

IGI INC
Form S-3
December 04, 2009

As filed with the Securities and Exchange Commission on December 4, 2009

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3

**Registration Statement Under
the Securities Act of 1933**

IGI Laboratories, Inc.

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

01-0355758

(I.R.S. Employer Identification No.)

105 Lincoln Avenue

Buena, New Jersey 08310

(856) 697-1441

(Address, including zip code, and telephone number, including area code,
of Registrant's principal executive offices)

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Philip Forte

Controller

IGI Laboratories, Inc.

105 Lincoln Avenue

Buena, New Jersey 08310

(856) 697-1441

(Name, address, including zip code, and telephone number, including area code,
of agent for service)

COPY TO:

Brian Katz, Esq.

Pepper Hamilton LLP

3000 Two Logan Square

Eighteenth and Arch Streets

Philadelphia, PA 19103-2779

(215) 981-4000

As soon as practicable after this Registration Statement becomes effective

(Approximate date of commencement of proposed sale to the public)

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please 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(c) under the Securities Act of 1933, 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 registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Calculation of Registration Fees

Title of Each Class of Securities To Be Registered	Amount To be Registered (1)	Proposed Maximum Offering Price Per Share (2)	Proposed Maximum Aggregate Offering Price (2)	Amount Of Registration Fee (2)
Common Stock, par value \$0.01 per share	17,514,097	\$0.95	\$16,638,392.15	\$928.42

(1)

Consists of (a) 17,251,597 shares of common stock issuable upon conversion of Series B-1 Convertible Preferred Stock, including shares issuable upon conversion of accrued dividends on the Series B-1 Convertible Preferred Stock from the issuance date of such shares through September 30, 2012; (b) 262,500 shares of common stock issuable upon the exercise of warrants; and (c) an indeterminate number of shares of common stock as may be issuable from time to time as a result of a stock split, stock dividend, capitalization or similar event.

(2)

Estimated pursuant to Rule 457(c) solely for purposes of calculating the amount of the registration fee, based on the average of the high and low prices of the Registrant's common stock reported on December 2, 2009, as reported on the

NYSE Amex.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. The selling stockholders named in this prospectus may not sell these securities pursuant to this registration statement until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED DECEMBER 4, 2009

PRELIMINARY PROSPECTUS

IGI LABORATORIES, INC.

17,514,097 Shares

Common Stock

This prospectus relates to the resale from time to time of up to 17,514,097 shares of our common stock, par value \$0.01 per share, for resale by the selling stockholders identified in this prospectus. These shares consist of approximately (i) 14,734,667 shares of our common stock issuable upon the initial conversion of 1,006,879 shares of our outstanding Series B-1 Convertible Preferred Stock, par value \$0.01 per share, (ii) up to 2,516,930 shares of our common stock issuable upon conversion of accrued dividends on the Series B-1 Convertible Preferred Stock from the issuance date of such shares through September 30, 2012, and (iii) 262,500 shares of our common stock issuable upon the exercise of warrants. We issued these shares of Series B-1 Convertible Preferred Stock and warrants in a private placement that closed on March 13, 2009.

We are not selling any shares of our common stock under this prospectus and we will not receive any of the proceeds from the sale of shares by the selling stockholders. The selling stockholders have advised us that they will sell the common stock from time to time in the open market, on the NYSE Amex or on any national securities exchange or automated interdealer quotation system on which our common stock is then listed or quoted, in privately negotiated transactions or a combination of these methods, at market prices prevailing at the time of sale, at prices related to the prevailing market prices, at negotiated prices, or otherwise as described under Plan of Distribution. We will pay all expenses of registration incurred in connection with this offering, but the selling stockholders will pay all of their selling commissions, brokerage fees and related expenses.

Our common stock is currently traded on the NYSE Amex under the symbol IG. On December 2, 2009, the last reported sales price for our common stock was \$0.92 per share.

INVESTING IN OUR COMMON STOCK INVOLVES RISKS. YOU SHOULD CAREFULLY CONSIDER THE RISK FACTORS INCLUDED IN THIS PROSPECTUS BEGINNING ON PAGE 5 AND THE RISK FACTORS INCLUDED IN OUR ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2008 AND ANY SUBSEQUENTLY FILED PERIODIC REPORTS THAT ARE INCORPORATED BY REFERENCE HEREIN BEFORE YOU DECIDE TO INVEST.

Neither the Securities and Exchange Commission (SEC) nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this Prospectus is _____, 2009.

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not, and the selling stockholders have not, authorized anyone to provide you with different information. No one is making offers to sell or seeking offers to buy these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus is accurate as of the date on the front of this prospectus only and that any information we have incorporated by reference is accurate as of the date of the document incorporated by reference only, regardless of the time of delivery of this prospectus or any sale of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

PROSPECTUS SUMMARY

IGI Laboratories, Inc.

Because this is a summary, it may not contain all information that may be important to you. You should read this entire prospectus, including the information incorporated by reference, before you decide whether to buy our common stock. You should pay special attention to the risks of investing in our common stock as discussed under Risk Factors.

We are engaged in the development, manufacturing, filling and packaging of topical, semi-solid and liquid products for pharmaceutical, cosmeceutical and cosmetic companies primarily using our licensed Novasome® encapsulation technology. We have directed our efforts towards the development of high quality skin care and treatment products marketed through collaborative arrangements with pharmaceutical and consumer products companies. We also provide product development and analytical services to our customers in addition to our manufacturing and packaging services.

We license the Novasome® encapsulation technology from Novavax, Inc. for applications in (i) animal pharmaceuticals, biologicals and other animal health products; (ii) foods, food applications, nutrients and flavorings; (iii) cosmetics, consumer products and dermatological over-the-counter and prescription products (excluding certain topically delivered hormones); (iv) fragrances; and (v) chemicals, including herbicides, insecticides, pesticides, paints and coatings, photographic chemicals and other specialty chemicals, and the processes for making the same.

Our head-office, product development laboratories and manufacturing facility are located at 105 Lincoln Avenue, Buena, New Jersey, our telephone number is 856-697-1441 and our website is at <http://www.askigi.com>. Information contained on our website is not incorporated into this prospectus.

The Offering

We are registering 17,514,097 shares of common stock. The selling stockholders may from time to time sell the shares pursuant to this prospectus.

On March 13, 2009, we completed a \$6,000,000 private placement with certain of the selling stockholders, which we refer to as the private placement in this prospectus, pursuant to which these selling stockholders were issued 202.9 shares of our Series B-1 Convertible Preferred Stock, \$4,782,600 in secured convertible promissory notes, a preferred stock purchase warrant to purchase 797.1 shares of our non-voting Series B-2 Preferred Stock and a warrant to purchase 350,000 shares of common stock. At our annual meeting of stockholders held on May 15, 2009, our stockholders approved the private placement. Immediately upon stockholder approval of the private placement, the \$4,782,600 aggregate principal amount of secured convertible promissory notes issued to certain of the selling stockholders, together with accrued and unpaid interest, were converted into an aggregate of 803.979 shares of our Series B-1 Convertible Preferred Stock and the warrant to purchase 797.1 shares of non-voting Series B-2 Preferred Stock issued to certain of the selling stockholders was cancelled. We issued the shares and the warrants in the private placement in reliance on the exemption from registration provided for under Section 4(2) of the Securities Act of 1933, as amended, or the Securities Act, and Rule 506 of Regulation D thereunder.

The following is a description of the terms of our previously outstanding Series A Preferred Stock and our Series B-1 Convertible Preferred Stock and the warrants that we issued in the private placement.

Series A Preferred Stock

Dividends. The holders of shares of Series A Preferred Stock shall not be entitled to receive any dividends except to the extent we declare and pay a cash dividend on our common stock, then, in that event, the holders of shares of Series A Preferred Stock will be entitled to share in such dividends, on a pro rata basis, as if their shares had been converted into shares of common stock.

Preferred Stock Conversion Rights. Each share of Series A Preferred Stock may be converted at any time at the option of the holder into 10,000 shares of our common stock, subject to adjustments, which we refer to as the Series A Conversion Rate. In addition, the Series A Preferred Stock is subject to mandatory conversion at the Series A Conversion Rate on the earlier of the date that the closing price of our common stock shall have exceeded \$2.50 for a period of ten consecutive trading days immediately preceding such date. As of the date of this prospectus, our outstanding shares of Series A Preferred Stock are convertible into an aggregate of 500,000 shares of our common stock.

Voting Rights. As long as any shares of Series A Preferred Stock are outstanding, without the affirmative vote or consent of the holders of at least a majority of the shares of Series A Preferred Stock, voting separately as a class, we shall not amend, alter or repeal the provisions of the Series A Preferred Stock, whether by merger, consolidation or otherwise.

In addition to the class voting rights described above, the Series A Preferred Stock shall be entitled to vote, on an as-converted basis, together as a single class, with the holders of our common stock and all other series and classes of stock permitted to vote with common stock on all matters submitted to a vote of holders of common stock, except with respect to matters in respect of which one or more other classes of stock is entitled to vote as a separate class under the Delaware General Corporation Law or the provisions of our certificate of incorporation. The common stock into which the Series A Preferred Stock is convertible shall, upon issuance, have all of the same voting rights as our other issued and outstanding common stock.

Liquidation Preference. In the event of our liquidation, dissolution or winding up, including a change in control of our company, the holders of shares of Series A Preferred Stock then outstanding shall be entitled to receive an amount equal to \$10,000 per share of the Series A Preferred Stock before any payment shall be made or any assets distributed to the holders of our common stock or Series B-1 Convertible Preferred Stock.

Absence of Market for Series A Preferred Stock. There is no established trading market for our Series A Preferred Stock. We do not currently intend to list the Series A Preferred Stock on a national securities exchange or qualify the preferred stock for quotation on a stock exchange. In addition, we do not intend to register the outstanding shares of Series A Preferred Stock, or the common stock issuable upon conversion of the Series A Preferred Stock, under the Securities Act of 1933.

Series B-1 Convertible Preferred Stock

Dividends. From and after the date of the issuance of shares of Series B-1 Convertible Preferred Stock, the holders of the Series B-1 Convertible Preferred Stock shall be entitled to receive, out of funds legally available therefore, when and if declared by the Board of Directors, quarterly dividends at the annual rate of five percent of the original issue price, which equals \$6,000 per share, on each outstanding share of Series B-1 Convertible Preferred Stock, subject to appropriate adjustment to reflect any stock split, stock dividend, reverse stock split or similar corporate event affecting the Series B-1 Convertible Preferred Stock. The Series B-1 Convertible Preferred Stock dividends shall accrue from day to day, whether or not earned or declared, commencing on the last day of the calendar quarter in which they would otherwise be declared; provided however, that except in the case of a liquidation or conversion, each as described below, we are under no obligation to pay such dividends unless so declared by the Board of Directors.

Preferred Stock Conversion Rights. Each share of Series B-1 Convertible Preferred Stock may be converted at any time at the option of the holder into shares of our common stock at a rate equal to 14,634 shares of common stock, subject to certain adjustments, per share, plus such number of shares of common stock equal to the then accrued and unpaid dividends on such share of Series B-1 Convertible Preferred Stock divided by \$0.41, which we refer to as the Conversion Rate in this prospectus. In addition, the Series B-1 Convertible Preferred Stock is subject to mandatory conversion at the Conversion Rate on the earlier of the date that (i) the closing price of the common stock exceeds \$1.20 for a period of twenty-five consecutive trading days preceding such date and (ii) as determined by the vote of a majority of the holders of the Series B-1 Convertible Preferred Stock. As of September 30, 2009, our outstanding shares of Series B-1 Convertible Preferred Stock were convertible into an aggregate of 15,040,860 shares of our common stock.

Voting Rights. As long as any shares of Series B-1 Convertible Preferred Stock are outstanding, without the affirmative vote or consent of the holders of at least a majority of the shares of Series B-1 Convertible Preferred Stock, voting separately as a class, we shall not:

authorize, create, or issue any class or series of capital stock ranking, either as to payment of dividends, distributions of assets upon liquidation or otherwise, or redemptions, prior to or on parity with the Series B-1 Convertible Preferred Stock; and

authorize any redemptions or repurchases of common stock, or repurchase or redeem any common stock, except in limited circumstances, for repurchases or redemptions of common stock from employees upon their termination of

employment with us.

In addition to the class voting rights described above, the Series B-1 Convertible Preferred Stock shall be entitled to vote, on an as-converted basis, together as a single class, with the holders of the common stock and all other series and classes of stock permitted to vote with common stock on all matters submitted to a vote of holders of common stock, except with respect to matters in respect of which one or more other classes of common stock is entitled to vote as a separate class under the Delaware General Corporation Law or the provisions of our certificate of incorporation. The common stock into which the Series B-1 Convertible Preferred Stock is convertible shall, upon issuance, have all of the same voting rights as our other issued and outstanding common stock.

Board Representation. For so long as any shares of Series B-1 Convertible Preferred Stock remain outstanding, the holders of the Series B-1 Convertible Preferred Stock, voting separately as one class, shall be entitled to elect two members of the Board of Directors. A vacancy in any directorship elected by the holders of the Series B-1 Convertible Preferred Stock shall be filled only by vote or written consent of the holders of the Series B-1 Convertible Preferred Stock, consenting or voting, as the case may be, separately as one class.

Liquidation or Change in Control. Upon a Liquidation Event (as defined below), the holders of the shares of Series B-1 Convertible Preferred Stock then outstanding shall be paid out of our assets available for distribution to stockholders, an amount equal to the greater of (i) \$6,000 per share (subject to appropriate adjustment to reflect any stock split, stock dividend, reverse stock split or similar corporate event affecting the Series B-1 Convertible Preferred Stock) plus any accrued but unpaid dividends, whether or not declared, and any other declared but unpaid dividends and (ii) such amount per share of Series B-1 Convertible Preferred Stock as would have been payable had each share been converted to common stock pursuant immediately prior to the Liquidation Event, before any payment shall be made to the holders of common stock or any other junior stock but after any payment has been made to the holders of Series A Preferred Stock or any other senior stock. If upon any Liquidation Event, the assets to be distributed to the holders of the Series B-1 Convertible Preferred Stock shall be insufficient to permit payment to such stockholders of the full preferential amounts aforesaid, then all of our assets available for distribution to holders of the Series B-1 Convertible Preferred Stock shall be distributed to such holders of the Series B-1 Convertible Preferred Stock pro rata, in proportion to the full respective distributable amounts to which they are entitled. A Liquidation Event means the liquidation, dissolution or winding up of our affairs, whether voluntary or involuntary. In addition, a consolidation or merger of us with or into any other corporation or corporations, or a sale of all or substantially all of our assets, or the effectuation by us of a transaction or series of transactions in which more than 50% of our voting shares are disposed of or conveyed, shall be deemed to be a Liquidation Event.

Absence of Market for Series B-1 Convertible Preferred Stock. There is no established trading market for our Series B-1 Convertible Preferred Stock. We do not currently intend to list the Series B-1 Convertible Preferred Stock on a national securities exchange or qualify the preferred stock for quotation on a stock exchange. We do not intend to register the outstanding shares of Series B-1 Convertible Preferred Stock under the Securities Act of 1933. The registration statement of which this prospectus is a part registers, for resale, shares of common stock issuable upon conversion of the Series B-1 Convertible Preferred Stock, under the Securities Act of 1933.

Warrants

We issued to Rockport Venture Securities, LLC, our placement agent in the private placement, warrants to purchase 350,000 shares of our common stock at an exercise price of \$0.41 per share, which we refer to as the Rockport Warrant. The Rockport Warrant has a three-year term. We do not intend to register the outstanding warrants under the Securities Act of 1933. The registration statement of which this prospectus is a part registers, for resale, shares of common stock issuable upon exercise of the warrants, under the Securities Act of 1933.

RISK FACTORS

An investment in our common stock involves risks. In consultation with your own financial and legal advisers, you should carefully consider, among other matters, the factors set forth below as well as the risk factors in our Annual Report on Form 10-K for the year ended December 31, 2008 and any subsequently filed periodic reports, including our Quarterly Reports on Form 10-Q, which are incorporated by reference into the accompanying prospectus before deciding whether an investment in our common stock is suitable for you.

There are a large number of shares of our common stock eligible for sale into the public market in the near future, which may reduce the price of our common stock.

The market price of our common stock could decline as a result of sales of a large number of shares of our common stock in the market, or the perception that such sales could occur. Upon the effectiveness of this registration statement, of which this prospectus forms a part, we will have a large number of shares of common stock available for resale. These sales also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

Concentration of ownership could delay or prevent a change in control or otherwise influence or control most matters submitted to our stockholders.

As of September 30, 2009, certain funds affiliated with Signet Healthcare Partners and their affiliates owned shares of Series B-1 Convertible Preferred Stock representing in aggregate approximately 45.8% of our outstanding voting power. As a result, Signet and their affiliates potentially could influence and control matters submitted to a vote of stockholders, including a change of control transaction, which could prevent or delay such a transaction.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information in this prospectus and the documents incorporated herein by reference include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, that are based on current expectations, estimates, forecasts and projections about the industry and markets in which we operate and on management's beliefs and assumptions. In addition, other written or oral statements, which constitute

forward-looking statements, may be made by us or on our behalf. Words such as expects, anticipates, intends, plans, believes, seeks, estimates, variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are based on current expectations of management and are not guarantees of future performance, and involve certain risks, uncertainties and assumptions, which are difficult to predict. These risks and uncertainties include, without limitation, competitive factors, outsourcing trends in the pharmaceutical industry, the general economic conditions in the markets in which we operate, levels of industry research and development spending, our ability to continue to attract and retain qualified personnel, the fixed price nature of product development agreements or the loss of customers and other factors described in our filings with the Securities and Exchange Commission, including the Risk Factors section as set forth in our Annual Report on Form 10-K for the year ended December 31, 2008 and any subsequently filed periodic reports, including our Quarterly Reports on Form 10-Q. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

USE OF PROCEEDS

We will not receive any proceeds from the sale or other disposition by the selling stockholders of the shares of our common stock covered hereby, or interests therein. In addition, we will not receive any proceeds from the conversion by the selling stockholders of their shares of Series B-1 Convertible Preferred Stock into shares of common stock.

The selling stockholders will pay any underwriting discounts and commissions and expenses incurred by the selling stockholders for brokerage, accounting, tax or legal services or any other expenses incurred by the selling stockholders in disposing of these shares. We will bear all other costs, fees and expenses incurred in effecting the registration of the shares covered by this prospectus, including, without limitation, all registration fees, listing fees of the NYSE Amex and fees and expenses of our counsel and our accountants.

A portion of the shares of common stock covered by this prospectus are issuable upon exercise of warrants to purchase common stock. Upon any cash exercise of the warrants, the selling stockholders will pay us the exercise price of the warrants. Under certain circumstances, the holders of our warrants may exercise their warrants on a cashless basis. The exercise price of the warrants is \$0.41 per share. If all warrants covered by this prospectus are exercised for cash, we will receive cash proceeds equal to \$107,625. We will use any cash we receive upon the exercise of the warrants for working capital.

SELLING STOCKHOLDERS

The selling stockholders named in this prospectus acquired shares of our Series B-1 Convertible Preferred Stock or warrants in the private placement or are transferees of such stockholders. In connection with the private placement, we granted to the selling stockholders and their transferees, named in this prospectus, registration rights pursuant to which we filed with the SEC a registration statement on Form S-3, of which this prospectus forms a part, with respect to the resale or other disposition of the shares of common stock issuable upon conversion of the Series B-1 Convertible Preferred Stock or upon exercise of the warrants. These shares of common stock are being offered for resale by this prospectus and may be sold or otherwise disposed from time to time by the selling stockholders on NYSE Amex, in privately negotiated transactions or otherwise. We have also agreed to prepare and file amendments and supplements to the registration statement to the extent necessary to keep the registration statement effective for the period of time required under our agreement with the selling stockholders. The warrants held by the selling stockholders are exercisable at any time in whole or in part and expire on March 13, 2012.

Beneficial ownership is determined in accordance with the rules of the SEC, and is based upon information provided by each respective selling stockholder, Forms 4, Schedules 13D and 13G and other public documents filed with the SEC. The number representing the number of shares of common stock beneficially owned prior to the offering for each selling stockholder includes (i) all shares held by a selling stockholder prior to the date hereof, including shares purchased by the selling stockholder (or its transferee) pursuant to the private placement and being offered pursuant to this prospectus, as well as (ii) all options or other derivative securities which are exercisable within 60 days of December 2, 2009, including the warrants purchased in the private placement. The percentages of shares owned after the offering are based on 34,523,700 shares of our common stock outstanding as of December 2, 2009, which includes the outstanding shares of common stock offered by this prospectus (but not the shares issuable upon exercise of the warrants purchased in the private

placement). For purposes of preparing the table below, we have also treated the 2,516,930 shares of common stock that may be issuable upon conversion of accrued dividends on the Series B-1 Convertible Preferred Stock from the issuance date of such shares through September 30, 2012 as if such shares were issued and outstanding on the date hereof.

Unless otherwise indicated below, to our knowledge, all persons named in this table have sole voting and investment power with respect to their shares of common stock, except to the extent authority is shared by spouses under applicable law. The inclusion of any shares in this table does not constitute an admission of beneficial ownership for the person named below.

Except as noted in the footnotes below, none of the selling stockholders has held any position or office with us or our affiliates within the last three years or has had a material relationship with us or any of our predecessors or affiliates within the past three years, other than as a result of the ownership of our shares or other securities.

The selling stockholders may sell some, all or none of the shares of common stock offered by this prospectus. We do not know how long the selling stockholders will hold their shares of Series B-1 Convertible Preferred Stock or warrants before converting into common stock and selling them. We currently have no agreements, arrangements or understandings with the selling stockholders regarding the sale of any of the shares of common stock being offered hereunder other than the securities purchase agreement and common stock warrant purchase agreement pursuant to which the selling stockholders purchased their shares of Series B-1 Convertible Preferred Stock from us and were issued the warrant to purchase shares of our common stock. The shares offered by this prospectus may be offered from time to time by the selling stockholders, although the shares of our common stock underlying the Series B-1 Convertible Preferred Stock will not be eligible to be offered pursuant to this prospectus until shares of Series B-1 Convertible Preferred Stock are converted into shares of common stock and the warrants will not be eligible to be offered pursuant to this prospectus until the warrants are exercised. Accordingly, for purposes of this table, we have assumed that, after completion of the offering, the only shares that will continue to be held by the selling stockholders are those shares that do not have registration rights as a result of the private placement. The selling stockholders may have sold or transferred, in transactions exempt from the registration requirements of the Securities Act some or all of their shares of common stock since the date on which the information in the table below is presented. Information about the selling stockholders may change over time.

The following table sets forth, to our knowledge, information about the selling stockholders as of December 2, 2009.

<u>Name of Selling Stockholders</u>	<u>Number of Shares of Common Stock Beneficially Owned Prior to the Offering</u>	<u>Number of Shares of Common Stock Underlying Series B-1 Convertible Preferred Stock Registered for Sale Hereby</u>	<u>Number of Shares of Common Stock Underlying Warrants Registered for Sale Hereby</u>	<u>Shares Beneficially Owned After Offering</u>	
				<u>Number</u>	<u>Percent</u>
Life Sciences Opportunities Fund II, L.P. (1)		2,618,788 (2)(3)			
Life Sciences Opportunities Fund (Institutional) II, L.P. (1)		14,632,809 (3)(4)			
Rockport Venture Securities, LLC (5)			262,500		
TOTAL		17,251,597	262,500		

(1)

Information is based on a Schedule 13D/A filed on May 19, 2009. Includes securities held directly by Life Sciences Opportunities Fund (Institutional) II, L.P. (LOF Institutional) and Life Sciences Opportunities Fund II, L.P. (LOF) and collectively with LOF Institutional, the Funds) and indirectly by Signet Healthcare Partners, LLC (General Partner), the general partner of each of the Funds, James C. Gale, a director of ours, and the chief investment officer, a manager and member of the General Partner, SMH Capital Inc. (SMH Capital), the controlling member of the General Partner, Sanders Morris Harris Group, Inc. (SMHG), the parent company of SMH Capital, Joyce Erony, a director of ours and a managing director of the General Partner, Ben T. Morris, a manager of the General Partner and Chief Executive Officer and a director of SMH Capital and SMHG. The General Partner, Mr. Gale, SMH Capital, SMHG, Ms. Erony and Mr. Morris disclaim beneficial ownership of the reported securities except to the extent of their pecuniary interest therein, if any. The address of each filer is Carnegie Hall Tower, 152 West 57th Street, 19th Floor, New York, NY 10019, except SMH Capital, SMHG and Mr. Morris, which is 600 Travis, Suite 5800, Houston, Texas 77002.

(2)

Issuable upon conversion of 152.844 shares of Series B-1 Convertible Preferred Stock held by LOF as of September 30, 2009.

(3)

Each share of Series B-1 Convertible Preferred Stock is convertible into 14,634 shares of our common stock plus such number of shares of common stock as shall equal (x) the accrued and unpaid dividends on the Series B-1 Convertible Preferred Stock as of the date of conversion divided by (y) \$0.41. Such conversion ratio may be adjusted from time to time pursuant to customary adjustment features as set forth in the Certificate of Designation for the Series B-1 Convertible Preferred Stock.

(4)

Issuable upon conversion of 854.035 shares of Series B-1 Convertible Preferred Stock held by LOF Institutional as of September 30, 2009.

(5)

Thomas R. Bassinger and Mark G. Bosland control the investment decisions of Rockport Venture Securities, LLC and may be deemed to beneficially own the shares held by Rockport. Mr. Bassinger and Mr. Bosland disclaim beneficial ownership of the reported securities except to the extent of their pecuniary interest therein, if any.

PLAN OF DISTRIBUTION

We are registering shares of common stock on behalf of the selling stockholders. Selling stockholders include donees, pledgees, transferees or successors-in-interest selling securities received from a named selling stockholder as a gift, pledge, partnership distribution or other non-sale related transfer after the date of this prospectus. Sales of the shares may be affected by selling stockholders from time to time in one or more types of transactions, including block transactions:

on the NYSE Amex,

in the over-the-counter market,

in privately negotiated transactions,

by pledges to secure debts or other obligations,

through put or call option transactions relating to the shares, or

through short sales of shares,

or a combination of these methods of sale or through any lawful manner, at market prices prevailing at the time of sale, or at negotiated prices. These transactions may or may not involve brokers or dealers. The selling stockholders have advised us that they have not entered into any agreements, understandings or arrangements with any underwriters or broker-dealers regarding the sale of their shares, nor is there an underwriter or coordinating broker acting in connection with the proposed sale of shares by the selling stockholders.

The selling stockholders may sell shares directly to purchasers or to or through broker-dealers, which may act as agents or principals. The broker-dealers may receive compensation in the form of discounts, concessions, or commissions from the selling stockholders and/or the purchasers of shares for whom such broker-dealers may act as agents or to whom they sell as principal, or both. This compensation as to a particular broker-dealer might be in excess of customary commissions.

The selling stockholders and any broker-dealers that act in connection with the sale of securities might be deemed to be underwriters within the meaning of Section 2(11) of the Securities Act, and any commissions received by these broker-dealers and any profit on the resale of the shares sold by them while acting as principals might be deemed to be underwriting discounts or commissions under the Securities Act. We have agreed to indemnify each selling stockholder against specified liabilities, including liabilities arising under the Securities Act. The selling stockholders may agree to indemnify any agent, dealer or broker-dealer that participates in transactions involving sales of the shares against certain liabilities, including liabilities arising under the Securities Act.

Because selling stockholders may be deemed to be underwriters within the meaning of Section 2(11) of the Securities Act, the selling stockholders may be subject to the prospectus delivery requirements of the Securities Act. We have informed the selling stockholders that the anti-manipulative provisions of Regulation M promulgated under the Exchange Act may apply to their sales in the market.

Selling stockholders also may resell all or a portion of the securities in open market transactions in reliance upon Rule 144 under the Securities Act, provided they meet the criteria and conform to the requirements of that rule.

If we are notified by a selling stockholder that any material arrangement has been entered into with a broker-dealer for the sale of shares through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker or dealer, a supplement to this prospectus will be filed, if required, under Rule 424(b) under the Act, disclosing:

the name of each such selling stockholder and of the participating broker-dealer(s),

the number of shares involved,

the price at which such shares were sold,

the commissions paid or discounts or concessions allowed to such broker-dealer(s), where applicable,

that such broker-dealer(s) did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus, and

other facts material to the transaction.

In addition, if we are notified by a selling stockholder that a donee, pledgee, transferee or other successor-in-interest who acquires shares from the selling stockholder other than pursuant to a purchase under this prospectus, intends to sell more than 500 shares and such shares are not eligible for sale under Rule 144 of the Exchange Act, a supplement to this prospectus will be filed.

LEGAL MATTERS

The validity of the shares of our common stock offered by this prospectus will be passed upon for us by Pepper Hamilton LLP.

EXPERTS

The financial statements of IGI Laboratories, Inc. as of December 31, 2008 and 2007, and for each of the years in the two-year period ended December 31, 2008 which were included in our Annual Report on Form 10-K for the year ended December 31, 2008, have been incorporated by reference herein and in the registration statement in reliance upon the report of Amper, Politziner & Mattia, LLP, an independent registered public accounting firm, upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus is part of a registration statement on Form S-3 that we filed with the SEC. We are a public company and file proxy statements and annual, quarterly and special reports and other information with the SEC. You can inspect and copy the registration statement as well as the reports, proxy statements and other information we have filed with the SEC at the public reference room maintained by the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You can call the SEC at 1-800-732-0330 for further information about the public reference room. We are also required to file electronic versions of these documents with the SEC, which may be accessed from the SEC's website at <http://www.sec.gov>.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference certain of our publicly-filed documents into this prospectus, which means that information included in those documents is considered part of this prospectus. Information that we file with the SEC after the effective date of this prospectus will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, until all the shares of common stock that are part of this offering are sold.

The following documents filed with the SEC are incorporated by reference in this prospectus:

Our Annual Report on Form 10-K for the year ended December 31, 2008;

Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009, June 30, 2009 and September 30, 2009;

Our Current Reports on Form 8-K filed with the SEC on January 29, 2009, March 19, 2009, May 7, 2009, May 19, 2009, May 28, 2009, May 29, 2009, July 2, 2009 and September 21, 2009; and

The description of our common stock contained in our Registration Statement on Form 8-A filed with the SEC on June 9, 1988, including any amendments or reports filed thereafter for the purpose of updating such description in which there is described the terms, rights and provisions applicable to our common stock.

You may access our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to any of these reports, free of charge on the SEC's website. We do not consider information contained on, or that can be accessed through, our website to be part of this prospectus.

In addition, we will furnish without charge to you, on written or oral request, a copy of any or all of the documents incorporated by reference, other than exhibits to those documents. You should direct any requests for documents to our Controller, c/o IGI Laboratories, Inc., 105 Lincoln Avenue, Buena, New Jersey, 08310, (856) 697-1441.

You should rely only on the information contained in this prospectus, including information incorporated by reference herein. We have not authorized anyone to provide you with information different from that contained in this prospectus or any prospectus supplement. This prospectus is not an offer of these securities in any jurisdiction where an offer and sale is not permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of our common stock.

Part II

Information Not Required In Prospectus

Item 14. Other Expenses of Issuance and Distribution

We have agreed to bear the expense for the shares for the selling stockholders under the federal and state securities laws. The following table sets forth the costs and expenses, other than selling commissions, brokerage fees and related expenses, payable by us in connection with the sale of common stock being offered. All amounts are estimated except the SEC registration fee.

SEC registration fee	\$ 928
Legal fees and expenses	15,000
Accounting fees and expenses	5,000
Miscellaneous fees and expenses	5,000
Total	\$ 25,928

Item 15. Indemnification of Directors and Officers

Section 145 of the General Corporation Law of the State of Delaware provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against amounts paid and expenses incurred in connection with an action or proceeding to which he is or is threatened to be made a party by reason of such position, if such person shall have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal proceeding, if such person had no reasonable cause to believe his conduct was unlawful, provided that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the adjudicating court determines that such indemnification is proper under the circumstances. Our Amended and Restated Certificate of Incorporation provides that we shall indemnify any and all persons whom it shall have the power to indemnify under Section 145 to the fullest extent permitted by the Delaware General Corporation Law.

We have a directors and officers liability policy that insures our officers and directors against certain liabilities.

We have also entered into an indemnification agreement with certain of our directors and executive officers providing for the indemnification described above.

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Item 16. List of Exhibits

The exhibits filed as part of this registration statement are as follows:

<u>Exhibit</u>	<u>Description</u>
3.1	Amended and Restated Certificate of Incorporation of IGI Laboratories, Inc., dated May 7, 2008 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed May 12, 2008).
3.2	Amended and Restated Bylaws of IGI Laboratories, Inc., effective May 7, 2008 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed May 12, 2008).
3.3	Certificate of Designation of the Relative Rights and Preferences of the Series B-1 Convertible Preferred Stock and Series B-2 Preferred Stock of IGI Laboratories, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed March 19, 2009).
3.4	Certificate of Correction to Correct a Certain Error in the Certificate of Designation of the Relative Rights and Preferences of the Series B-1 Convertible Preferred Stock and Series B-2 Preferred Stock (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed March 19, 2009).
5.1 *	Opinion of Pepper Hamilton LLP
23.1 *	Consent of Amper, Politziner & Mattia, LLP
23.2 *	Consent of Pepper Hamilton LLP (included in Exhibit 5.1)
24.1 *	Powers of Attorney (included on signature page)

*

Filed herewith.

Item 17. Undertakings

(a)

The undersigned registrant hereby undertakes:

(1)

To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i)

To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii)

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

(iii)

To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) of this section do not apply if the registration statement is on Form S-3 and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the SEC by the registrant pursuant to section 13 or section 15(d) of the Exchange Act that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2)

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

(3)

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

(4)

That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(i)

That, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(ii)

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

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, IGI Laboratories, Inc. certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in Buena, New Jersey on December 4, 2009.

IGI Laboratories, Inc.

By: /s/ Hemanshu Pandya
Hemanshu Pandya
President and Chief Executive Officer

POWER OF ATTORNEY

Know all persons by these presents, that the undersigned directors and officers of the Registrant, a Delaware corporation, which is filing a Registration Statement on Form S-3 with the Securities and Exchange Commission, Washington, D.C. 20549 under the provisions of the Securities Act of 1933 hereby constitute and appoint Hemanshu Pandya and Philip Forte, and each of them, the individual s true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for the person and in his or her name, place and stead, in any and all capacities, to sign such registration statement and any or all amendments, including post-effective amendments to the registration statement, including a prospectus or an amended prospectus therein and any registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act, and all other documents in connection therewith to be filed with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact as agents or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and on the dated indicated.

Signature

Title

Date

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/s/ Hemanshu Pandya Hemanshu Pandya	Director, President and Chief Executive Officer (principal executive officer)	December 4, 2009
/s/ Philip Forte Philip Forte	Controller (principal financial and accounting officer)	December 4, 2009
/s/ Joyce Erony Joyce Erony	Director	December 4, 2009

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<u>Signature</u>	<u>Title</u>	<u>Date</u>
/s/ Jane E. Hager Jane E. Hager	Director	December 4, 2009
/s/ James C. Gale James C. Gale	Director	December 4, 2009
/s/ Narendra N. Borkar Narendra N. Borkar	Director	December 4, 2009
/s/ Michael Hemric Michael Hemric	Director	December 4, 2009

Exhibit Index

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5.1 *	Opinion of Pepper Hamilton LLP
23.1 *	Consent of Amper, Politziner & Mattia, LLP
23.2 *	Consent of Pepper Hamilton LLP (included in Exhibit 5.1)
24.1 *	Powers of Attorney (included on signature page)

*

Filed herewith.

-10.0pt;">• bring technology to market quickly at cost-effective prices, and

- protect our intellectual property.

We may not succeed in developing and marketing new products that respond to technological and competitive developments and changing customer needs, or such products may not gain market acceptance and be incorporated into the technology or products of third parties. Any significant delay or failure to develop new enhanced technologies, including new product offerings, and any failure of the marketplace to accept any new technology and product offerings would have a material adverse effect on our business, financial condition and results of operations.

WE MAY REQUIRE ADDITIONAL CAPITAL TO FUND OUR OPERATIONS AND RESEARCH AND DEVELOPMENT.

With the exception of the fiscal year ended December 31, 2003, we have sustained losses and have had only a limited amount of cash generated from operations. We have funded our operating activities to date primarily from the sale of securities. We will likely require additional capital in the future, which may be in the form of additional sales of securities. The additional capital may not be readily available to us on

favorable terms, if at all. Any sale of securities would result in dilution to our current stockholders' ownership in the Company.

OUR ABILITY TO ACHIEVE SUSTAINED REVENUE GROWTH WILL BE HARMED IF WE ARE UNABLE TO MAINTAIN OUR EXISTING LICENSING RELATIONSHIPS.

Part of our business strategy is to expand our licensing activities with STMicroelectronics and to enter into licensing relationships with other companies in order to offer products to a larger customer base than could be reached through our own development and marketing efforts. We believe that such relationships can accelerate market penetration of our products and technologies, while limiting our manufacturing exposure and sales and marketing costs. However, we may not be able to expand or maintain our existing licensing relationships or establish new licensing relationships on commercially reasonable terms, if at all. Any future inability by us to maintain our licensing relationships or to enter into additional licensing relationships, or the failure of one or more of our licensing relationships to contribute to the development and maintenance of a market for our products, could have a material adverse effect on our business, operating results and financial condition.

OUR QUARTERLY OPERATING RESULTS MAY FLUCTUATE.

We have experienced fluctuations in our quarterly operating results in the past and it is likely that these fluctuations will continue in the future. These fluctuations are caused by many factors, including, but not limited to:

- availability and pricing from our suppliers;
- changes in the demand for our products by customers;
- introductions or enhancements of products, or delays in the introductions or enhancements of products, by us or our competitors;
- rate and success of new customer development;
- changes in our pricing policies or those of our competitors;
- success in attracting, retaining and motivating qualified personnel; and
- changes in general economic conditions.

A substantial portion of our operating expenses is related to personnel, facilities, and sales and marketing programs and are fixed. Our expense level is based in part on our expectations of future orders and sales, which are extremely difficult to predict. Accordingly, we may not be able to adjust our fixed expenses quickly enough to address any significant shortfall in demand for our products in relation to our expectations.

Fluctuations in our operating results may also result in fluctuations in our common stock price. In such event, the trading price of our common stock would likely suffer and adversely affect our ability to raise capital and the value of your investment in the Company.

IF WE ARE UNABLE TO HIRE OR RETAIN KEY PERSONNEL, WE MAY NOT BE ABLE TO OPERATE OUR BUSINESS SUCCESSFULLY.

We may not be successful in recruiting and retaining executive officers and other key management and technical personnel. The competition for employees with the necessary high level of technical expertise to design, market and sell our products is intense, particularly in eastern Massachusetts and Asia. We will need to hire a number of additional technical personnel if we are to increase the rate at which we develop new products. Because competition for highly skilled technical personnel is so intense, companies

in Apogee's industry are subject from time to time to complaints brought by competitors alleging interference with contractual relations or wrongful hiring of employees. Such lawsuits may be costly, may divert management attention and resources from the operation of our business, and may therefore adversely affect our financial condition and results of operations. In addition, the loss of the management and technical expertise of our senior management could seriously harm us. Our employees may also be recruited away from us by our competitors. The Company does not have in place employment contracts for some members of its senior management, including the COO and Vice President of Engineering.

THERE IS A NEW EUROPEAN DIRECTIVE TO ELIMINATE HAZARDOUS MATERIALS IN ELECTRONIC PRODUCTS AND AS SUCH WE MAY NOT BE ABLE TO TRANSITION OUR IC PRODUCTS TIMELY TO MEET CUSTOMER NEEDS AND MAY HAVE INVENTORY THAT CAN ONLY BE SOLD IN LIMITED MARKETS.

The IC industry is responding to the European directive of Restriction of Hazardous Materials (RoHS) that will become effective in July of 2006. As a result of this directive, semiconductor companies are working to remove lead and other hazardous materials used in their IC products. The Company expects to transition all of its IC products to conform to the RoHS standard during the first half of 2005. However, the Company may not be able to meet customer delivery requirements to support the 2005 consumer electronic design cycle. In addition, the Company currently has inventory to support European customers that may have to be sold in other markets.

WE DO NOT HAVE MANUFACTURING CAPABILITIES, AND AS A RESULT, WE RELY ON OUTSIDE FOUNDRIES TO MANUFACTURE OUR SEMICONDUCTOR PRODUCTS.

We have no manufacturing capabilities, nor do we have plans to establish any such capabilities. Accordingly, we utilize outside semiconductor foundries, assembly and test companies to manufacture our semiconductor products. There are significant risks associated with our reliance on these foundries that can adversely affect our business, operating results and financial condition. These risks include:

- the ability to maintain foundry relationships, the failure of which could result in significant delays in product introduction due to the time necessary to establish new relationships;
- delays in production or shortages in product delivery as a result of production problems at outside contractors;
- the loss of foundry priority that may result in limiting our ability to obtain products on schedule;
- limited control over product quality that could result in product returns and the loss of customers;
- inability to control manufacturing yield that could increase production costs, thereby reducing sales potential and operating margins; and
- lack of access or control over new processes and manufacturing technologies to maintain product competitiveness in the market.

OUR PRODUCTS USE NEW TECHNOLOGY AND MAY HAVE MANUFACTURING DEFECTS OR OTHER CHARACTERISTICS THAT ARE ONLY DETECTED AFTER INSTALLATION IN CUSTOMER APPLICATIONS, WHICH MAY HARM OUR BUSINESS.

Our products are based on recently developed technology and are manufactured using state-of-the-art manufacturing processes. Our approach to product qualification and testing may not fully evaluate or identify product characteristics or defects that could adversely affect the product's ability to operate in the intended application. If such defects or characteristics are discovered after installation, product revenue

might be significantly delayed and our ability to maintain existing customers and to retain new customers may be seriously affected.

OUR ABILITY TO ACHIEVE REVENUE GROWTH WILL BE HARMED IF WE ARE UNABLE TO PERSUADE THE MARKET TO ADOPT OUR AMPLIFIER AND MEMS TECHNOLOGIES.

We face challenges in persuading manufacturers to adopt our products using our DDX amplifier and MEMS technologies. Traditional amplifiers use design approaches developed in the 1930s. These approaches are still used in most amplifiers and engineers are familiar with these design approaches. In order to adopt our products, manufacturers and engineers must understand and accept our new technology. In addition, our amplifier and MEMS technologies may be more expensive for some applications than traditional technologies. For these reasons, prospective customers may be reluctant to adopt our technologies.

INTENSE COMPETITION IN THE SEMICONDUCTOR AND CONSUMER AUDIO INDUSTRY COULD PREVENT US FROM SUSTAINING PROFITABILITY.

The semiconductor and consumer audio industry is highly competitive, and we expect the intensity of the competition to increase. Many of our competitors have greater financial, technical, research, marketing, sales, distribution, service and other resources than we do. Moreover, our competitors may offer broader product lines and have greater name recognition than we do, and may offer discounts as a competitive tactic. In addition, several development stage companies are currently creating or developing technologies and products that compete with or are being designed to compete with our technologies and products. Our competitors may develop or market technologies or products that are more effective or more commercially attractive than our current or future products, or that may render our technologies or products less competitive or obsolete. Accordingly, if competitors introduce superior technologies or products and we cannot make enhancements to our technologies and products necessary for them to remain competitive, our competitive position, and in turn, our business, revenues and financial condition, will be seriously harmed.

OUR BUSINESS COULD SUFFER IF WE EXPERIENCE DIFFICULTIES IN INTEGRATING ANY TECHNOLOGIES, PRODUCTS OR BUSINESSES WE ACQUIRE.

In May of 2004, the Company acquired the intellectual property and other intangibles and hired staff from Standard MEMS, Inc. Acquisitions typically entail many risks and could result in difficulties in integrating the operations and personnel of companies that we acquire or the technologies and products that we acquire. If we are not able to successfully integrate our acquisitions, we may not obtain the advantages that the acquisitions were intended to create, which could adversely affect our results of operations, financial condition and cash flows. In addition, in connection with acquisitions, we could experience disruption in our business or employee base. There is also a risk that key employees of companies that we acquire or key employees necessary to successfully commercialize technologies and products that we acquire may seek employment elsewhere, including with our competitors.

RISKS RELATED TO OUR INTELLECTUAL PROPERTY

OUR INTELLECTUAL PROPERTY AND PROPRIETARY RIGHTS MAY BE INSUFFICIENT TO PROTECT OUR COMPETITIVE POSITION.

Our business depends, in part, on our ability to protect our intellectual property. We rely primarily on patent, copyright, trademark and trade secret laws to protect our proprietary technologies. We cannot be sure that such measures will provide meaningful protection for our proprietary technologies and processes. We have four issued United States patents and three pending patent applications. In addition, we recently acquired a portfolio of MEMS intellectual property and the Company is reviewing this portfolio to determine which of the acquired rights will be most useful in its business. We cannot be sure that any existing or future patents will not be challenged, invalidated or circumvented, or that any rights granted thereunder would provide us meaningful protection. The failure of any patents to provide protection to our technology would make it easier for our competitors to offer similar products.

We also generally enter into confidentiality agreements with our employees and strategic partners, and generally control access to and distribution of our documentation and other proprietary information. Despite these precautions, it may be possible for a third party to copy or otherwise obtain and use our products or technology without authorization, develop similar technology independently or design around our patents. In addition, effective copyright, trademark and trade secret protection may be unavailable or limited in certain foreign countries in which we operate.

WE MAY BE SUBJECT TO INTELLECTUAL PROPERTY RIGHTS DISPUTES, WHICH COULD DIVERT MANAGEMENT S ATTENTION AND COULD BE COSTLY.

The semiconductor and consumer audio industries are characterized by vigorous protection and pursuit of intellectual property rights. From time to time, we may receive notices of claims of infringement, misappropriation or misuse of other parties' proprietary rights. We cannot be sure that we will prevail in these actions, or that other actions alleging infringement by us of third-party patents, misappropriation or misuse by us of third-party trade secrets or the invalidity of one or more patents held by us will not be asserted or prosecuted against us, or that any assertions of infringement, misappropriation or misuse or prosecutions seeking to establish the invalidity of our patents will not seriously harm our business. For example, in a patent or trade secret action, an injunction could be issued against us requiring that we withdraw particular products from the market or necessitating that specific products offered for sale or under development be redesigned.

Irrespective of the validity or successful assertion of various claims of infringement, misappropriation or misuse of other parties' proprietary rights, we would likely incur significant costs and diversion of our management and personnel resources with respect to the defense of such claims, which could seriously harm our business. If any claims or actions are asserted against us, we may seek to obtain a license under a third party's intellectual property rights. We cannot be sure that under such circumstances a license would be available on commercially reasonable terms, if at all. Moreover, we often incorporate the intellectual property of our strategic customers into our designs, and we have certain obligations with respect to the non-use and non-disclosure of such intellectual property. We cannot be sure that the steps taken by us to prevent our or our customers' misappropriation or infringement of the intellectual property will be successful.

RISKS RELATING TO OUR COMMON STOCK

FACTORS UNRELATED TO OUR BUSINESS COULD NEGATIVELY IMPACT THE MARKET PRICE OF OUR COMMON STOCK.

The stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies. These fluctuations

often have been unrelated or disproportionate to the operating performance of those companies. We expect that the market price of our Common Stock will fluctuate as a result of variations in our quarterly operating results, or for other reasons that are not related to the performance of our business. These fluctuations may be exaggerated if the trading volume of our Common Stock is low. In addition, due to the technology-intensive nature of our business, the market price for our Common Stock may rise and fall in response to various factors including:

- announcements of technological innovations or new products, or competitive developments;
- investor perceptions and expectations regarding our or our competitors' products;
- acquisitions or strategic alliances by us or our competitors; or
- the gain or loss of a significant customer or order.

In addition, market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may negatively impact the market price of our Common Stock.

Item 2. PROPERTIES

The Company leases approximately 5,000 square feet of office space at 129 Morgan Drive, Norwood, Massachusetts. The term of this lease expired on September 30, 2004. Currently the Company is renting this facility on a month-to-month basis. The 5,000 square foot area is leased at a below-market rate. In addition, the Company leases an office in Great River, New York as well as an office in Hong Kong.

Item 3. LEGAL PROCEEDINGS

The Company is not a party to any litigation in any court, and management is not aware of any contemplated proceeding by any governmental authority against the Company.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of the security holders of the Company during the fourth quarter of the year ended December 31, 2004.

PART II**Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS****Market Information**

The Company's Common Stock was listed on the NASDAQ Stock Market (formerly the National Association of Securities Dealers Automated Quotation System) from July 15, 1988 to June 8, 1992 under the symbol APGG. The Common Stock was also listed on the Boston Stock Exchange under the symbol APG from February 14, 1990 until December 18, 1992.

From June 9, 1992 to September 1, 1999, the Company's Common Stock was quoted on the Over-the-Counter Bulletin Board (the OTCBB) of the NASDAQ Stock Market, Inc. under the symbol APGT. From September 1, 1999, the Company's Common Stock was no longer eligible for quotation on the OTCBB due to the phase-in implementation of NASD Rule 6530 requiring all OTCBB quoted companies to report their current financial information to the Securities and Exchange Commission. From September 1, 1999 to September 12, 2000, the Company's Common Stock was quoted on the National Quotation Bureau's Pink Sheets. On August 29, 2000, the Company's Registration Statement on Form 10-SB to register its Common Stock under the Securities Exchange Act of 1934 was declared effective by the Securities and Exchange Commission and on September 12, 2000, the Common Stock resumed being quoted on the Over the Counter Bulletin Board (the OTCBB) under the symbol APGT. From September 14, 2001 to October 8, 2003 the Common Stock was quoted on The Nasdaq SmallCap Market under the symbol APGT. On October 5, 2003, The American Stock Exchange approved the Company's application to list its securities on the American Stock Exchange under the symbol ATA.

The following table sets forth, for the periods indicated, the high and low sales prices for the Common Stock as reported by the American Stock Exchange and The Nasdaq SmallCap Market, as indicated. The bid quotations represent inter-dealer prices, without adjustment for mark-ups, mark-downs or commissions and do not necessarily represent actual transactions. All prices listed below have been adjusted to reflect post split prices.

	Common Stock	
	High	Low
2003:		
First Quarter (Nasdaq Small Cap Market from September 14, 2001)	5.2500	2.5900
Second Quarter	5.7700	2.3300
Third Quarter	10.5000	4.6000
Fourth Quarter (American Stock Exchange from October 9, 2003)	14.8500	9.3100
2004:		
First Quarter	11.7900	8.6000
Second Quarter	9.1500	8.3000
Third Quarter	8.4000	3.7000
Fourth Quarter	4.7000	3.4500

Stockholders

As of March 15, 2005, there were approximately 90 holders of record and approximately 807 beneficial holders of 11,838,332 outstanding shares of Common Stock.

Dividends

On August 12, 2003, the Board of Directors approved a two for one split of the Company's Common Stock in the form of a 100% stock dividend. On December 11, 2003 each stockholder of record as of the close of business on November 17, 2003 received one share of Common Stock for each share held.

Unregistered Sales of Securities

Set forth in chronological order is information regarding shares of Common Stock sold and options granted by the Company during the period covered by this Annual Report on Form 10-KSB and not previously reported on the Company's Quarterly Reports on Form 10-QSB. Also included is the consideration, if any, received by the Company for such shares and options and information relating to the section of the Securities Act of 1933, as amended, or rule of the Securities and Exchange Commission under which exemption from registration was claimed. All of the following securities were issued directly by the Company and there were no underwriters or selling agents involved in these transactions.

On December 8, 2004, 2,000 shares of the Company's Common Stock were issued to investors as a result of the exercise of warrants issued pursuant to a Stock Subscription Agreement in a private placement dated January 25, 2000. The exercise price for these shares was \$1.25 per share. The exemption from registration relied upon was Section 4(2) of the Securities Act of 1933, as amended.

On December 14, 2004, 40,000 shares of the Company's Common Stock were issued to a former director as a result of the exercise of certain options pursuant to the Company's 1997 Employee, Director, and Consultant Stock Option Plan. The exercise price for these shares was \$.275 per share.

From October 4, 2004 to December 2, 2004, the Company granted options to purchase 87,500 shares of Common Stock under its 1997 Employee, Director, and Consultant Stock Option Plan to certain employees at exercise prices ranging from \$3.85 to \$4.04 per share.

Item 6. SELECTED FINANCIAL DATA

THIS INFORMATION REQUIRED BY THIS ITEM 6 WILL BE FILED UPON COMPLETION OF THE AUDIT PROCESS FOR THE 2004 FISCAL YEAR.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THE FINANCIAL INFORMATION REQUIRED BY THIS ITEM 7 WILL BE FILED UPON COMPLETION OF THE AUDIT PROCESS FOR THE 2004 FISCAL YEAR.

Overview

The Company designs, develops and markets silicon based products incorporating proprietary technologies. The Company's patented all-digital, high efficiency Direct Digital Amplification (DDX[®]) technology Integrated Circuits (ICs) are used in a range of audio applications including: home theater systems, powered speakers, car audio, commercial audio, and PC multi-media. The Company is developing new System-on-Chip (SOC) products using its analog and digital circuit designs and Micro-Electromechanical Systems (MEMS) technology for the consumer, automotive, communications and medical markets. At the appropriate time, the Company will segment the reporting of the MEMS division.

From 1981 until 1995, the Company was in the business of engineering, manufacturing and marketing high quality, high-end patented ribbon loudspeaker systems for use in home audio and video entertainment systems. Since 1995, the Company has focused exclusively on the development and commercialization of its proprietary amplifier technology, known as DDX[®]. DDX technology is an all-digital, high efficiency amplifier technology that provides true digital audio reproduction while lowering manufacturing cost compared to traditional analog amplifier solutions. The Company's initial DDX development efforts were directed toward the implementation of a digital controller design and the specifications of power designs to support DDX licensing objectives. The Company signed an exclusive licensing agreement for audio applications with STMicroelectronics in February 2001. Under this licensing agreement with STMicroelectronics NV (ST), the Company develops and provides intellectual property to be used in royalty bearing products produced by ST. In addition, the Company is working under a development agreement with ST to develop and market new semiconductor products that leverage Apogee's DDX technology and ST's intellectual property and semiconductor design, development and manufacturing capability. ST is currently shipping eighteen royalty bearing DDX-based semiconductor products to customers. The Company continues to support its licensing activities with STMicroelectronics and other companies.

In 1996 the Company started the development of DDX-based semiconductor products. The Company uses two independent suppliers to produce its semiconductor products. The first DDX-based IC product was released to production in late 2000 and since that time the Company has released 24 additional IC products. The Company markets and sells its semiconductor products to audio manufacturers using a worldwide sales and distribution network. The Company uses contract manufacturers to produce circuit boards for customers who support the Company's IC marketing activities.

The Company outsources the manufacturing, assembly and preliminary testing of its semiconductor products and evaluation boards. Cost of revenue includes the third-party manufacturing, testing and assembly costs as well as costs associated with shipping. Research and development expenses consist primarily of salaries and related overhead costs associated with engineering activities as well as other materials and related services used in the development of the Company's semi-conductor chips. Selling, general and administrative expenses consist primarily of employee compensation and overhead charges as well as expenses directly associated with the marketing of the Company's products.

Critical Accounting Policies

The Company prepares its consolidated financial statements in conformity with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make estimates, judgments and assumptions that we believe are reasonable based upon the

information currently available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Any future changes to these estimates and assumptions could have a significant impact on the reported amounts of revenue, expenses, assets and liabilities in our financial statements. The significant accounting policies which we believe are the most critical to aid in fully understanding and evaluating our reported financial results include the following:

Revenue Recognition

Apogee recognizes revenue from product sales at the time of shipment, when the sales price is fixed and determinable and collectibility is reasonably assured. The Company does not offer a right of return on product sales. Any price adjustment after shipment of goods is recorded as an offset to revenue. For sales transactions, we comply with the provisions of Staff Accounting Bulletin 104, Revenue Recognition, which states that revenue should be recognized when the following revenue recognition criteria are met: (1) persuasive evidence of an arrangement exists; (2) the product has been shipped and the customer takes ownership and assumes the risk of loss; (3) the selling price is fixed or determinable; and (4) collection of the resulting receivable is reasonably assured. In addition, the Company records royalty revenue when earned in accordance with the underlying agreements. Consulting revenue is recognized as services are performed.

Accounts Receivable

The Company performs credit evaluations of customers and determines credit limits based upon payment history, customers' creditworthiness and other factors, as determined by our review of their current credit information. For a majority of our larger sales, we can require the issuance of a Letter of Credit. Smaller accounts must either pay via credit card or in advance of shipment. We continuously monitor collections and payments from our customers, and we maintain a provision for estimated credit losses based upon our historical experience and any specific customer collection issues that we have identified. We cannot guarantee that we will avoid credit losses in the future. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Since our accounts receivable are highly concentrated in a small number of customers, a significant change in the liquidity or financial position of any one of these customers could have a material adverse impact on the collectibility of our accounts receivable, our liquidity or our future results of operations.

Inventory

Apogee states its inventory at the lower of cost (first-in, first-out) or market. The Company maintains allowances for estimated excess or obsolete inventories based on the Company's review of inventory levels, projected future sales and comparison of actual manufacturing costs to standard costs. If actual market conditions are less favorable than those projected by management, additional allowances may be required.

Valuation of Long-Lived Assets

Property, plant and equipment, patents, trademarks and other intangible assets are amortized over their estimated useful lives. Useful lives are based on management's estimates over the period that such assets will generate revenue. Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Future adverse changes in market conditions or poor operating results of underlying capital investments or intangible assets could result in losses or an inability to recover the carrying value of such assets, thereby possibly requiring an impairment charge in the future.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's financial instruments include: cash, cash equivalents, accounts receivable and accounts payable. At December 31, 2004, the carrying value of the Company's cash, cash equivalents, accounts receivable and accounts payable approximate fair values given the short maturity of these instruments.

Although the Company's sales are predominately to international markets, the Company believes that it does not have material foreign currency exchange rate risk since international sales are in U.S. dollars and material purchases from foreign suppliers are typically also denominated in U.S. dollars. Additionally, the functional currency of the Company's foreign sales office is the U.S. dollar.

It is the Company's policy not to enter into derivative financial instruments for speculative purposes.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

THE INFORMATION REQUIRED BY THIS ITEM 8 WILL BE FILED UPON COMPLETION OF THE AUDIT PROCESS FOR THE 2004 FISCAL YEAR.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

PLEASE SEE THE DISCLOSURE SET FORTH IN THE COMPANY'S FORM 8-K FILED ON THE SAME DAY AS THIS FORM 10-KSB.

Item 9A. CONTROLS AND PROCEDURES

(a) *Evaluation of Disclosure Controls and Procedures.* Our principal executive officer and principal financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Annual Report on Form 10-KSB, have concluded that, based on such evaluation, our disclosure controls and procedures were adequate and effective to ensure that material information relating to us, including our consolidated subsidiaries, was made known to them by others within those entities, particularly during the period in which this Annual Report on Form 10-KSB was being prepared.

(b) *Changes in Internal Controls.* There were no changes in our internal control over financial reporting identified in connection with the evaluation of such internal control that occurred during the fourth quarter of our last fiscal year that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The response to this item is incorporated by reference from the discussion responsive thereto under the captions "Management," "Compliance with Section 16(a) of the Securities Exchange Act of 1934," and "Code of Conduct and Ethics" in the Company's Proxy Statement for the 2005 Annual Meeting of Stockholders. Disclosure regarding any amendments to, or waivers from, provisions of the Code of Conduct and Ethics that apply to our principal executive and financial officers will be included in a Current Report on Form 8-K within four business days following the date of the amendment or waiver, unless website posting of such amendments or waivers is permitted by the rules of the American Stock Exchange, Inc.

Item 11. EXECUTIVE COMPENSATION

The response to this item is incorporated by reference from the discussion responsive thereto under the caption "Executive Compensation" in the Company's Proxy Statement for the 2005 Annual Meeting of Stockholders.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The response to this item is incorporated by reference from the discussion responsive thereto under the caption "Share Ownership" in the Company's Proxy Statement for the 2005 Annual Meeting of Stockholders.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The response to this item is incorporated by reference from the discussion responsive thereto under the captions "Certain Relationships and Related Transactions" and "Executive Compensation Employment Agreements, Termination of Employment and Change of Control Arrangements" in the Company's Proxy Statement for the 2005 Annual Meeting of Stockholders.

Item 14. EXHIBITS

Item 14(a) Not Included

Item 14(a)(1) Not Included
and (2)

Item 14(a)(3) Exhibits

The following is a list of exhibits filed as part of this Annual Report on Form 10-KSB.

Exhibit

No.	Description
3.1	Certificate of Incorporation of Apogee Technology, Inc., incorporated herein by reference to Exhibit 3.1 to the Registrant's Form 10-SB, as amended (File No. 000-17053).
3.2	Amendment of Certificate of Incorporation of Apogee Technology, Inc., incorporated herein by reference to Exhibit 3.2 to the Registrant's Form 10-SB, as amended (File No. 000-17053).
3.3	Certificate of Amendment to Certificate of Incorporation of Apogee Technology, Inc., incorporated herein by reference from Exhibit 3.3 to the Registrant's Quarterly Report on Form 10-QSB for the quarter ended June 30, 2001 (File No. 000-30656).
3.4	Restated By-Laws of Apogee Technology, Inc., incorporated herein by reference from Exhibit 3.4 to the Registrant's Quarterly Report on Form 10-QSB for the quarter ended June 30, 2001 (File No. 000-30656).
10.1*	License Agreement dated February 2, 2001 by and between the Registrant and STMicroelectronics, NV, incorporated herein by reference from Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-QSB for the quarter ended March 31, 2001 (File No. 000-30656).
10.2	Form of 1999 Stock and Warrant Subscription Agreement, incorporated herein by reference to Exhibit 10.1 to the Registrant's Form 10-SB, as amended (File No. 000-17053).
10.3	Form of 1999 Warrant to purchase shares of Common Stock of the Registrant, incorporated herein by reference to Exhibit 10.2 to the Registrant's Form 10-SB, as amended (File No. 000-17053).
10.4	Form of 2000 Stock Subscription Agreement, incorporated herein by reference to Exhibit 10.3 to the Registrant's Form 10-SB, as amended (File No. 000-17053).
10.5	Securities Purchase Agreement, incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, dated April 29, 2001 (File No. 001-10456).
10.6	Registration Rights Agreement, incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, dated April 29, 2001 (File No. 001-10456).
10.7	Form of Warrant, incorporated herein by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K, dated April 29, 2001 (File No. 001-10456).
10.8	Addendum to Securities Purchase Agreement, incorporated herein by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K, dated April 29, 2001 (File No. 001-10456).
14	Code of Conduct and Ethics, incorporated herein by reference to Exhibit 14 to the Registrant's Form 10-KSB for the year ended December 31, 2003 (File No. 000-30656).

* Confidential treatment requested as to certain portions of the document, which portions have been omitted and filed separately with the Securities and Exchange Commission.

Where a document is incorporated by reference from a previous filing, the exhibit number of the document in that previous filing is indicated in parentheses after the description of such document.

Item 15. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The response to this item is incorporated by reference from the discussion responsive thereto under the caption "Independent Public Accountants in the Company's Proxy Statement for the 2005 Annual Meeting of Stockholders."

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on April 18, 2005.

APOGEE TECHNOLOGY, INC.
By: /s/ HERBERT M. STEIN
Herbert M. Stein
*President, Chief Executive Officer,
Treasurer and Chairman of the Board*

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated below and on the dates indicated.

	Signatures	Title	Date
By:	/s/ HERBERT M. STEIN Herbert M. Stein	President, Chief Executive Officer Treasurer and Chairman of the Board	April 18, 2005
By:	/s/ CRAIG A. DUBITSKY Craig A. Dubitsky	Director	April 18, 2005
By:	/s/ ARTHUR S. REYNOLDS Arthur S. Reynolds	Director	April 18, 2005
By:	/s/ SHERYL B. STEIN Sheryl B. Stein	Director	April 18, 2005
By:	/s/ ALAN W. TUCK Alan W. Tuck	Director	April 18, 2005