

AMHN, Inc.
Form 8-K
February 18, 2011

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 15, 2011

AMHN, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation)

000-16731
(Commission File Number)

87-0233535
(IRS Employer Identification No.)

10611 N. Hayden Rd., Suite D106, Scottsdale, AZ 85260
(Address of principal executive offices and Zip Code)

(888) 245-4168
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a -12)
 - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d -2(b))
 - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e -4(c))
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ITEM 1.01

ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

Consulting Agreement with Back Office Consultants, Inc.

On February 15, 2011, AMHN, Inc. ("AMHN" or the "Company") entered into a Consulting Agreement with Back Office Consultants, Inc. ("Back Office") pursuant to which Back Office has agreed to provide accounting and corporate compliance services to the Company for a monthly fee of \$7,000. The one-year agreement has an effective date as of January 1, 2011. (See Exhibit 10.08, Consulting Agreement, attached hereto and incorporated herein by reference.)

Settlement of Secured Promissory Note to Seatac Digital Resources, Inc.

As previously reported, AMHN acquired 100% of the issued and outstanding shares of Spectrum Health Network, Inc., a Delaware corporation ("Spectrum") on June 11, 2010 in exchange for the issuance of an aggregate of 500,000 shares of AMHN's Common Stock. As a result of this transaction Spectrum became a wholly owned subsidiary of the Company. Since the closing date of the Spectrum acquisition, one of the Company's former majority shareholders Seatac Digital Resources, Inc., a Delaware corporation ("Seatac") advanced approximately \$487,532 to AMHN specifically to address the Company's payables (the "Advances"). Thereafter, the Company and Seatac entered into a Note Purchase Agreement and issued a Secured Demand Promissory Note dated December 16, 2010 in the principal amount of \$487,532 for repayment of the Advances and any future advances made by Seatac (the "Note"). The Note was subsequently amended to cover additional advances bringing the total principal amount due under the Note to \$543,541.39. As security for the Company's obligations under the Note Purchase Agreement and Note, the Company pledged all of the capital stock of Spectrum pursuant to the terms of a Stock Pledge and Escrow Agreement dated December 16, 2010. Repayment of the Note was guaranteed by Spectrum and secured by a blanket lien encumbering the assets of Spectrum.

Seatac recently notified the Company that it intends to make demand for payment under the Note; however, the Company is unable to pay the Note. In an effort to satisfy the Note in full, Seatac and the Company:

- 1) Acknowledged that the Company and Spectrum are unable to pay the aggregated principal and interest of \$547,155.30 due to Seatac under the Note which is secured by a first priority security interest in all of the assets of the Company and Spectrum;
- 2) Sent joint instruction to the escrow agent, pursuant to which the escrow agent transferred the stock certificate representing all of the outstanding shares of Spectrum being held in escrow to Seatac.
- 3) Entered into a trademark assignment to transfer all rights, title and interest in the mark "Spectrum Health Network, Inc." and the goodwill associated with that mark.
- 4) Entered into an Exclusive Licensing, Distribution and Advertising Sales Agreement wherein Seatac and Spectrum licensed the Company to sell subscriptions to and advertising spots on the Spectrum digital-media network, as more fully described below.

(See Exhibit 10.09, Agreement, Acknowledgment and Consent between the Company and Seatac, Exhibit 10.10, Joint Direction to Release Pledged Interests from Escrow, and Exhibit 10.11, Trademark Assignment and Agreement, which exhibits are attached hereto and incorporated herein by reference.)

ITEM 8.01

OTHER EVENTS

Coincident with the transactions outlined herein, the Company relocated its corporate offices to 10611 N. Hayden Rd., Suite D106, Scottsdale, Arizona 85260 and will file documentation with the Arizona Department of State to authorize the Company to conduct business in the State of Arizona.

ITEM 9.01

FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements:

None.

(b) Pro Forma Financial Information:

None.

(c) Shell Company Transactions:

None.

(d) Exhibits:

| Exh. No. | Date | Document |
|----------|--------------------------|--|
| 10.01 | December 16, 2010 | Note Purchase Agreement(1) |
| 10.02 | December 16, 2010 | Secured Promissory Note to Seatac Digital Resources(1) |
| 10.03 | December 16, 2010 | Stock Pledge and Escrow Agreement by and between the Company and Seatac Digital Resources, Inc. (1) |
| 10.04 | December 16, 2010 | Security Agreement by and between the Company and Seatac Digital Resources, Inc. (1) |
| 10.05 | December 16, 2010 | Guarantor Security Agreement by and between Spectrum Health Network, Inc. and Seatac Digital Resources, Inc. (1) |
| 10.06 | December 16, 2010 | Guaranty Agreement by and between Spectrum Health Network, Inc. and Seatac Digital Resources, Inc. (1) |
| 10.07 | December 16, 2010 | Assignment of IP Security Interest(1) |
| 10.08 | <u>February 15, 2011</u> | <u>Consulting Agreement with Back Office Consultants, Inc.*</u> |
| 10.09 | <u>February 15, 2011</u> | <u>Agreement, Acknowledgment and Consent between the Company and Seatac*</u> |
| 10.10 | <u>February 15, 2011</u> | <u>Joint Direction to Release Pledged Interests from Escrow*</u> |
| 10.11 | <u>February 15, 2011</u> | <u>Trademark Assignment and Agreement*</u> |
| 10.12 | <u>February 15, 2011</u> | <u>Exclusive Licensing, Distribution and Advertising Sales Agreement*</u> |
| 10.13 | <u>February 15, 2011</u> | <u>Resignation of Robert Cambridge*</u> |

* Filed herewith.

(1) Filed as an exhibit to the Company's Current Report on Form 8-K filed with the Commission on December 22, 2011.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 18, 2011

AMHN, INC.

By:

/s/ Jeffrey D. Howes
Jeffrey D. Howes
Chief Executive Officer