

NATIONAL HOLDINGS CORP
Form S-4/A
May 07, 2008

**As filed with the Securities and Exchange Commission
on May 7, 2008**

Registration No. 333-150338

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

**AMENDMENT NO. 1 TO
FORM S-4**

**REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933**

NATIONAL HOLDINGS CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware	6200	36-4128138
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

**120 Broadway, 27th Floor
New York, New York 10271
(212) 417-8000**

(Address, Including Zip Code, and Telephone Number, Including
Area Code, of Registrant's Principal Executive Offices)

Mark Goldwasser
President and Chief Executive Officer
120 Broadway, 27th Floor
New York, New York 10271
(212) 417-8000

(Name, Address, Including Zip Code, and Telephone Number,
Including Area Code, of Agent for Service)

Copies of Communications to:

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One North Clematis Street, Suite 400
West Palm Beach, Florida 33401
(561) 833-7700

Approximate date of commencement of proposed sale of the securities to the public:

As soon as practicable after this Registration Statement becomes effective, and after the conditions to the completion of the merger of a wholly owned subsidiary of National Holdings Corporation (National) with and into vFinance, Inc. (vFinance) pursuant to an Agreement and Plan of Merger, dated November 7, 2007, described in the enclosed joint proxy statement/prospectus, have been satisfied or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

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

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

Large accelerated filer

Accelerated filer

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Title of Each Class of Securities to Be Registered	Amount to Be Registered ⁽¹⁾	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price ⁽²⁾	Amount of Registration Fee
Common stock, \$0.02 par value per share	7,800,000 shares	Not applicable	\$ 9,406,962	\$ 370

The estimated maximum number of shares of common stock, \$0.02 par value per share, of National to be registered consists of shares that may become issuable to holders of vFinance common stock in connection with the (1) proposed merger described in this joint proxy statement/prospectus, upon consummation of the merger, based on (i) the number of shares of vFinance common stock outstanding and (ii) the exchange ratio of 0.14 shares of National common stock for each share of vFinance common stock.

Pursuant to Rules 457(c) and 457(f)(1) under the Securities Act, and solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price is equal to the product of (x) 55,335,066, the estimated maximum number of shares of vFinance common stock issued and outstanding on May 2, 2008, that (2) may be cancelled in the merger, and multiplied by (y) \$0.17 the average of the bid and asked prices per share of vFinance common stock, as reported on the Over-the-Counter Bulletin Board (the OTC Bulletin Board) within five (5) business days prior to May 2, 2008. National previously paid \$382 in connection with the Registration Statement originally filed on April 18, 2008.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary joint proxy statement/prospectus is not complete and may be changed. These securities may not be issued or sold nor may proxies be solicited until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary joint proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 7, 2008

To the Stockholders of National and vFinance:

On November 7, 2007, National and vFinance entered into an agreement and plan of merger by and among National, vFinance and vFin Acquisition Corporation, a wholly owned subsidiary of National. In the proposed merger, vFin Acquisition Corporation will be merged with and into vFinance, so that vFinance will become a wholly owned subsidiary of National and all stockholders of vFinance (except those who properly exercise dissenters' rights under Delaware law) will become stockholders of National. If the merger is completed:

National stockholders will continue to own their existing shares of National common stock, \$0.02 par value per share; all of the outstanding shares of vFinance common stock, par value \$0.01 per share, will be exchanged for a total of 7,788,909 shares of National common stock at an exchange ratio of 0.14 shares of National common stock for each share of vFinance common stock;

all of the 18,354,752 vFinance employee stock options and 3,111,595 vFinance common stock purchase warrants expected to be outstanding at the closing of the merger will represent the right to receive a total of approximately 3,005,289 shares of National common stock based on the exchange ratio of 0.14;

Mark Goldwasser, Christopher Dewey and Marshall Geller will remain members of the National board of directors. National shall also be entitled to appoint an additional nominee, reasonably acceptable to vFinance;

Leonard Sokolow, Charles Modica and Jorge Ortega have been nominated by vFinance and will join the National board of directors effective at the closing of the merger;

Leonard Sokolow will receive \$1,150,000 in connection with the termination of his employment as Chairman and Chief Executive Officer of vFinance;

Leonard Sokolow will become Vice Chairman of the National board of directors and President of National effective at the closing of the merger and Alan Levin will become Chief Financial Officer of National effective at the closing of the merger; and

National will amend its certificate of incorporation to increase the number of authorized shares of common stock from 30,000,000 shares to 50,000,000 shares.

Leonard Sokolow, vFinance's Chairman and Chief Executive Officer, and another stockholder of vFinance have agreed to vote an aggregate of approximately 14.2% of the total number of vFinance common stock currently eligible to vote FOR the approval of the merger agreement. If the merger agreement is approved, vFinance will survive the merger as a wholly owned subsidiary of National and will still be named vFinance after the merger and all vFinance stockholders (except those who properly exercise dissenters' rights under Delaware law) will become stockholders of National.

It is contemplated that vFinance common stockholders will hold, in the aggregate, approximately 40% of the issued and outstanding shares of National common stock following the merger, on both an as issued and on a fully-diluted basis. A vote FOR the agreement and plan of merger will be effective whether or not the actual ownership percentages differ from the estimated ownership percentages set forth above.

National's common stock is quoted on the OTC Bulletin Board under the symbol NHLD. On May 2, 2008, the closing, high and low price for National common stock reported was \$1.60 per share. On May 2, 2008, National had 8,622,628 shares of common stock outstanding.

vFinance's common stock is quoted on the OTC Bulletin Board under the symbol VFIN. On May 2, 2008, the closing, high and low price for vFinance common stock reported was \$0.17 per share, \$0.18 and \$0.17, respectively. On May 2, 2008 vFinance had 55,335,066 shares of common stock outstanding.

After careful consideration, the vFinance board of directors, upon the unanimous recommendation of the special committee of vFinance, has determined that the merger is in the best interests of its stockholders, and unanimously recommends voting FOR approval and adoption of the agreement and plan of merger and related transactions.

This document provides you with detailed information about the proposed merger. We encourage you to read this entire document carefully. **In particular, please see the section entitled Risk Factors starting on page 20 of this document for a discussion of risks associated with the merger.** The merger cannot be completed unless vFinance's stockholders approve the agreement and plan of merger and vFinance has scheduled a special meeting for its stockholders to vote on the agreement and plan of merger. In addition, we cannot complete the merger until we have obtained certain regulatory approvals. The date, time and place of the meetings are as follows:

For National stockholders:
June 12, 2008 at 11:00 a.m.
at the offices of National
120 Broadway, 27th Floor
New York, NY 10271

For vFinance stockholders:
June 13, 2008 at 10:00 a.m.
at the offices of Edwards Angell Palmer & Dodge LLP
One North Clematis Street, Suite 400
West Palm Beach, FL 33401

Whether or not you plan to attend a special meeting, please take the time to vote by completing and mailing the enclosed proxy card in the enclosed envelope to us. **YOUR VOTE IS VERY IMPORTANT.**

The parties anticipate scheduling a closing of the merger as soon as practicable following the stockholders meeting.

Mark Goldwasser
President and Chief Executive Officer
National

Leonard J. Sokolow
Chairman and Chief Executive Officer
vFinance

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE NATIONAL COMMON STOCK TO BE ISSUED IN THE MERGER OR DETERMINED IF THIS JOINT PROXY STATEMENT/PROSPECTUS IS ACCURATE OR ADEQUATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This joint proxy statement/prospectus is dated and was first mailed to stockholders on or about May 12, 2008.

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vFINANCE, INC.

**3010 North Military Trail, Suite 300
Boca Raton, Florida 33431**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON JUNE 13, 2008**

To the Stockholders of vFinance:

A special meeting of the common stockholders of vFinance, a Delaware corporation, will be held starting at 10:00 a.m., local time, on June 13, 2008 at One North Clematis Street, Suite 400, West Palm Beach, Florida 33401 for the following purposes:

1. To consider and vote upon a proposal to approve and adopt the agreement and plan of merger, dated as of November 7, 2007, as amended, by and among National, a Delaware corporation, vFin Acquisition Corporation, a Delaware corporation and a wholly owned subsidiary of National, and vFinance, that will result in vFinance becoming a wholly owned subsidiary of National and all the stockholders of vFinance (except those who properly exercise dissenters' rights under Delaware law) becoming stockholders of National.

Holders of record of vFinance common stock at the close of business on May 2, 2008, the record date for the vFinance special meeting, are entitled to notice of and to vote as a single class on the merger proposal at the meeting or at any adjournment or postponement thereof. vFinance will hold a meeting of its stockholders to consider and vote on the merger proposal. Completion of the merger requires approval of vFinance's common stockholders. The vFinance board of directors has determined that the terms of the agreement and plan of merger and the transactions contemplated by it are advisable and in the best interests of vFinance and its stockholders. The members of the vFinance board of directors, upon recommendation by the special committee of vFinance, unanimously recommend that stockholders vote at the special meeting to approve the agreement and plan of merger and the transactions contemplated by it.

All stockholders are urged either to attend the special meeting or to be represented by proxy. If a majority of the stockholders present or represented by proxy vote for adjournment or postponement, it is vFinance's intention to adjourn the special meeting until a later date and to vote proxies received at the adjourned or postponed meeting.

Stockholders of record can vote their shares by completing and returning the accompanying proxy card in the enclosed business reply envelope.

If you later find that you can be present at the special meeting or for any other reason desire to revoke your proxy, you may do so at any time before the vote is taken.

Please do not send any vFinance stock certificates at this time. If the merger is completed, forms to be used to exchange your vFinance stock certificates for National stock certificates will be mailed to you.

YOUR VOTE IS VERY IMPORTANT. TO ENSURE YOUR REPRESENTATION AT THE vFINANCE SPECIAL MEETING, YOU ARE URGED TO COMPLETE, SIGN AND RETURN THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE IN THE ENCLOSED POSTAGE-PREPAID ENVELOPE.

By Order of the Board of Directors,

Richard Campanella, Secretary

Boca Raton, Florida
May 12, 2008

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NATIONAL HOLDINGS CORPORATION

**120 Broadway, 27th Floor
New York, New York 10271**

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 12, 2008

To the Stockholders of National:

A special meeting of the common stockholders of National, a Delaware corporation, will be held starting at 11:00 a.m., local time, on June 12, 2008 at 120 Broadway, 27th Floor, New York, New York 10271 for the following purpose:

1. To consider and vote upon a proposal to approve and adopt an amendment to National's certificate of incorporation in order to increase the number of authorized shares of common stock from 30,000,000 shares to 50,000,000 shares.

Holders of record of National common stock and Series A preferred stock at the close of business on May 2, 2008, the record date for the National special meeting, are entitled to notice of, and to vote as a single class on the amendment proposal at, the meeting or at any adjournment or postponement thereof. National will hold a meeting of its stockholders to consider and vote on the amendment proposal. The National board of directors has determined that the increase in National's authorized shares of common stock is advisable and in the best interests of National and its stockholders. The members of the National board of directors unanimously recommend that stockholders vote at the special meeting to approve the amendment to the certificate of incorporation.

All stockholders are urged either to attend the special meeting or to be represented by proxy. If a majority of the stockholders present or represented by proxy vote for adjournment or postponement, it is National's intention to adjourn the special meeting until a later date and to vote proxies received at the adjourned or postponed meeting.

Stockholders of record can vote their shares by completing and returning the accompanying proxy card in the enclosed business reply envelope.

If you later find that you can be present at the special meeting or for any other reason desire to revoke your proxy, you may do so at any time before the vote is taken.

National stockholders are not required to have new stock certificates issued in connection with this amendment. Do not send any stock certificates to us with your proxy card.

YOUR VOTE IS VERY IMPORTANT. TO ENSURE YOUR REPRESENTATION AT THE NATIONAL SPECIAL MEETING, YOU ARE URGED TO COMPLETE, SIGN AND RETURN THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE IN THE ENCLOSED POSTAGE-PREPAID ENVELOPE.

By Order of the Board of Directors,

Robert H. Daskal, Secretary

New York, New York
May 12, 2008

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FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Forward-looking statements often, although not always, include words or phrases like will likely result, expect, will continue, anticipate, estimate, intend, plan, project, outlook, or similar. We have based these forward-looking statements on our current expectations and assumptions about future events. These forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from those statements. These risks and uncertainties include, but are not limited to, those set forth under Risk Factors in this joint proxy statement/prospectus. The forward-looking statements contained in this joint proxy statement/prospectus include statements about the following:

- our ability to integrate National's and vFinance's businesses and operations;
- the anticipated growth and growth strategies of National and vFinance;
- the combined company's ability to successfully manage relationships with customers and other important relationships;
- the willingness of customers to continue using the services of the combined company;
- the combined company's success in integrating the management teams and employees of National and vFinance;
- the challenges encountered in managing larger operations;
- the ability to retain registered representatives and other key employees;
- management's ability to focus on other ongoing business concerns given the additional work as a result of the merger;
- the compatibility of technologies and systems;
- the presence or absence of impairment charges incurred to write down the carrying amount of intangible assets generated as a result of the merger; and
- the compatibility of business cultures.

For additional information that could cause actual results to differ materially from those described in the forward-looking statements, please see National's and vFinance's quarterly reports on Form 10-Q and annual reports on Form 10-K and other Exchange Act filings that are made by each with the Securities and Exchange Commission.

In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this joint proxy statement/prospectus might not occur.

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ount, the Cap Level will only permit a lower positive return in your investment in the notes than would have been the case for notes pur

or or other entities (including for the purpose of hedging anticipated exposures) may affect the price of the Underlier or the Underlier S

ity or the amounts payable on the notes.

management. These trading and other business activities, if they influence the price of the Underlier or secondary trading in your notes, may result in transactions with the intent to realize a profit, regardless of whether the value of the notes increases or decreases. Any profit in connection with

if you attempt to sell the notes prior to maturity, their market value, if any, will be affected by various factors that interrelate in complex

the Tax Summary.” You are urged to consult with your own tax advisor regarding all aspects of the U.S. federal income tax consequences

r the calculation, maintenance or publication of the Underlier.

uments, and the iShares® website at www.ishares.com. We are not incorporating by reference the website or any material it includes in th

illion, plus 0.41% per annum of the net assets of the Underlier on amounts over \$70.0 billion, up to and including \$84.0 billion, plus 0.3

ETF Stock Issuer

TENCENT HOLDINGS LTD
 SAMSUNG ELECTRONICS LTD
 ALIBABA GROUP HOLDING LTD
 TAIWAN SEMICONDUCTOR MANUFACTURING
 NASPERS LIMITED N LTD
 CHINA CONSTRUCTION BANK CORP H
 BAIDU ADR REPTG INC CLASS A
 CHINA MOBILE LTD
 INDUSTRIAL AND COMMERCIAL BANK OF CHINA
 HON HAI PRECISION INDUSTRY LTD
 Total

<u>Sector</u>	<u>Percentage</u>
Information Technology	27.97%
Financials	22.68%
Consumer Discretionary	10.31%
Energy	7.05%
Materials	6.86%
Consumer Staples	6.13%
Industrials	5.20%
Telecommunication Services	4.76%
Real Estate	2.74%
Utilities	2.35%
Health Care	2.02%
Computers - Software	1.14%
Software - Telecom	0.07%
Industrial Minerals	0.06%
Total	99.34%

<u>Country</u>	<u>Percentage (%)</u>
China	30.47%
South Korea	15.62%
Taiwan	11.68%
India	8.42%
Brazil	6.69%
South Africa	5.96%
Russian Federation	3.32%
Mexico	3.04%
Thailand	2.21%
Malaysia	2.19%
Indonesia	2.19%
Poland	1.29%
Chile	1.22%
Philippines	1.10%
Turkey	1.04%
Other	3.42%
Total	99.86%

not directly track the performance of the index and there may be significant variation between the performance of the Underlier and the

itions. Tracking error also may result because the Underlier incurs fees and expenses while the index does not.

generally offers Creation Units partially for cash, but may, in certain circumstances, offer Creation Units solely for cash. Except when a

y the Underlier. The Underlier is not involved in, or responsible for, the calculation or dissemination of the approximate value and mak

Identifying Eligible Equity Securities: all listed equity securities, including real

DM and EM Minimum Liquidity Requirement: this investability

Factor Requirement: this investability screen is applied at the individual security level. To be eligible for inclusion in a market investable

Minimum Length of Trading Requirement: this investability screen is applied at the individual security level. For an initial public

ou that any party will purchase your notes at a price that equals or exceeds the initial estimated value of the notes.

of the notes, along with the fees and charges associated with market-linked notes, typically results in the initial estimated value of the notes

ng interpretations or to change, possibly with retroactive effect. No assurance can be given that the IRS would not assert, or that a court

apply to any deemed underpayment of tax in respect of any Excess Gain to the extent such gain would have resulted in gross income in

e notes attributable to the corresponding Section 1260 Financial Assets and sold such amount of Section 1260 Financial Assets at matur

d at maturity would be treated as ordinary loss to the extent of the U.S. Holder's prior accruals of original issue discount, and as capital

fits tax equal to 30% (or such lower rate provided by any applicable tax treaty) of a portion of its earnings and profits for the taxable ye

are issued before January 1, 2019. Based on our determination that the notes are not delta one instruments, Non-U.S. Holders should n

