncertain.**

- o We develop software for Internet-based communications and information management for medical service providers, through our wholly-owned subsidiary, Cymedix Lynx Corporation. Our Cymedix(R)products are still in the testing and deployment stage and have not generated any significant revenue to date. We are funding our operations through the sale of our securities. Our ability to continue to sell our securities can not be assured.
- o We are still in the process of gaining experience in marketing software products, providing software support services, evaluating demand for products, financing a software business and dealing with government regulation of software products. While we are putting together a team of experienced executives, they have come from different backgrounds and may require some time to develop an efficient operating structure and corporate culture for our company. We believe our structure of multiple offices serves our customers well, but it does present an additional challenge in building our corporate culture and operating structure.

**We rely on healthcare professionals for the quality of the information that is transmitted through our interconnectivity systems, and we may not be paid for our services by third-party payors if that quality does not meet certain standards.**

The success of our products and services in generating revenue may be subject to the quality and completeness of the data that is generated and stored by the physician or other healthcare professional and entered into our interconnectivity systems, including the failure to input appropriate or accurate information. Failure or unwillingness by the healthcare professional to accommodate the required information quality may result in the payor refusing to pay Medix for its services.

**Our market is rapidly changing and the introduction of software services and products into that market has been slow, which may cause us to be unable to develop a profitable market for our services and products.**

- o As a developer of software products, we will be required to anticipate and adapt to evolving industry standards and new technological developments. The market for our software products is characterized by continued and rapid technological advances in both hardware and software development, requiring ongoing expenditures for research and development, and timely introduction of new products and enhancements to existing products. The establishment of standards is largely a function of user acceptance. Therefore, such standards are subject to change. Our future success, if any, will depend in part upon our ability to

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enhance existing products, to respond effectively to technology changes, and to introduce new products and technologies that are functional and meet the evolving needs of our clients in the healthcare information systems market.

- o The introduction of software products in our market has been slow due to the large number of small practitioners who are resistant to change and the costs associated with change, particularly in a period of rising pressure to reduce costs in the market. We are currently devoting significant resources toward the development of products. There can be no assurance that we will successfully complete the development of these products in a timely fashion or that our current or future products will satisfy the needs of the healthcare information systems market. Further, there can be no assurance that products or technologies developed by others will not adversely affect our competitive position or render our products or technologies noncompetitive or obsolete.

**As a provider of medical software products and services, we may become liable for product liability claims beyond the levels of our insurance that could have a materially adverse impact on our financial condition.**

Certain of our products provide applications that relate to patient medical histories and treatment plans. Any failure by our products to provide accurate, secure and timely information could result in product liability claims against us by our clients or their affiliates or patients. We maintain insurance that we believe currently is adequate to protect against claims associated with the use of our products, but there can be no assurance that our insurance coverage would adequately cover any claim asserted against us. The limits of that coverage is \$2,000,000 in the aggregate and \$1,000,000 per occurrence. A successful claim brought against us in excess of our insurance coverage could have a material adverse effect on our results of operations, financial condition or business. Even unsuccessful claims could result in the expenditure of funds in litigation, as well as diversion of management time and resources.

**Our industry, the healthcare industry, continually experiences rapid change and uncertainty that could result in issues for our business planning or operations that could severely impact on our ability to become profitable.**

The healthcare and medical services industry in the United States is in a period of rapid change and uncertainty. Governmental programs have been proposed, and some adopted, from time to time, to reform various aspects of the U.S. healthcare delivery system. Some of these programs contain proposals to increase government involvement in healthcare, lower reimbursement rates and otherwise change the operating environment for our customers. Particularly, the Health Insurance Portability and Accountability Act of 1996, and the regulations that are being promulgated thereunder, are causing the healthcare industry to change its procedures and incur substantial cost in doing so. Although we expect these regulations to have the beneficial effect of spurring adoption of our software products we cannot predict with any certainty what impact, if any, these and future healthcare reforms might have on our business.

**We rely on intellectual property rights, such as patents, copyrights, trademarks and unprotected propriety technology in our business operations and to create value in our company, however, protecting intellectual property frequently requires litigation and close legal monitoring and may adversely impact our ability to become profitable.**

- o Our wholly-owned subsidiary, Cymedix Lynx Corporation, has been granted certain patent rights, trademarks and copyrights relating to its software business. These patents and copyrights have been assigned by our subsidiary to the parent company, Medix. The patent rights and intellectual property legal issues for software programs, such as the

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Cymedix(R) products, are complex and currently evolving. Since patent applications are secret until patents are issued, in the United States, or published, in other countries, we cannot be sure that we are the first to file any patent application. In addition, there can be no assurance that competitors, many of which have far greater resources than we do, will not apply for and obtain patents that will interfere with our ability to develop or market product ideas that we have originated. Further, the laws of certain foreign countries do not provide the protection to intellectual property that is provided in the United States, and may limit our ability to market our products overseas. We cannot give any assurance that the scope of the rights that we have been granted are broad enough to fully protect our Cymedix software from infringement.

- o Litigation or regulatory proceedings may be necessary to protect our intellectual property rights, such as the scope of our patent. In fact, the computer software industry in general is characterized by substantial litigation. Such litigation and regulatory proceedings are very expensive and could be a significant drain on our resources and divert resources from product development. There is no assurance that we will have the financial resources to defend our patent rights or other intellectual property from infringement or claims of invalidity. We have been notified by a party that it believes our pharmacy product may infringe on patents that it holds. We have retained patent counsel who has made a preliminary investigation and determined that our product does not infringe on the identified patents. At this time no legal action has been instituted.
- o We also rely upon unprotected proprietary technology and no assurance can be given that others will not independently develop substantially equivalent proprietary information and techniques or otherwise gain access to or disclose our proprietary technology or that we can meaningfully protect our rights in such unpatented proprietary technology. We will use our best efforts to protect such information and techniques, however, no assurance can be given that such efforts will be successful. The failure to protect our intellectual property could cause us to lose substantial revenues and to fail to reach its financial potential over the long term.

**Because our business is highly competitive and there are many competitors who are financially stronger than we are, we are at risk of being outperformed in staffing, marketing, product development and customer services, which could severely limit our ability to become profitable.**

- o eHealth Services. Competition can be expected to emerge from established healthcare information vendors and established or new Internet related vendors. The most likely competitors are companies with a focus on clinical information systems and enterprises with an Internet commerce or electronic network focus. Many of these competitors will have access to substantially greater amounts of capital resources than we have access to, for the financing of technical, manufacturing and marketing efforts. Frequently, these competitors will have affiliations with major medical product or software development companies, who may assist in the financing of such competitor's product development. We will seek to raise capital to develop Cymedix products in a timely manner, however, so long as our operations remain underfunded, as they now are, we will be at a competitive disadvantage.
- o Software Development Personnel. The success of the development of our Cymedix software is dependent to a significant degree on our key management and technical personnel. We believe that our success will also depend upon our ability to attract, motivate and retain highly

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skilled, managerial, sales and marketing, and technical personnel, including software programmers and systems architects skilled in the computer languages in which our Cymedix products operate. Competition for such personnel in the software and information services industries is intense. The loss of key personnel, or the inability to hire or retain qualified personnel, could have a material adverse effect on our results of operations, financial condition or business.

**We have relied on the private placement exemption to raise substantial amounts of capital, and could suffer substantial losses if that exemption was determined not to have been properly relied upon.**

We have raised substantial amounts of capital in private placements from time to time. The securities offered in such private placements were not registered with the SEC or any state agency in reliance upon exemptions from such registration requirements. Such exemptions are highly technical in nature and if we inadvertently failed to comply with the requirements of any of such exemptive provisions, investors would have the right to rescind their purchase of our securities or sue for damages. If one or more investors were to successfully seek such rescission or institute such suit, Medix could face severe financial demands that could material and adversely affect our financial position.

**The impact of shares of our common stock that may become available for sale in the future may result in the market price of our stock being depressed.**

As of March 25, 2002, we had 58,386,516 shares of common stock outstanding. As of that date, approximately 26,023,837 shares were issuable upon the exercise of outstanding options, warrants or other rights, and the conversion of preferred stock. Most of these shares will be immediately saleable upon exercise or conversion under registration statements we have filed with the SEC. The exercise prices of options, warrants or other rights to acquire common stock presently outstanding range from \$0.19 per share to \$4.97 per share. During the respective terms of the outstanding options, warrants, preferred stock and other outstanding derivative securities, the holders are given the opportunity to profit from a rise in the market price of the common stock, and the exercise of any options, warrants or other rights may dilute the book value per share of the common stock and put downward pressure on the price of the common stock. The existence of the options, conversion rights, or any outstanding warrants may adversely affect the terms on which we may obtain additional equity financing. Moreover, the holders of such securities are likely to exercise their rights to acquire common stock at a time when we would otherwise be able to obtain capital on terms more favorable than could be obtained through the exercise or conversion of such securities. See also the impact of our equity line of credit financing discussed in the following paragraphs.

**Because of dilution of our common stock from our equity line of credit, the market price of our stock may be depressed.**

- o In connection with our equity line of credit financing, we have registered 9,500,000 additional shares with the SEC for sale by the providers of the financing, of which 5,031,371 shares remain available for issuance as of March 25, 2002. See "Summary." The resale of the common stock that may be issued by us under the equity line of credit will substantially increase the number of our publicly traded shares ("float"). If existing shareholders perceive that this increased float is not accompanied by a commensurate increase in value to the Company, then shareholder value--real or perceived--will be diluted. Such dilution could cause holders of our shares of common stock to sell, thus depressing the price of our common stock. Therefore, the very existence of the equity line financing could depress the market price of our common stock.



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- o The resale of the common stock that will be issued by us under our equity line of credit financing could depress the market price of our common stock. The terms of the equity line provide that we will sell shares of our common stock to the providers of the financing at 91% of the average of the three lowest of the daily volume-weighted average prices of our common stock during the 22-trading day period immediately before our request for the advance. Therefore, since all of the shares that are issued by us in connection with advances under the equity line financing will have a "built-in" discount of at least 9% upon issuance, this could produce an impetus for the providers of the equity line to resell their shares sooner or in greater quantity than they would otherwise. Such resale could have the effect of depressing our share price.

**Because of market volatility in our stock price, investors may find that they have a loss position if emergency sales become necessary.**

Historically, our common stock has experienced significant price fluctuations. This has been caused by one or more of the following factors:

- o unfavorable announcements or press releases relating to the technology sector;
- o regulatory, legislative or other developments affecting our company or the health care industry generally;
- o conversion of our preferred stock and convertible debt into common stock at conversion rates based on current market prices or below of our common stock and exercise of options and warrants at below current market prices;
- o sales by those financing our company through an equity line of credit or convertible securities which have been registered with the SEC and may be sold into the public market immediately upon receipt; and
- o market conditions specific to technology and internet companies, the health care industry and general market conditions.

In addition, in recent years the stock market has experienced significant price and volume fluctuations. These fluctuations, which are often unrelated to the operating performance of specific companies, have had a substantial effect on the market price for many health care related technology companies. Factors such as those cited above, as well as other factors that may be unrelated to our operating performance may adversely affect the price of our common stock.

**The application of the "penny stock" rules to our common stock may depress the market for our stock.**

Trading of our common stock may be subject to the penny stock rules under the Securities Exchange Act of 1934, as amended, unless an exemption from such rules is available. Broker-dealers making a market in our common stock will be required to provide disclosure to their customers regarding the risks associated with our common stock, the suitability for the customer of an investment in our common stock, the duties of the broker-dealer to the customer and information regarding bid and ask prices for our common stock, and the amount and description of any compensation the broker-dealer would receive in connection with a transaction in our common stock. The application of these rules may result in fewer market makers making a market of our common stock and further restrict the liquidity of our common stock.

**We do not anticipate paying any cash dividends on our common stock in the foreseeable future.**

We have not had earnings, but if earnings were available, it is our general policy to retain any earnings for use in our operation. Therefore, we do not anticipate paying any cash dividends on our common stock in the foreseeable future. Any payment of cash dividends on our common stock in the future will be

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dependent upon our financial condition, results of operations, current and anticipated cash requirements, plans for expansion, as well as other factors that the Board of Directors deems relevant. We anticipate that our future financing agreements will prohibit the payment of common stock dividends without the prior written consent of those providers.

### FORWARD-LOOKING STATEMENTS

This Prospectus and the documents incorporated by reference into this Prospectus contain forward-looking statements, which mean that they relate to events or transactions that have not yet occurred, our expectations or estimates for Medix's future operations, our growth strategies or business plans or other facts that have not yet occurred. Such statements can be identified by the use of forward-looking terminology such as "might," "may," "will," "could," "expect," "anticipate," "estimate," "likely," "believe," or "continue" or the negative thereof or other variations thereon or comparable terminology. The following risk factors contain discussions of important factors that should be considered by prospective investors for their potential impact on forward-looking statements included in this Prospectus and in the documents incorporated by reference into this Prospectus. These important factors, among others, may cause actual results to differ materially and adversely from the results expressed or implied by the forward-looking statements.

### THE COMPANY

#### General

Medix Resources, Inc., a Colorado corporation, sold its supplemental staffing business, which operated under the tradenames "National Care Resources" and "TherAmerica" on February 19, 2000, and now principally develops software for Internet-based communications and information management for medical service providers, through its wholly-owned subsidiary, Cymedix Lynx Corporation.

We acquired the Cymedix business in January of 1998. Cymedix has developed Internet-based communications and information management product, which we began marketing to medical professionals in select markets nationwide. Growth of the medical information management marketplace is being driven by the need to share significant amounts of clinical and patient information between physicians, their outpatient service providers, hospitals, insurance companies and managed care organizations. This market is one of the fastest-growing sectors in healthcare today, commanding a projected two-thirds of health care capital investments. The Cymedix(R) software contains patented elements that can be used to develop secure medical communications products that make use of the Internet. Using the Cymedix software, medical professionals can order, prescribe and access medical information from participating insurance companies and managed care organizations, as well as from any participating outpatient service provider, such as a laboratory, radiology center, pharmacy or hospital. We will provide the software at minimal charges to physicians and clinics, and will collect user fees whenever these products are used to provide services on the Internet. The products' relational database technology will provide physicians with a permanent, ongoing record of each patient's name, address, insurance or managed care affiliation, referral status, medical history, personalized notes and an audit trail of past encounters. Physicians will be able to electronically order medical procedures, receive and store test results, check patient eligibility, make medical referrals, request authorizations, and report financial and encounter information in a cost-effective, secure and timely manner.

Our principal executive office is located at The Graybar Building, 420 Lexington Ave., Suite 1830 New York, NY 10170, and its telephone number is (212) 697-2509. Our principal administrative office is at 7100 East Bellevue Ave., Greenwood

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Village, CO 80111, and its telephone number is (303) 741-2045. We also have offices in California and Georgia.

### Recent Developments

The introduction of our next generation of proprietary, point-of-care products, Cymedix(R)III, is proceeding with our six active sponsors. Our improved suite of software products is based upon a robust and device-neutral architecture that leverages proven workstation, handheld and wireless technologies and is being installed and tested for Pharmacy, Laboratory and PlanConnect services. We continue to be in the development and testing phase with each of our active contracts, and therefore receive no revenue. Revenue will begin when we reach certain milestones under each contract and we enter the production phase of the contract. The marketing and development of our Cymedix suite of software products is our sole business at this time, and a substantial portion of our net operating loss is due to such efforts. We are funding such expenses as well as our administrative expenses through the sale of our securities. We have no significant debt financing available to us.

During 2001, our wholly-owned subsidiary, Automated Design Concepts, Inc. (ADC) ceased operations in connection with our cost reduction program, which had been brought on by our inability to raise budgeted capital. It was determined that the business of the subsidiary was not part of our core business operations and therefore did not justify our continued financial support. In connection with the termination of our subsidiaries operations we took a write-off of goodwill in the amount of \$443,000. We also determined that our license of proprietary software from Zirned.com had no value to us and had no more than a nominal market value. As a result, we wrote-off the unamortized value of the related intangible asset, which was \$668,000. We had acquired ADC in early 2000 from an officer and director of the Company for cash and stock valued at \$474,000. He resigned his positions with us on March 2, 2001.

We had approximately \$305,000 in cash as of March 31, 2002 with a net working capital deficit of approximately \$1,624,000. During 2001, net cash used in operating activities was approximately \$5,397,000. During the year, we raised approximately \$5,205,000 from the exercise of options and warrants, and the issuance of common stock, net of offering expenses, and debt. Since December 31, 2001 to March 31, 2002, we have used approximately \$1,470,000 in our operating activities, and raised approximately \$1,887,000 from the exercise of options and warrants, and the issuance of common stock, net of offering expenses, and debt. We have been delinquent, from time to time, in the payment of our current obligations, including payments of withholding and other tax obligations. We continue in discussions and negotiations with institutional sources regarding debt and equity financings to fund our operations and to permit us to remove the "going concern" qualification in our auditor's report in connection with the audit of our annual financial statements. There can be no assurance that additional investments or financings will be available to us as needed. Failure to obtain such capital on a timely basis could result in lost business opportunities, the sale of the Cymedix business at a distressed price or our financial failure.

We executed an Amended and Restated Common Stock Purchase Warrant with WellPoint Pharmacy Management, dated February 18, 2002, to restructure our obligations to issue warrants to WellPoint. Under that Warrant, we are obligated to issue up to 7,000,000 shares of our common stock at exercise prices of \$0.30 per share for 3,000,000, \$0.50 per share for 3,000,000 shares and \$1.75 per share for 1,000,000 shares, if various performance related vesting requirements are satisfied by WellPoint. Currently, WellPoint has satisfied certain of these requirements giving WellPoint the right to purchase 1,850,000 shares of our common stock at \$0.30 per share have been earned by WellPoint. WellPoint's rights to purchase our shares under the Warrant expire on September 8, 2004. The Warrant grants to WellPoint certain registration rights to require us to register

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with the SEC the shares issued to WellPoint for resale to the public. In the Warrant, WellPoint has agreed to restrict sales to the public of these shares during the first year after they have been issued to 200,000 shares per month and 100,000 shares in any five trading days. The Warrant contains anti-dilution provisions providing that the number of shares that may be purchased by WellPoint under the Warrant may be adjusted in certain circumstances.

We entered into a secured convertible loan agreement with WellPoint, dated February 19, 2002, pursuant to which we borrowed \$1,000,000 from WellPoint Health Networks Inc. The loan becomes payable on February 19, 2003, if not converted into our common stock. The loan earns annual interest at a floating rate of 300 basis points over prime, as it is adjusted from time to time, which is also payable at maturity and may be converted into common stock. Conversion into common stock is at the option of either WellPoint or Medix at a contingent conversion price. The conversion price will be either (i) at the price at which additional shares are sold to other private placement investors if Medix obtains written commitments for at least an additional \$4,000,000 of equity by the close of business on September 30, 2002, from persons not affiliates of WellPoint, and if such sales are closed by the maturity date of the loan, or (ii) at a price equal to 80% of the then-current Fair Market Value (as defined below) if Medix is unable to obtain a written commitment for the additional equity investment by the close of business on September 30, 2002 or close the sales by the maturity date. For this purpose, "Fair Market Value" shall be the average closing price of Medix common stock for the twenty trading days ending on the day prior to the day of the conversion. The loan is secured by the grant of a security interest in all Medix's intellectual property, including its patent, copyrights and trademarks. While Medix can cure a default in the repayment of the loan at the fixed maturity date by the forced conversion of the loan into its common stock, a cross default, breach of representation or warranty, and bankruptcy or similar event of default will trigger the foreclosure provision of the security agreement.

### EQUITY LINE OF CREDIT

#### Agreement

We have entered into an Equity Line of Credit Agreement with Cornell Capital Partners, L.P. ("Cornell"), and Dutchess Private Equities Fund, L.P. ("Dutchess"), dated as of June 12, 2001. Under the agreement, the two providers have committed to advance to us funds in an amount of up to \$10,000,000, as requested by us, over a 24-month period in return for common stock issued by us to the providers. As of March 25, 2001, we had received \$2,584,910 in advances, from which offering expenses of \$191,278 were paid, under the financing, and had issued to the providers 4,468,629 shares of our common stock relating to the advances and an additional 542,847 shares to their affiliates as fees for arranging the equity line facility. The shares issued pursuant to the equity line advances to date have been priced from \$0.46 to \$0.77 per share.

The amount that may be advanced at any time under the equity line is limited as follows (which conditions may be waived by the providers):

- o There must be thirteen stock market trading days between any two of our requests for advances.
- o We can only request an advance if the volume weighted average price of the common stock, as reported by Bloomberg L.P. for the day before our request, is equal to or greater than the volume weighted average price as reported by Bloomberg L.P. for the 22 trading days before we make a request.
- o We will not be able to receive an advance amount that is greater than 175% of the average daily volume of our common stock over the 40 trading days prior to our advance request multiplied by the purchase price (calculated

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as provided in the next sentence).

The purchase price of our common stock issued in each advance will be equal to 91% of the three lowest daily volume weighted average prices during the 22 trading days before we make a request for an advance. Our agreement with the providers of our equity line financing contains mutual indemnities against losses, costs and expenses arising out of misrepresentations, breaches of warranties and agreements or other actions or inactions by the other party.

Advances will be made as requested by us, with 90% of an advance coming from Cornell, and 10% coming from Dutchess. We will receive the amount we have requested as an advance within 10 days of our request, subject to satisfying standard closing conditions. The issuance of our shares of common stock to Cornell and Dutchess in connection with the equity line financing will be exempt from registration under the Securities Act of 1933 pursuant to Section 4(2) thereof. The sale of such shares by those providers of our equity line financing is being registered under this Registration Statement. We have agreed that our executive officers and directors will not sell any shares of our common stock during the ten trading days following any advance request by us.

### **Registration Rights**

We have agreed to maintain an effective registration statement for the sale of the shares issued to the providers of our equity line financing, as described above. If, at any time, the number of shares available under a registration statement is insufficient to cover all securities issued to the providers, we have agreed to use our best efforts to cause an amendment or new registration statement containing those shares to be declared effective. Our agreement with the providers of our equity line financing contains mutual indemnities against losses, costs and expenses arising out of the violation of by the other party of state and Federal securities laws. Insofar as indemnification for liabilities under the Securities Act of 1933, as amended, may be permitted under such agreement, we have been informed that in the opinion of the U.S. Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. Our agreements as to registration rights are only with the providers of our equity line financing and we have no obligations to assist or indemnify any other holder of the shares sold by them or to any underwriter designated by such holders.

### **Compensation**

We are selling our shares to the providers of our equity line financing at a 9% discount from the market price as described above. Yorkville Advisors's Management, LLC, an affiliate of Cornell, has been and will be paid by us 2.31% of each amount advanced to us under the equity line financing. Dutchess Advisors Limited an affiliate of Dutchess, has been and will be paid by us 4.69% of each amount advanced to us under the equity line financing. Through March 25, 2002, we have paid an aggregate of \$168,778 in such fees. Furthermore, our contracts with Yorkville Advisors and Dutchess Advisors required us to, upon the effective date of this Registration Statement, issue to Yorkville Advisors, 65,347 shares of our common stock, and to Dutchess Advisors, 132,673 shares of our common stock (of which 29,703 shares were directed to Dutchess), and on December 9, 2001, issue to Yorkville Advisors 113,793 shares of our common stock, and to Dutchess Advisors 231,034 shares of our common stock. In addition, through March 25, 2002, we have paid \$15,000, in the aggregate, to counsels to Cornell and Dutchess, and paid \$7,500 for escrow fees and other expenses in connection with this transaction.

### **USE OF PROCEEDS**

The net proceeds from the sale of shares will be received by the selling

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shareholders. Medix will not receive any of the proceeds from any sale of the shares by the selling shareholders. However, Medix will receive the proceeds from the advances under the equity line of credit and the exercise of warrants to purchase the shares to be sold hereunder. If all these warrants are exercised, Medix would receive proceeds of \$25,000. Such proceeds will be used as working capital.

### SELLING SHAREHOLDERS

The table below sets forth information with respect to the selling shareholders, including names, holdings of shares of common stock prior to the offering of the shares, the number of shares being offered for each account, and the number and percentage of shares of common stock to be owned by the selling shareholders immediately following the sale of the shares, assuming all of the offered shares are sold.

| Name                                    | Shares of<br>Common<br>Stock<br>Beneficially<br>Owned<br>Before the<br>Offering | Shares of<br>Common<br>Stock<br>Being<br>Offered | Shares of Common<br>Stock to be<br>Beneficially Owned<br>After the Offering |            |
|---|---|--|---|------------|
|   | -----   | -----  | Number  | Percentage |
| Cornell Capital Partners,<br>L.P.       | 8,000,000   | 8,000,000  | 0   | 0%         |
| Dutchess Private Equities<br>Fund, L.P. | 1,500,000   | 1,500,000  | 0   | 0%         |
| Dutchess Advisors Limited               | 600,000   | 600,000  | 0   | 0%         |
| Yorkville Advisors<br>Management LLC    | 300,000   | 300,000  | 0   | 0%         |
| Fritz & Miller, P.C.                    | 5,467   | 5,467  | 0   | 0%         |
| Shapiro Forman Allen &<br>Miller LLP    | 11,200  | 11,200   | 0   | 0%         |
| Guli R. Rajani                          | 11,111  | 11,111   | 0   | 0%         |
| Nicole S. Rajani                        | 11,111  | 11,111   | 0   | 0%         |
| Ajay G. Rajani                          | 11,111  | 11,111   | 0   | 0%         |
|   | -----   | -----  |   |            |
| Total                                   | 10,450,000  | 10,450,000                                       |   |            |

### Relationship Between Medix and the Selling Shareholders

The selling shareholders have or will acquire the shares of common stock indicated above in one of the following ways: (i) upon advancing funds to the Company under a equity line financing, (ii) in payment of certain of the Company's fee obligations in connection with the equity line financing, and (iii) upon the exercise of warrants issued in settlement of litigation. None of the persons listed above are affiliates or controlled by affiliates of the Company. We have a separate contractual obligation to file this registration with each of the selling shareholders, which was part of the inducement for them to invest in the Company.

Cornell Capital Partners, L.P. and Dutchess Private Equities Fund, L.P., who are the providers of the equity line financing, are statutory underwriters under Section 2a(11) of the Securities Act of 1933, as amended. The principals of Cornell Capital Partners, L.P. are Yorkville Advisors Management LLC, its general partner, and Mark Angelo, Joseph Donohue, Robert Ferrell, Matthew Beckman and Meir Levin. The principals of Dutchess Private Equities Fund, L.P. are Dutchess Capital Management LLC, its general partner, and Michael A. Novielli and Douglas H. Leighton, managing members and principal owners of the general partner.

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The other selling shareholders received their warrants to purchase shares as a result of the settlement of a litigation against us, Guli R. Rajani v. Medix Resources, Inc. Mr. Rajani was issued warrants to purchase 137,500 shares of our common stock at the exercise price of \$0.50 per share. Mr. Rajani has directed a portion of the warrants he received in the settlement to his wife and son and to the counsel who represented him in his litigation against us. The remaining shares covered by Mr. Rajani's settlement warrants are being registered in another registration statement.

### DESCRIPTION OF SECURITIES

Our authorized capital consists of 100,000,000 shares of common stock, par value \$.001 per share, and 2,500,000 shares of preferred stock. As of March 25, 2002, we had outstanding 58,386,516 shares of common stock, 1 share of 1996 Preferred Stock, 50 shares of 1999 Series B Preferred Stock and 375 shares of 1999 Series C Preferred Stock. As of such date, our common stock was held of record by approximately 400 persons and beneficially owned by approximately 9,000 persons.

#### Common Stock

Each share of common stock is entitled to one vote at all meetings of shareholders. Shareholders are not permitted to cumulate votes in the election of directors. Currently, the Board of Directors consists of six directors, who serve for staggered terms of three years, with at least two directors elected at every annual meeting. All shares of common stock are equal to each other with respect to liquidation rights and dividend rights. There are no preemptive rights to purchase any additional common stock. In the event of liquidation, dissolution or winding up of Medix, holders of the common stock will be entitled to receive on a pro rata basis all assets of Medix remaining after satisfaction of all liabilities and preferences of the outstanding preferred stock. The outstanding shares of common stock and the shares of common stock issuable upon conversion or exercise of derivative securities are or will be, as the case may be, duly and validly issued, fully paid and non-assessable.

#### Transfer Agent and Registrar

We have retained Computershare Trust Company, Inc., 350 Indiana Street, Suite 800, Golden, Colorado 80401, as Transfer Agent and Registrar, for the our common stock, at telephone number (303) 262-0600.

### PLAN OF DISTRIBUTION

The selling shareholders and any of their pledgees, donees, assignees and successors-in-interest may, from time to time, sell any or all of their shares of Common Stock on any stock exchange, market or trading facility on which the shares are traded. These sales may be at fixed or negotiated prices. The selling shareholders may use any one or more of the following methods when selling shares:

- o ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- o block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- o purchases by a broker-dealer as principal and resale by the broker-dealer

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- for its account;
- o an exchange distribution in accordance with the rules of the applicable exchange;
  - o privately negotiated transactions;
  - o short sales;
  - o broker-dealers may agree with the selling shareholders to sell a specified number of such shares at a stipulated price per share;
  - o a combination of any such methods of sale; and
  - o any other method permitted pursuant to applicable law.

The selling shareholders may also sell shares under Rule 144 under the Securities Act, if available, rather than under this prospectus.

The selling shareholders may also engage in short sales against the box, puts and calls and other transactions in securities of the Company or derivatives of Company securities and may sell or deliver shares in connection with these trades. The selling shareholders may pledge their shares to their brokers under the margin provisions of customer agreements. If a selling shareholder defaults on a margin loan, the broker may, from time to time, offer and sell the pledged shares. The selling shareholders have advised the Company that they have not entered into any agreements, understandings or arrangements with any underwriters or broker-dealers regarding the sale of their shares other than ordinary course brokerage arrangements, nor is there an underwriter or coordinating broker acting in connection with the proposed sale of shares by the selling shareholders.

Broker-dealers engaged by the selling shareholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the selling shareholders (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated. The selling shareholders do not expect these commissions and discounts to exceed what is customary in the types of transactions involved.

Cornell Capital Partners, L.P. and Dutchess Private Equities Fund, L.P., and their affiliates, Yorkville Advisors Management LLC and Dutchess Advisors Limited, are each an "underwriter" under Section 2a(11) of the Securities Act of 1933, in connection with the resale of common stock under the Equity Line of Credit Agreement. Cornell Capital Partners, L.P. and Dutchess Private Equities Fund, L.P. will pay us 91% of the average of the 3 lowest closing bid price of our common stock for the 22 days immediately preceding the advance date. The discount on the purchase of the common stock to be received by them will be an underwriting discount. We retained Yorkville Advisors Management, LLC and Dutchess Advisors Limited as our consultants in connection with the equity line of credit financing. See "Equity Line of Credit."

Other selling shareholders and any broker-dealers or agents that are involved in selling the shares may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

The Company is required to pay all fees and expenses incident to the registration of the shares, including fees and disbursements of counsel to certain of the selling shareholders. Otherwise, all discounts, commissions or fees incurred in connection with the sale of the common stock offered hereby will



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be paid by the selling shareholders. The Company has agreed to indemnify certain selling shareholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

Upon the Company being notified by a selling shareholder that any material arrangement has been entered into with a broker-dealer for the sale of shares through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker or dealer, a supplement to this prospectus will be filed, if required, pursuant to Rule 424(b) under the Securities Act, disclosing (i) the name of each such selling shareholder and of the participating broker-dealer(s), (ii) the number of shares involved, (iii) the price at which such shares were sold, (iv) the commissions paid or discounts or concessions allowed to such broker-dealer(s), where applicable, (v) that such broker-dealer(s) did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus, and (vi) other facts material to the transaction.

In order to comply with the securities laws of certain states, if applicable, the shares will be sold in such jurisdictions, if required, only through registered or licensed brokers or dealers. In addition, in certain states the shares may not be sold unless the Shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and complied with.

The Company has advised the selling shareholders that the anti-manipulative provisions of Regulation M promulgated under the Exchange Act may apply to their sales of the shares offered hereby.

### **INDEMNIFICATION OF OFFICERS AND DIRECTORS**

Article 109 of the Colorado Business Corporation Act generally provides that Medix may indemnify its directors, officers, employees and agents against liabilities in any action, suit or proceeding whether civil, criminal, administrative or investigative and whether formal or informal (a "Proceeding"), by reason of being or having been a director, officer, employee, fiduciary or agent of Medix, if such person acted in good faith and reasonably believed that his conduct, in his official capacity, was in the best interests of Medix (or, with respect to employee benefit plans, was in the best interests of the participants of the plan), and in all other cases that his conduct was at least not opposed to Medix's best interests. In the case of a criminal proceeding, the director, officer, employee or agent must have had no reasonable cause to believe that his conduct was unlawful. Under Colorado Law, Medix may not indemnify a director, officer, employee or agent in connection with a proceeding by or in the right of Medix if the director is adjudged liable to Medix, or in a proceeding in which the directors, officer employee or agent is adjudged liable for an improper personal benefit.

Our Articles of Incorporation provide that we shall indemnify its directors, and officers, employees and agents to the extent and in the manner permitted by the provisions of the laws of the State of Colorado, as amended from time to time, subject to any permissible expansion or limitation of such indemnification, as may be set forth in any shareholders' or directors' resolution or by contract.

Insofar as indemnification for liabilities under the Securities Act of 1933, as amended (the "Securities Act"), may be permitted to directors, officers or persons controlling Medix pursuant to the foregoing provisions, Medix has been informed that in the opinion of the Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

### **AVAILABLE INFORMATION**

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We are a reporting company and file our annual, quarterly and current reports, proxy material and other information with the SEC. Reports, proxy statements and other information concerning Medix filed with the Commission may be inspected and copied at the Public Reference Room maintained by the Commission at its office, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such material can be obtained from the Public Reference Room of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. The public may obtain information about the Public reference room in Washington, D.C. by calling the SEC at 1-800-SEC-0330. Our SEC filings are also available at the SEC's Website at "http:\\www.sec.gov".

We have filed a registration statement under the Securities Act, with respect to the securities offered pursuant to this Prospectus. This Prospectus does not contain all of the information set forth in the registration statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information, reference is made to the registration statement and the exhibits filed as a part thereof, which may be found at the locations and Website referred to above.

### **INCORPORATION OF CERTAIN INFORMATION BY REFERENCE**

The SEC allows us to "incorporate by reference" information that we file with them, which means that we can disclose important information to you by referring you to the documents filed with the SEC that contains that information. The information incorporated by reference is an important part of this Prospectus, and it is important that you review it before making your investment decision. We hereby incorporate by reference the documents listed below:

- (a) a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2001, filed with the SEC on April 1, 2002;
- (b) copies of the our Forms 8-K, filed with the SEC on January 18, March 4 and March 25, 2002.

We are delivering with this Prospectus a copy of the Form 10-K referred to above. Any statement contained in a document incorporated or deemed to be incorporated by reference in this Prospectus, or made herein, shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any subsequently filed document, which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

All other documents filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended, subsequent to the date of this Prospectus and prior to the termination of the Offering pursuant to this Prospectus shall be deemed to be incorporated by reference and to be a part of this Prospectus from the date of filing of such documents.

We will provide without charge to each person, including any beneficial owner, to whom a copy of this Prospectus is delivered, upon oral or written request of any such person, a copy of any or all of the documents incorporated herein by reference, other than the exhibits to such documents (unless such exhibits are specifically incorporated by reference into the information that this Prospectus incorporates). Requests should be directed to Investor Relations Department, Medix Resources, Inc., 7100 E. Belleview Avenue, Suite 301, Greenwood Village, Colorado 80111, telephone (303) 741-2045.

### **LEGAL MATTERS**

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The validity of the shares offered hereby is being passed upon for us by Lyle B. Stewart, P.C. Lyle B. Stewart, P.C. has been granted options to purchase 25,000 shares of Medix common stock at an exercise price of \$0.26 per share, and Mr. Stewart, individually, has been granted options to purchase 100,000 and 75,000 shares of Medix common stock at exercise prices of \$3.38 and \$0.92 per share, respectively.

### EXPERTS

The consolidated financial statements of Medix as of December 31, 2001, and for each of the three years in the period ended December 31, 2001 appearing in our 2001 Form 10-K have been audited by Ehrhardt Keefe Steiner & Hottman P.C., independent auditors, as stated in their report appearing therein, and have been incorporated herein by reference in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

### PART II

#### INFORMATION NOT REQUIRED IN PROSPECTUS

##### Item 14. Other Expenses of Issuance and Distribution.

The following is a list of the estimated expenses to be incurred by the Registrant in connection with the issuance and distribution of the Shares being registered hereby.

|  |           |
|--|-----------|
| SEC Registration Fee.....              | \$2,491   |
| Blue Sky Filing Fees and Expenses..... | 1,000*    |
| Accountants' Fees and Expenses.....    | 2,000*    |
| Legal Fees and Expenses.....           | 45,000*   |
| Miscellaneous.....                     | 0*        |
| TOTAL.....                             | \$50,491* |

\* Estimated, subject to change.

The Company will bear all of the above expenses of the registration of the Shares.

##### Item 15. Indemnification of Directors and Officers.

See "INDEMNIFICATION OF OFFICERS AND DIRECTORS" in the Prospectus.

##### Item 16. Exhibits.

#### **Exhibit Number**

#### **Description**

|      |  |
|------|--|
| 5.1  | Opinion of Lyle B. Stewart, Esq*   |
| 10.1 | Equity Line of Credit Agreement, dated June 12, 2001, between the Company, Cornell Capital Partners, L.P., and Dutchess Private Equities L.P.* |
| 10.2 | Registration Rights Agreement, dated June 12, 2001, between the Company, Cornell Capital Partners, L.P., and Dutchess Private Equities L.P.*   |

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- 10.3 Escrow Agreement, dated June 12, 2001, between the Company, Cornell Capital Partners, L.P., and Dutchess Private Equities L.P., Butler Gonzalez LLP, and First Union National Bank\*
- 10.4 Consulting Services Agreement, dated June 12, 2001, between the Company and Yorkville Advisors Management, LLC\*
- 23.1 Consent of Ehrhardt Keefe Steiner & Hottman P.C.
- 23.2 Consent of Lyle B. Stewart, Esq. (included in Exhibit 5.1)\*
24. Power of Attorney (included on signature page)

\* Previously Filed

### Item 17. Undertakings.

A. The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the "Act");

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high and of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

provided, however, that paragraphs (A)(1)(i) and (A)(1)(ii) do not apply if the Registration Statement is on Form S-3, Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Securities and Exchange Commission (the "Commission") by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

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B. Insofar as indemnification for liabilities arising under the Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-2 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in New York, New York on March 28, 2002.

MEDIX RESOURCES, INC.

By /s/John R. Prufeta  
John R. Prufeta,  
President and CEO

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Each person whose signature appears below in so signing also makes, constitutes and appoints John R. Prufeta and Gary L. Smith, and each of them, his or her true and lawful attorney-in-fact, with full power of substitution, for him in any and all capacities, to execute and cause to be filed with the Securities and Exchange Commission any and all amendments and post-effective amendments to this Registration Statement, with exhibits thereto and other documents in connection therewith, and hereby ratifies and confirms all that said attorney-in-fact or his substitute or substitutes may do or cause to be done by virtue hereof.

| Signature                               | Title   | Date           |
|---|---|----------------|
| /s/John R. Prufeta<br>John R. Prufeta   | President, Chief Executive Officer and Director (Principal Executive Officer)                     | March 28, 2002 |
| /s/Gary L. Smith<br>Gary L. Smith       | Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer) | March 28, 2002 |
| /s/David B. Skinner<br>David B. Skinner | Director  | March 28, 2002 |

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|   |          |                |
|---|----------|----------------|
| /s/John T. Lane<br>John T. Lane               | Director | March 28, 2002 |
| /s/Samuel H. Havens<br>Samuel H. Havens       | Director | March 28, 2002 |
| /s/Joan E. Herman<br>Joan E. Herman           | Director | March 28, 2002 |
| /s/Patrick W. Jeffries<br>Patrick W. Jeffries | Director | March 28, 2002 |
| /s/Guy L. Scalzi<br>Guy L. Scalzi             | Director | March 28, 2002 |

### EXHIBIT INDEX

| <u>Exhibit<br/>Number</u> | <u>Description</u>  |
|---------------------------|---|
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