Golden Pond Healthcare, Inc.
Form 10-K
March 31, 2008
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 10-K

(Mark One)

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2007

or

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 001-33798

Golden Pond Healthcare, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**26-0183099**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification Number)*

1120 Post Road, 2nd Floor

Darien, CT 06820

(Address of principal executive offices and Zip Code)

Registrant s telephone number, including area code: (203) 517-3100

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Name of Each Exchange on Which Registered**
Common Stock, $0.001 par value	**American Stock Exchange**
Warrants (each Warrant is exercisable for one share of Common Stock)	**American Stock Exchange**
Units (each Unit is comprised of one share Common Stock and one Warrant)	**American Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨ No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	¨	Accelerated filer	¨

Non-accelerated filer (Do not check if a smaller reporting company)	x	Smaller reporting company	¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes x No ¨

The aggregate market value of the outstanding common stock held by non-affiliates of the registrant, computed by reference to the closing price on March 27, 2008, as reported by the American Stock Exchange, was approximately $119,981,250.

As of March 28, 2008, the registrant had outstanding 21,093,750 shares of common stock, $0.001 par value per share.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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You should review carefully the sections captioned Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations in this Annual Report for a more complete discussion of these and other factors that may affect our business.

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Special Note Regarding Forward-Looking Statements

This Annual Report on Form 10 K includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about us that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as may, should, could, would, expect, plan, anticipate, believe, estimate, continue, or the negative of such terms or other similar expressions. Factors that might cause or contribute to such a discrepancy include, but are not limited to, those described in our other Securities and Exchange Commission filings. The following discussion should be read in conjunction with our unaudited Financial Statements and related Notes thereto included elsewhere in this report.

PART I

Item 1. *Business*

Overview

We are a blank check company organized under the laws of the State of Delaware on May 15, 2007, for the purpose of effecting a merger, capital stock exchange, asset or stock acquisition or other similar business combination with one or more domestic or international operating businesses. On November 6, 2007, our Registration Statement relating to our initial public offering of our units was declared effective by the Securities and Exchange Commission (SEC) and on November 13, 2007, we consummated our initial public offering and a private placement of 4,000,000 warrants to Pecksland Partners, LLC, one of our stockholders and an affiliate of our officers. Although we may acquire a non-United States business, our primary search for acquisition targets will focus on domestic operating businesses. Our efforts in identifying a prospective target will not be limited to a particular industry, although we intend to focus our efforts on the healthcare industry. We intend to utilize cash derived from the proceeds of our initial public offering and the private placement we consummated in connection therewith, as well a possible issuance of our capital stock or debt, or a combination of cash, capital stock and/or debt issuance.

Since our initial public offering, our sole business activity has been evaluating suitable business combination candidates in the healthcare industry. We expect to continue to evaluate target businesses in the United States operating in the healthcare industry, which we believe currently offers a favorable environment both for completing a business combination and operating the target business. This belief is based on, among other things, our management team s familiarity with the healthcare industry and their backgrounds within the healthcare industry.

Our management has extensive experience creating, financing and operating healthcare businesses. Our President and Chairman of the Board, Stephen F. Wiggins, is currently a Managing Director for Essex Woodlands Health Ventures; an advisor and director of Revolution Health, Inc; and a director of Ika Systems and Millennium Pharmacy Systems. Mr. Wiggins previously served for 14 years as the Chairman of the Board and Chief Executive Officer of Oxford Health Plans, a company he founded. Mr. Wiggins founded HealthMarket, Inc., an insurance company that developed innovative consumer driven health plans, where he served as Chairman and Chief Executive Officer. In addition, in 1993, Mr. Wiggins co-founded Health Partners, Inc., a physician practice management company. W. Robert Dahl, Jr., our Vice President of Strategic Business Development and Vice Chairman of the Board, also has extensive experience in the healthcare industry. Most recently, Mr. Dahl served as the head of Global Healthcare for the Carlyle Group, a leading private equity firm with over $50 billion of equity under management, where he was responsible for the firm s investments in the healthcare field. During his tenure at Carlyle, Mr. Dahl served on the investment committee of its U.S. buyout funds, including the $7.9 billion Carlyle Partners IV and the $3.9 billion Carlyle Partners III funds. Mr. Dahl also served on the investment committee of the $430 million Carlyle Mezzanine Partners. Prior to his tenure at Carlyle, Mr. Dahl served as co-head of healthcare investment banking in North America at Credit Suisse First Boston. Michael C. Litt, our Chief Financial Officer and Secretary, served as the portfolio strategist and co-manager of the FrontPoint Multi-Strategy Fund at FrontPoint Partners LLC, an entity of which he was a founding partner, until FrontPoint Partners was acquired by Morgan Stanley in December, 2006. Prior to his tenure at FrontPoint, Mr. Litt spent 17 years at Morgan Stanley & Co. where he was a Managing Director. At Morgan Stanley he led the Global Pensions Group in New York, the strategic coverage unit for pension plans and insurance companies. His work focused on asset portfolio restructuring, asset-liability management, the evaluation of investment performance within pension and foundation asset portfolios, corporate equity based compensation scheme funding programs, and synthetic asset volatility management.

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We have a strong and distinguished board of directors and senior advisor. In addition to Mr. Wiggins and Mr. Dahl, our board of directors includes Dr. Frank E. Young, Thomas MacMahon and Christopher J. Garcia, individuals with established records in the healthcare industry and the financial community. Dr. Young is a former Commissioner of the FDA. Mr. MacMahon was the CEO and Chairman of LabCorp, a diagnostic services company, from 1997 to 2006. Mr. Garcia is presently an operating partner and advisor with the Charterhouse Group, Inc, a middle market private equity firm where his primary focus is healthcare services investing. Our senior advisor, Dr. Anthony Wild, has been active in the global pharmaceuticals industry for the past 35 years. We expect to utilize their collective talent and experience in analyzing investment opportunities.

Industry Overview and Trends

The healthcare industry constitutes one of the largest segments of the United States economy. In the U.S. alone, total healthcare expenditures increased from $253.9 billion in 1980 to approximately $2.0 trillion in 2005. Spending on healthcare in the U.S. is projected to pass the $3.0 trillion mark within five years.

The Center for Medicare and Medicaid Services (CMS) reports that healthcare spending rose 6.9% during 2005, over twice the rate of growth in the CPI. Expressed as a percentage of GDP, CMS has reported that national healthcare spending increased from 9.1% in 1980 to 16% in 2005 and is projected to rise to approximately 18% of GDP by 2012. These projections imply per capita spending of over $10,000 by 2012, from approximately $7,500 in 2007.

Public sources of funding account for approximately 45% of national health expenditures, and private sources account for approximately 55% of expenditures. Medicare and Medicaid are the two primary sources of public funding for healthcare services. Medicare provides coverage for the elderly and disabled and Medicaid provides coverage for the poor and indigent. Together, these programs funded over $650 billion of healthcare benefits during 2005, with federal, state and local government spending growth of 7.7% over 2004 levels. Public spending on healthcare is growing faster than private spending, driven partly by the impacts of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act (BBRA) of 1999; the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA) of 1999; the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA) of 2000; and the Medicare Prescription Drug Improvement and Modernization Act (MMA) of 2003. Medicare spending reached $342 billion in 2005, growing 9.3%; and Medicaid spending reached $313 billion, growing at 7.2% over 2004 levels.

Private sources of funding exceeded $1 trillion in 2005 and were dominated by private businesses, which spent $372 billion in 2005; and households that contributed $456 billion. The purchase of health insurance represented $694 billion of the total private sources of funding, while consumer out-of-pocket payments represented $249 billion.

Our management believes spending on healthcare will continue to experience substantial growth. New diagnostic testing, including the growing field of genetic testing, along with the proliferation of new drugs, devices, treatments and technologies is expected to accelerate demand for healthcare services. There is also pressure from consumers and government to expand coverage for the uninsured and underinsured through various universal healthcare initiatives. Management believes these pressures could result in expansion of spending for health services.

Our management also believes that consumers will play an increasingly significant role in healthcare spending decisions, changing the dynamics of marketing certain drugs, devices and services. In some categories of health spending, such as durable medical equipment, consumer out-of-pocket payments already represent approximately half of all spending on such equipment. Similarly, growth in out-of-pocket spending for drugs has outpaced private health insurance spending growth for drugs since 2003. Combined with the proliferation of tiered-co-payment benefit plans, this has further driven the shift in use toward generic drugs.

In addition to domestic growth, our management believes that healthcare companies will continue to experience major international growth opportunities as a result of growing worldwide demand for healthcare products and services, heightened awareness of the importance and potential of international markets, which often offer a less-expensive and faster regulatory path for their products, and the increasing availability of a low-cost pool of scientific talent to perform product development and clinical research.

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Our management believes that, as a result of continued growth in the healthcare industry, there will be acquisition targets within the healthcare sector. We believe that the growth and opportunity in the healthcare industry has been driven and will continue to be driven by several key trends, including:

Expanding and Aging Population *The size of the elderly population, the segment with the largest per capita usage of healthcare services, is increasing more rapidly than the rest of the population. In 2006, 43.2 million people were covered by Medicare and CMS expects that number to pass 50 million by 2013. Our management believes that the success of the private sector in achieving slower growth in health spending than the public sector, and the general preference in the U.S. for a competitive, free market healthcare system, will drive continued opportunities for private sector solutions for these massive public financing challenges. CMS has predicted that the hospital insurance trust fund will be exhausted in 2019. Our management believes this will demand further cost shifting to beneficiaries and greater dependence on private sector solutions.*

Internationalization *Our management believes that healthcare companies will continue to experience international growth opportunities as a result of growing worldwide demand for healthcare products and services, heightened awareness of the importance and potential of international markets, which often offer a less-expensive and faster regulatory path for their products, and the increasing availability of a low-cost pool of scientific talent to perform product development and clinical research. Our management believes business combinations that seek to capture the cost advantage of lower cost countries, in healthcare businesses that include manufacturing or business process outsourcing, may also be attractive. In addition to the growing U.S. elderly population, we believe the number of people in Europe and Japan who are age 65 years or older is expected to increase at a rate at least as fast as in the U.S.*

Evolving Medical Treatments *Advances in technology have favorably impacted the development of new medical devices and treatments/therapies. The products are generally more effective and easier to use. Some of these breakthroughs have reduced hospital stays, costs and recovery periods. The continued advancement of technological breakthroughs should continue to boost services administered by healthcare providers.*

Increased Consumer Awareness *In recent years, the publicity associated with new technological advances and new medical therapies has increased the number of patients visiting healthcare professionals to seek treatment for new and innovative therapies. Simultaneously, consumers have become more vocal due to rising costs and reduced access to physicians. Further, the cost burden for the provision of healthcare continues to shift to the consumer as employers are increasingly offering health plan alternatives structured with higher deductibles and more limited benefit coverage. Lastly, the rise in cosmetic procedures has emerged as one of the fastest growing healthcare segments. Since many cosmetic procedures require out-of-pocket expenditures, this rise may reflect a growing willingness by consumers to pay for certain procedures out of their discretionary funds. We believe that more active and aware consumers will continue to stimulate a wide variety of healthcare segments.*

Fragmentation *Our management believes that the fragmentation of the healthcare industry encourages entrepreneurial activity and provides opportunities for industry consolidation. Aggregating smaller companies offers the potential to bring them economies of scale, distribution capabilities, corporate efficiency and increased capital resources. We believe that fragmentation in the healthcare industry will continue to provide us with acquisition targets.*

Changes in Healthcare Laws and Regulations *Our management believes significant business opportunities are created by shifts in political priorities and perspectives that lead to changes in laws and regulations. HMOs, Part D drug plans and Medicare Private Fee For Service Plans are examples of large new industry sectors created by changing laws and regulations. Similarly, changes in FDA policies and practices may significantly change the market dynamics for regulated drugs and devices.*

Although we may consider a target business in any segment of the healthcare industry, we intend to concentrate our search for an acquisition candidate in the following segments:

healthcare services, including managed care and healthcare financing;

healthcare information technology;

healthcare facilities;

diagnostics;

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life sciences; and

medical equipment, devices and supplies.

We believe the foregoing segments offer us the most opportunities to identify suitable target businesses. Each of these categories has experienced favorable growth and development in the past, and management believes they will continue to experience growth and development in the foreseeable future. In addition, many of the directors and members of the management team have significant operating experiences and extensive networks within these industry segments, and we believe that focusing our acquisition efforts in these particular segments will allow us to leverage these experiences and networks and enhance our ability to complete an acquisition of a target business.

Government Regulation

The healthcare industry is highly regulated and any business we acquire would likely be subject to numerous rules and regulations. The federal and state governments extensively regulate the healthcare industry and are often significant sources of revenue for healthcare companies. In particular, our business could rely heavily on the Medicare and Medicaid government payment programs, each of which is financed, at least in part, with federal money. If we participate in these government payment programs, we would be subject to additional oversight and regulatory scrutiny. In addition to federal oversight, state jurisdiction is based upon the state s authority to license certain categories of healthcare professionals and providers and the state s interest in regulating the quality of healthcare in the state, regardless of the source of payment.

The significant areas of federal and state regulatory laws that could affect our ability to conduct our business following a business combination could include, among others, those regarding:

False and other improper claims for payment *The government may fine a provider if it knowingly submits, or participates in submitting, any claim for payment to the federal government that is false or fraudulent, or that contains false or misleading information.*

The Stark Self-Referral Law and other laws prohibiting self-referral and financial inducements *Laws that limit the circumstances under which physicians who have a financial relationship with a company may refer patients to such company for the provision of certain services.*

Anti-kickback laws *Federal and state anti-kickback laws make it a felony to knowingly and willfully offer, pay, solicit or receive any form of remuneration in exchange for referrals or recommendations regarding services or products.*

Health Insurance Portability and Accountability Act *Laws designed to combat fraud against any healthcare benefit program for theft or embezzlement involving healthcare, as well as providing various privacy rights to patients and customers.*

Corporate practice of medicine *Many states have laws that prohibit business corporations from practicing medicine, employing physicians to practice medicine, exercising control over medical decisions by physicians, or engaging in certain arrangements, such as fee-splitting, with physicians.*

Antitrust laws *Wide range of laws that prohibit anticompetitive conduct among separate legal entities in the healthcare industry.*

A violation of any of these laws or regulations could result in civil and criminal penalties, the requirement to refund monies paid by government and/or private payors, exclusion from participation in Medicare and Medicaid programs and/or the loss of licensure. Following a business combination, our management intends to exercise care in structuring our arrangements and our practices to comply with applicable federal and state laws and regulations. However, we can not assure you that our management will be successful in complying with all applicable laws and regulations. If we have been found to have violated any rules or regulations that could adversely affect our business and operations, the violations may delay or impair our ability to complete a business combination. Additionally, the laws in the healthcare industry are subject to change, interpretation and amendment, which could adversely affect our ability to conduct our business following a business combination.

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Our Competitive Advantages

Our management has extensive experience creating, financing and operating healthcare businesses. These businesses are involved in medical robotics, generic drugs, managed care, healthcare information technology, medical devices, consumer and provider on-line portals, healthcare provider facilities, physician practice management, health benefits distribution, biotechnology and pharmaceuticals. Their involvement with these businesses has enabled our management to develop an investment approach that is thesis driven, that is, it derives from a specific perspective or strategic viewpoint for industry segments. We are seeking business combinations in healthcare sectors that we believe have strong fundamentals and present attractive investment opportunities.

In addition to a thesis-driven approach to investing, we will continue to use our extensive network of relationships to identify business combinations. Our backgrounds in investment banking, private equity, venture capital, and building large health industry businesses has positioned us to achieve access to a wide range of industry contacts in our efforts to identify a business combination. These relationships also enhance our access to expert opinion and due diligence assistance when reviewing target business combinations. We also expect that some businesses may view affiliation with our management, and their expertise in operational, acquisition and financing matters, particularly in relation to the healthcare industry, as a competitive advantage in furthering their business goals.

Effecting a Business Combination

General

We were formed to acquire, through a merger, capital stock exchange, asset or stock acquisition or other similar business combination, one or more domestic or international operating businesses. We intend to utilize cash derived from the proceeds of our public offering and, if appropriate, our capital stock, debt or a combination of these in effecting a business combination. Although substantially all of the net proceeds of this offering are intended to be generally applied toward effecting a business combination as described in this prospectus, the proceeds are not otherwise being designated for any more specific purposes. Accordingly, our stockholders have not had an opportunity to evaluate the specific merits or risks of any one or more business combinations. A business combination may involve the acquisition of, or merger with, a company which does not need substantial additional capital but which desires to establish a public trading market for its shares, while avoiding what it may deem to be adverse consequences of undertaking a public offering itself. These include time delays, significant expense, loss of voting control and compliance with various Federal and state securities laws.

Sources of target business

We will continue to identify and evaluate business combination candidates. We believe that there are numerous candidates available in our targeted healthcare sectors. Our approach will combine thesis-driven deal discovery with more traditional avenues of generating opportunities through third parties. Our thesis-driven approach will focus on outreach to businesses in healthcare sectors where we believe attractive investments may exist. We also anticipate that target business candidates will be brought to our attention by various unaffiliated sources, including corporations with non-core assets they may desire to monetize, securities broker/ dealers, investment bankers, venture capital funds, private equity funds, leveraged buyout funds, management buyout funds and other members of the financial community, who may present solicited or unsolicited proposals. Our existing stockholders, including all of our officers and directors and our senior advisor as well as their affiliates, may also bring to our attention target business candidates that they become aware of through their business contacts. While we do not presently anticipate engaging the services of professional firms or other individuals that specialize in business acquisitions on any formal basis, and have no arrangements or understanding, preliminary or otherwise, with respect to such engagements, we may engage these firms or other individuals in the future, in which event we may pay a finder s fee or other compensation to be determined in arm s length negotiations. In no event will any of our existing officers, directors, senior advisor or any entity with which any of them is affiliated be paid by us, Pecksland Partners, LLC, any of our respective affiliates or any prospective target business, any finder s fee or other compensation, for services rendered to us prior to or in connection with the consummation of a business combination.

Selection of a target business and structuring of a business combination

We have not established any specific criteria (financial or otherwise) for prospective target businesses. In evaluating a prospective target business, our management will consider, among other factors, the following:

Financial condition and results of operations;

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Experience and skill of management and availability of additional personnel;

Growth potential;

Stage of development of the products, processes or services;

Degree of current or potential market acceptance of the products, processes or services;

Proprietary features and degree of intellectual property or other protection of the products, processes or services;

Capital requirements, barriers to entry, proprietary offerings, and competitive positioning;

Regulatory environment of the industry; and

Costs associated with effecting the business combination.

These criteria are not intended to be exhaustive. Any evaluation relating to the merits of a particular business combination will be based, to the extent relevant, on the above factors as well as other considerations deemed relevant by our management in effecting a business combination consistent with our business objective. In evaluating all prospective target businesses, we will conduct an extensive due diligence review which will encompass, among other things, meetings with incumbent management and inspection of facilities, as well as review of financial and other information which will be made available to us. We will also seek to have all prospective target businesses execute agreements with us waiving any right, title or claim to any monies held in the trust account.

We believe it is possible that our attractiveness as a potential buyer of businesses may increase after the consummation of an initial transaction and there may or may not be additional acquisition opportunities as we grow and integrate our acquisitions. To the extent we are able to identify multiple acquisition targets and options as to which business or assets to acquire as part of an initial transaction, we intend to seek to consummate an acquisition that is the most attractive and provides the greatest opportunity for creating stockholder value.

The time and costs required to select and evaluate a target business and to structure and complete a business combination cannot presently be ascertained with any degree of certainty. Any costs incurred with respect to the identification and evaluation of a prospective target business with which a business combination is not ultimately completed will result in a loss to us and reduce the amount of capital available to us to otherwise complete a business combination.

Fair market value of target business

The initial target business that we acquire must have a fair market value equal to at least 80% of our net assets at the time of such acquisition (all of our assets, including the funds held in the trust account other than the deferred underwriting discount, less our liabilities), although we may acquire a target business whose fair market value significantly exceeds 80% of our net assets. We may structure a business combination to acquire less than 100% of the interests or assets of the target business, but we will not acquire less than a majority interest (meaning more than 50% of the voting power with respect to such target business). In order to consummate such an acquisition, we may issue a significant amount of debt or equity securities to the sellers of such business and/or seek to raise additional funds through a private offering of our debt or equity securities. Since we have no specific business combination under consideration, we have not entered into any such fund raising arrangements and have no current intention of doing so. The fair market value of such business will be determined by our board of directors based upon standards generally accepted by the financial community, such as actual and potential sales, earnings and cash flow and book value. If our board is not able to independently determine that the target business has a sufficient fair market value, we will obtain an opinion from an unaffiliated, independent third party appraiser, which is required to be an investment banking firm that is a member of the Financial Industry Regulatory Authority (formerly known as the National Association of Securities Dealers, Inc.) with respect to the satisfaction of such criteria. Since any opinion, if obtained, would merely state that fair market value meets the 80% of net assets threshold, it is not anticipated that copies of such

opinion would be distributed to our stockholders, although copies will be provided to stockholders who request it. Many investment banking firms take the position, however, that stockholders not be permitted to rely upon such opinions, and stockholders requesting such an opinion may be unable to rely on the opinion. We will not be required to obtain an opinion from an investment banking firm as to the fair market value if our board of directors independently determines that the target business has sufficient fair market value.

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Probable lack of business diversification

While we may seek to effect business combinations with more than one domestic or international target business, our initial business combination must be with a target business that satisfies the minimum valuation standard at the time of such acquisition, as discussed above. Consequently, it is probable that we will have the ability to effect only a single business combination. Accordingly, the prospects for our ability to execute any potential business plan may be entirely dependent upon the future performance of a single business. Unlike entities that have the resources to complete several business combinations of entities operating in multiple industries or multiple sectors of a single industry, it is probable that we will not have the resources to diversify our operations or benefit from the possible spreading of risks or offsetting of losses. By consummating a business combination with only a single entity, our lack of diversification may:

subject us to numerous economic, competitive and regulatory developments, any or all of which may have a substantial adverse impact upon the particular industry in which we may operate subsequent to a business combination, and

result in our dependency upon the development or market acceptance of a single or limited number of products, processes or services.

Additionally, since our business combination may entail the simultaneous acquisitions of several assets or operating businesses at the same time and may be with different sellers, we will need to convince such sellers to agree that the purchase of their assets or closely related businesses is contingent upon the simultaneous closings of the other acquisitions.

Limited ability to evaluate the target business management

Although we intend to closely scrutinize the management of a prospective target business when evaluating the desirability of effecting a business combination, we cannot assure you that our assessment of the target business management will prove to be correct. In addition, we cannot assure you that the future management will have the necessary skills, qualifications or abilities to manage a public company.

Opportunity for stockholder approval of business combination

Prior to the completion of a business combination, we will submit the transaction to our stockholders for approval, even if the nature of the acquisition is such as would not ordinarily require stockholder approval under applicable state law. In connection with any such transaction, we will also submit to our stockholders for approval a proposal to amend our amended and restated certificate of incorporation to provide for our corporate existence to continue perpetually following the consummation of a business combination. Any vote to extend our corporate existence to continue perpetually following the consummation of a business combination will be taken only if the business combination is approved. We will only consummate a business combination if stockholders vote both in favor of the business combination and an amendment to extend our corporate existence. In connection with seeking stockholder approval of a business combination and the extension of our corporate existence, we will furnish our stockholders with proxy solicitation materials prepared in accordance with the Securities Exchange Act of 1934, as amended, which, among other matters, will include a description of the operations of the target business and audited historical financial statements of the business.

In connection with the vote required for any business combination, all of our existing stockholders, including our principal stockholder and all of our officers and directors and our senior advisor, have agreed to vote the shares of common stock purchased by them prior to our initial public offering in accordance with the majority of the shares of common stock voted by the public stockholders. In the event that our existing stockholders purchase any additional units or shares of our common stock, we anticipate that they will vote any shares of common stock so acquired by them in favor of our initial business combination and in favor of an amendment to our amended and restated certificate of incorporation to provide for our perpetual existence in connection with a vote to approve our initial business combination. Factors that would be considered by our existing stockholders in deciding to make such additional purchases would include consideration of the current trading price of our units and shares of common stock. We will proceed with a business combination only if a majority of the shares of common stock voted by the public stockholders are voted in favor of the business combination and public stockholders owning less than 30% of the shares sold in this offering both exercise their conversion rights and vote against the business combination. Voting against the combination alone will not result in conversion of shares into the conversion price.

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Our threshold for conversion was established at 30% in order to reduce the risk of a small group of stockholders exercising undue influence on the stockholder approval process. However, previously a 20% conversion threshold had been more typical for offerings of this type. Voting against the business combination alone will not result in conversion of a stockholder s shares at the applicable conversion price. To do so, a stockholder must also exercise the conversion rights and comply with the conversion procedures described below.

Conversion rights

At the time we seek stockholder approval of any business combination, we will offer each public stockholder, other than our existing stockholders, the right to have such stockholder s shares of common stock converted to cash if the stockholder votes against the business combination and the business combination is approved and completed. The conversion rights do not apply to shares outstanding prior to this offering. The actual per-share conversion price will be equal to the amount in the trust account, including a pro rata share of the deferred underwriting discount and net of (1) income taxes payable on the interest income on the trust account and (2) up to $2,125,000 of interest income earned on the trust account balance which will be available to us, net of income taxes payable on this amount, to fund working capital requirements, each calculated as of two business days prior to the consummation of the actual business combination), divided by the number of shares sold in this offering. Without taking into any account interest earned on the trust account or taxes payable on such interest, the initial per-share conversion price would be $7.88 or $0.12 less than the per unit offering price of $8.00. Because the initial per share conversion price is $7.88 per share (plus any interest net of taxes payable), which may be lower than the market price of the common stock on the date of the conversion, there may be a disincentive on the part of public stockholders to exercise their conversion rights.

Liquidation if no business combination

If we do not complete a business combination by November 6, 2009, we will dissolve and distribute to all of our public stockholders, in proportion to their respective equity interests, an aggregate sum equal to the amount in the trust account, including the amount representing the deferred portion of the underwriters fees, plus any interest (net of taxes payable), plus any remaining net assets. Our existing stockholders, officers and directors have agreed to waive their respective rights to participate in any liquidation distribution occurring upon our failure to consummate a business combination, but only with respect to those shares of common stock owned by them prior to our initial public offering; they will participate in any liquidation distribution with respect to any shares of common stock acquired in connection with or following our initial public offering. There will be no distribution from the trust account with respect to the warrants and all rights with respect to the warrants will effectively terminate upon our liquidation.

Without taking into account interest, if any, earned on the trust account, the per-share liquidation value of the trust account would be approximately $7.88, or $0.12 less than the per-unit offering price of $8.00. The proceeds deposited in the trust account could, however, become subject to the claims of our creditors, which could be prior to the claims of our public stockholders. We cannot assure you that the actual per-share liquidation value of the trust account will not be less than approximately $7.88, plus interest (net of taxes payable), due to claims of creditors. Each of our executive officers has agreed that, if we liquidate prior to the consummation of a business combination, they will be personally liable to ensure that the proceeds of the trust account are not reduced by the claims of vendors for services rendered or products sold to us, or claims of a prospective target business. However, we cannot assure you they will be able to satisfy such obligations.

Prior to completion of a business combination, we will seek to have all vendors, a prospective target business or other entities with whom we engage in business enter into agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in the trust account for the benefit of our public stockholders. In the event that a vendor, prospective target business or other entity were to refuse to enter into such a waiver, our decision to engage such vendor or other entity or to enter into discussions with such target business would be based on our management s determination that we would be unable to obtain, on a reasonable basis, substantially similar services or opportunities from another entity willing to enter into such a waiver.

A public stockholder will be entitled to receive funds from the trust account only in the event of our liquidation or if such stockholder seeks to convert its shares into cash upon a business combination that such stockholder voted against and that is actually completed by us. In no other circumstances will a stockholder have any right or interest of any kind to or in the trust account.

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Amended and Restated Certificate of Incorporation

Our amended and restated certificate of incorporation contains certain requirements and restrictions relating to our initial public offering that will apply to us until the consummation of a business combination. Specifically, our amended and restated certificate of incorporation provides,

upon consummation of our initial public offering, a certain amount of the proceeds from the offering will be placed into the trust account (in connection with this requirement, on November 13, 2007, an amount equal to $132,725,000 was so placed into the trust account), and these funds may not be disbursed from the trust account to our stockholders except upon our liquidation or in the event a stockholder exercises the conversion right set forth below, provided that up to $2,125,000 of the interest earned on the trust account (net of taxes payable on this interest) may be released to us to cover a portion of our operating expenses;

prior to the consummation of our initial business combination, we will submit such business combination to our stockholders for approval;

we may consummate our initial business combination only if approved by a majority of the shares of common stock voted by the public stockholders and only if public stockholders owning less than 20% of the shares sold in our initial public offering exercise their conversion rights;

if our initial business combination is approved and consummated, public stockholders who voted against the business combination and exercised their conversion rights will receive their pro rata share of the trust account, including their pro rata portion of the deferred underwriting discount and all accrued interest (net of (1) income taxes payable on the interest income on the trust account and (2) up to $2,125,000 of interest income on the trust account balance, net of income taxes payable on this amount, released to us to fund working capital requirements);

if our initial business combination is not consummated before November 6, 2009, our corporate existence will cease and we will wind up our affairs and liquidate;

upon our dissolution, we will distribute to our public stockholders their pro rata share of the trust account in accordance with the trust agreement and the requirements of the Delaware General Corporation Law; and

our initial business combination must have a fair market value equal to at least 80% of our net assets at the time of such business combination (all of our assets, including the funds held in the trust account other than the deferred underwriting discount, less our liabilities).

Our amended and restated certificate of incorporation requires that we obtain unanimous consent of our stockholders to amend the above-described provisions. However, the validity of unanimous consent provisions under Delaware law has not been settled. A court could conclude that the unanimous consent requirement constitutes a practical prohibition on amendment in violation of the stockholders implicit rights to amend the corporate charter. In that case, the above-described provisions would be amendable without unanimous consent and any such amendment could reduce or eliminate the protection afforded to our stockholders. However, we view the foregoing provisions, including the requirement that the public stockholders owning less than 30% of the shares sold in our initial public offering exercise their conversion rights in order for our initial business combination to be consummated, as obligations to our stockholders, and we will not take any action to waive or amend any of these provisions, including by seeking to amend our certificate of incorporation to increase or decrease this threshold.

Competition for Target Businesses

In identifying, evaluating, and selecting a target business for a business combination, we expect to encounter competition from other entities having a business objective similar to ours, including private investors (which may be individuals or investment partnerships), other blank check companies, private equity groups and leveraged buyout funds, and operating businesses seeking acquisitions. Many of these individuals and

entities are well established and have extensive experience identifying and effecting business combinations directly or through affiliates. Many of these competitors possess greater technical, human and other resources than us and our financial resources will be relatively limited when contrasted with those of many of these competitors. While we believe there may be numerous potential target acquisitions that we could acquire with the net proceeds of our initial public offering,

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our ability to compete in acquiring certain sizable target acquisitions will be limited by our available financial resources. This inherent competitive limitation gives others an advantage in pursuing a target business. Further, the following may not be viewed favorably by certain target businesses:

- the requirement that we seek stockholder approval of a business combination or obtain the necessary financial information to be included in the proxy statement to be sent to stockholders in connection with such business combination may delay the completion of a transaction;

- the conversion of common stock held by our public stockholders into cash may reduce the resources available to us to fund an initial business combination;

- our outstanding warrants, and the dilution they potentially represent, may not be viewed favorably by certain target businesses; and

- the requirement to acquire assets or an operating business in a business combination that has a fair market value at least equal to 80% of our net assets at the time of the acquisition (all of our assets, including the funds held in the trust account other than the deferred underwriting discount, less our liabilities) could require us to acquire several assets or closely related operating businesses at the same time, all of which sales would be contingent on the closings of the other sales, which could make it more difficult to consummate the business combination.

Any of these factors may place us at a competitive disadvantage in successfully negotiating a business combination. Our management believes, however, that our status as a public entity and potential access to the United States public equity markets may give us a competitive advantage over privately held entities having a similar business objective as ours in acquiring a target business with significant growth potential on favorable terms. If we succeed in effecting a business combination, there will be, in all likelihood, competition from competitors of the target business. We can make no assurance that, subsequent to a business combination, we will have the resources or ability to compete effectively.

Employees

We have three officers, of whom Stephen F. Wiggins and W. Robert Dahl, Jr. are also members of our board of directors. None of our officers is obligated to devote any specific number of hours to our business and each intends to devote only as much time as he deems necessary to our business. Prior to the consummation of a business combination we do not intend to have any full-time employees, other than those employed merely in an administrative capacity. For a more complete discussion regarding our officers and their background, see Item 10 below, Directors and Executive Officers of the Registrant.

Available Information

The Company s Internet address is www.goldenpondhealthcare.com. The content on the Company s website is available for information purposes only. It should not be relied upon for investment purposes, nor is it incorporated by reference into this Annual Report.

The Company makes available through its Internet website under the heading Investor Relations , its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports after it electronically files such materials with the Securities and Exchange Commission. Copies of the Company s key corporate governance documents, including its Corporate Governance Guidelines, Code of Ethics and Business Conduct, and charters for the Audit Committee and the Compensation Committee are also on the Company s website. Stockholders may request free copies of these documents, including our Annual Report to Shareholders, from the Investor Relations Department by writing to Golden Pond Healthcare, Inc., 1120 Post Road, 2nd Floor, Darien , CT 06820, or by calling (203) 517-3100.

Our filed Annual and Quarterly Reports, Proxy and other information statements are also available to the public through the SEC s website at *http://www.sec.gov*.

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Item 1A. Risk Factors

Our business is subject to numerous risks. We caution you that the following important factors, among others, could cause our actual results to differ materially from those expressed in forward-looking statements made by us or on our behalf in filings with the SEC, press releases, communications with investors and oral statements. Any or all of our forward-looking statements in this quarterly report on Form 10-Q and in any other public statements we make may turn out to be wrong. They may be affected by inaccurate assumptions we might make or by known or unknown risks and uncertainties. Many factors mentioned in the discussion below will be important in determining future results. Consequently, no forward-looking statement can be guaranteed. Actual future results may vary materially from those anticipated in forward-looking statements. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosure we make in our reports filed with the SEC.

Risks Associated with Our Business

We are a development stage company with no operating history and, accordingly, our stockholders do not have any basis on which to evaluate our ability to achieve our business objective.

We are a recently incorporated development stage company with no operating results to date. Since we do not have an operating history, our stockholders have no basis upon which to evaluate our ability to achieve our business objective, which is to acquire an operating business in the healthcare industry. We have no present revenues and will not generate any revenues until, at the earliest, after the consummation of a business combination. We cannot make any assurances when or if an initial business combination will occur.

If we are unable to complete an initial business combination and are forced to dissolve and liquidate the trust account, our public stockholders will receive less than $8.00 per share (the price at which we sold our units in our initial public offering) and our warrants will expire worthless.

If we are unable to complete a business combination within the prescribed timeframe and are forced to dissolve and liquidate our assets as part of our plan of dissolution and distribution, the per share liquidation distribution will be less than $8.00 (the price at which we sold our units in our initial public offering) because of the expenses of our initial public offering, our general and administrative expenses and the anticipated costs of seeking an initial business combination, which may include using a portion of the funds not being placed in trust as a down payment or to fund a down payment, lock-up or no-shop provision with respect to a particular proposed business combination. If we were to expend all of the net proceeds of our initial public offering and the private placement of warrants which was effectuated contemporaneously with our initial public offering (the private placement), other than the proceeds deposited in the trust account, and without taking into account any interest earned on the trust account or taxes payable on such interest, the initial per share liquidation price would be $7.88, or $0.12 less than the per unit offering price of $8.00, assuming that amount was not further reduced by claims of creditors. We cannot make any assurances that the actual per share liquidation price will not be less than $7.88. In the event that we dissolve and liquidate and it is subsequently determined that our reserves for claims and liabilities to third parties are insufficient, stockholders who receive funds from our trust account could be liable up to such amounts to creditors. Furthermore, there will be no distribution with respect to our outstanding warrants, which will expire worthless if we liquidate before the completion of a business combination.

If the net proceeds of our initial public offering not placed in the trust account together with interest earned on the trust account available to us are not sufficient to allow us to operate until November 6, 2009, we may be unable to complete a business combination.

We believe that the funds available to us outside of the trust account, including up to $2,125,000 of interest earned from the trust account balance (net of income taxes payable on this amount) that may be released to us, will be sufficient to allow us to operate until November 6, 2009, assuming that a business combination is not consummated during that time. However, we cannot offer assurances that our estimates will be accurate. We could use a portion of the funds not being placed in the trust account to pay fees to consultants to assist us with our search for a target business. Additionally, we could use a portion of the funds not being placed in the trust account as a down payment or to fund a no-shop provision with respect to a particular proposed business combination, although we do not have any current intention to do so. If we did and were subsequently required to forfeit such funds (whether as a result of our breach or otherwise), we might not have sufficient funds to continue searching for, or conduct due diligence with respect to, a target business.

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Our public stockholders are not entitled to protections normally afforded to investors of blank check companies.

Since the net proceeds of our initial public offering are intended to be used to complete a business combination with a target business that has not been identified, we may be deemed to be a blank check company under the United States securities laws. However, since we have net tangible assets in excess of $5,000,000 and filed a Current Report on Form 8-K with the SEC upon consummation of our initial public offering which included an audited balance sheet demonstrating this fact, we are exempt from rules promulgated by the SEC to protect investors of blank check companies such as Rule 419. Accordingly, our stockholders will not be afforded the benefits or protections of those rules. Because we are not subject to Rule 419, our units are currently tradable and we have a longer period of time to complete a business combination in certain circumstances than we would if were subject to Rule 419.

We may choose to redeem our outstanding warrants at a time that is disadvantageous to our warrant holders.

Subject to there being a current prospectus under the Securities Act with respect to the common stock issuable upon exercise of the warrants, we may redeem the warrants issued as a part of our units at any time after the warrants become exercisable in whole and not in part, at a price of $0.01 per warrant, upon a minimum of 30 days prior written notice of redemption, if and only if, the last sales price of our common stock equals or exceeds $11.50 per share for any 20 trading days within a 30 trading day period ending three business days before we send the notice of redemption. In addition, we may not redeem the warrants unless the warrants which are a part of the units sold in our initial public offering and the shares of common stock underlying those warrants are covered by an effective registration statement from the beginning of the measurement period through the date fixed for the redemption. Redemption of the warrants could force the warrant holders (i) to exercise the warrants and pay the exercise price at a time when it may be disadvantageous for the holders to do so, (ii) to sell the warrants at the then current market price when they might otherwise wish to hold the warrants, or (iii) to accept the nominal redemption price which, at the time the warrants are called for redemption, is likely to be substantially less than the market value of the warrants. We expect most holders of our warrants will hold their securities through one or more intermediaries and consequently our securityholders are unlikely to receive notice directly from us that the warrants are being redeemed. If our securityholders fail to receive notice of redemption from a third party and their warrants are redeemed for nominal value, they will not have recourse against us.

Unlike most other blank check companies, we allow up to approximately 29.99% of our public stockholders to exercise their conversion rights. This higher threshold will make it easier for us to consummate a business combination with which our stockholders may not agree, and they may not receive the full amount of their original investment upon exercise of their conversion rights.

When we seek stockholder approval of a business combination, we will offer each public stockholder (but not our original stockholders with respect to any shares they owned prior to the consummation of our initial public offering) the right to have his, her or its shares of common stock converted to cash if the stockholder votes against the business combination and the business combination is approved and consummated. We will consummate the initial business combination only if the following two conditions are met: (i) a majority of the shares of common stock voted by the public stockholders are voted in favor of the business combination and (ii) public stockholders owning 30% or more of the shares sold in our initial public offering do not vote against the business combination and exercise their conversion rights. Most other blank check companies have a conversion threshold of 20%, which makes it more difficult for such companies to consummate their initial business combination. Thus, because we permit a larger number of stockholders to exercise their conversion rights, it will be easier for us to consummate an initial business combination with a target business which our public stockholders may believe is not suitable for us, and they may not receive the full amount of their original investment upon exercise of their conversion rights.

Even if less than 30% of our public stockholders exercise their conversion rights, we may be unable to consummate a business combination if such conversion leaves us with funds insufficient to acquire or merge with a business with a fair market value greater than 80% of our net assets at the time of such acquisition, such 80% threshold being a condition to the consummation of our initial business combination. As a result of such conversion and 80% threshold, we may be forced to find additional financing to consummate such a business combination, consummate a different business combination or liquidate.

Because we are a blank check company, it may be difficult for us to complete a business combination before November 6, 2009.

Based upon publicly available information, as of March 7, 2008 we have identified approximately 155 blank check companies that have gone public since August 2003, including 16 with a specific focus on healthcare related target businesses, and 80 others have filed registration statements. Of these 155 companies, only 47 have completed a business combination, while 26 other

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companies have announced that they have entered into definitive agreements or letters of intent with respect to potential business combinations, but have not yet consummated such business combinations and another ten have been or will be liquidated. Ten blank check companies have failed to complete previously announced business combinations and have announced their pending dissolution and return of trust proceeds to stockholders. The remaining 72 blank check companies have more than $13.6 billion in trust and are seeking to complete business acquisitions. Five of the 16 blank check companies with a specific focus on healthcare related target companies have not yet announced a potential business combination, while three companies have announced an acquisition and seven have consummated a business combination. Accordingly, there are approximately 72 blank check companies with approximately $13.7 billion in trust and are seeking, or will be seeking, to enter into definitive agreements or letters of intent with respect to potential business combinations. Furthermore, the fact that only 47 of such companies have completed business combinations and only 26 other of such companies have entered into definitive agreements for business combinations, and ten have been or will be liquidated, may be an indication that there are only a limited number of attractive targets available to such entities or that many targets are not inclined to enter into a transaction with a blank check company, and therefore we also may not be able to consummate a business combination within the prescribed time period. If we are unable to consummate a business combination before November 6, 2009, our purpose will be limited to If we are unable to consummate a business combination before November 6, 2009, our purpose will be limited to dissolving, liquidating and winding up.

If third parties bring claims against us, the proceeds held in the trust account could be reduced and the per share liquidation price received by stockholders from the trust account as part of our plan of dissolution and distribution will be less than $7.88 per share.

Our placing of funds in the trust account may not protect those funds from third party claims against us. Although we will seek to have all vendors, prospective target businesses and other entities with which we engage execute agreements waive any right, title, interest or claim of any kind in or to any monies held in the trust account for the benefit of our public stockholders, there is no guarantee that they will execute such agreements, and the execution of such an agreement is not a condition to our doing business with anyone. Even if they do execute such agreements, they would not be prevented from bringing claims against the trust account including, but not limited to, fraudulent inducement, breach of fiduciary responsibility or other similar claims, as well as claims challenging the enforceability of the waiver, in each case in order to gain an advantage with a claim against our assets, including the funds held in the trust account.

Examples of possible instances where we may engage a third party that refuses to execute a waiver include the engagement of a third party consultant whose particular expertise or skills are believed by management to be significantly superior to those of other consultants that would agree to execute a waiver or in cases where management is unable to find a provider of required services willing to provide the waiver. In any event, our management would perform an analysis of the alternatives available to it and would enter into an agreement with a third party that did not execute a waiver only if management believed that such third party s engagement would be significantly more beneficial to us than any alternative. In addition, there is no guarantee that such entities will agree to waive any claims they may have in the future as a result of, or arising out of, any negotiations, contracts or agreements with us and not seek recourse against the trust account for any reason. Accordingly, the proceeds held in the trust account could be subject to claims that could take priority over the claims of our public stockholders and the per share liquidation price could be less than the initial $7.88 per share held in the trust account, plus interest (net of (1) income taxes payable on the interest income on the trust account and (2) any amounts that may have been released to us to fund working capital requirements), due to claims of such creditors. If we are unable to complete a business combination and are forced to liquidate, each of our executive officers has jointly and severally agreed to reimburse us for our debts to vendors for services rendered or products sold to us, or to any prospective target business, if we do not obtain a valid and enforceable waiver from that vendor or prospective target business of its rights or claims to the trust account and only to the extent necessary to ensure that such claims do not reduce the amount in the trust account. The obligations of our executive officers to reimburse us in respect of such claims are pursuant to written agreements that each executive officer has entered into with us. In the event that our board of directors were to conclude that the obligations of any executive officer under these agreements had not been honored, we expect that our board would seek to enforce these obligations against such executive officers. Based on the information provided to us in the director and officer questionnaires provided to us in connection with our initial public offering as well as the representations as to their accredited investor status (as such term is defined in Regulation D), we currently believe that such persons are of substantial means and capable of funding their indemnity obligations, even though we have not asked them to reserve for such an eventuality. However, we cannot make any assurances that our executive officers will be able to satisfy those obligations. In addition, our executive officers have not agreed to reimburse us for any debts or obligations to vendors that do not represent service fees (and related disbursements) or product purchase prices but relate to a potential tort claim. We believe the likelihood of our executive officers having to indemnify the trust account is limited because we intend to have all vendors and prospective target businesses as well as other entities we engage execute agreements with us waiving any right, title, interest or claims of any kind in or to monies held in the trust account. In the event that we are liquidated and dissolve and it is subsequently determined that our reserve for claims and liabilities to third parties is insufficient, stockholders who received funds from our trust account could be liable for up