

RadNet, Inc.
Form S-3
December 30, 2014

Registration No. 333-_____

As filed with the Securities and Exchange Commission on December 30, 2014

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

FORM S-3

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

RADNET, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of

Incorporation or Organization)

1510 Cotner Avenue

Los Angeles, California, 90025

13-3326724

(I.R.S. Employer

Identification Number)

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

Howard G. Berger, M.D.

President and Chief Executive Officer

RadNet, Inc.

1510 Cotner Avenue

Los Angeles, California 90025

(310) 478-7808

(Name, Address, Including Zip Code, and Telephone Number,

Including Area Code, of Agent for Service)

Copies To:

Linda Giunta Michaelson, Esq.

Sheppard, Mullin, Richter & Hampton llp

1901 Avenue of the Stars, Suite 1600

Los Angeles, California 90067

Approximate date of commencement of proposed sale to the public: From time to time after this registration statement becomes effective.

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. x

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

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

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. "

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

Large accelerated filer "	Accelerated filer <input checked="" type="checkbox"/>	Non-accelerated filer "	Smaller reporting company "
		(Do not check if a smaller reporting company)	

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Primary Offering by RadNet, Inc.:				
Common Stock, par value \$.0001 per share (2)(3)				
Preferred Stock, par value \$.0001 per share (2)(3)				
Debt Securities (2)(3)				
Warrants (2)(3)				
Subscription Rights (2)(3)				
Units (2)(3)				
Total for Primary Offering (2)(3)(4)			\$ 200,000,000.00	\$ 23,240.00
Secondary Offering by Selling Stockholders:				
Common Stock, par value \$.0001 per share (5)	3,000,000	\$ 8.785	\$ 26,355,000.00	\$ 3,062.45
Total			\$ 226,355,000.00	\$ 26,302.45

(1) With respect to the primary offering, there are being registered hereunder such indeterminate number or amount of common stock, preferred stock, debt securities, warrants, subscription rights and units, each of which may be offered from time to time at prices to be determined at the time of any such offering. The aggregate offering price of these securities will not exceed \$200,000,000. If any debt securities are issued at an original issue discount, then the offering price of such debt securities shall be in such greater principal amount as shall result in an aggregate initial offering price not to exceed \$200,000,000, less the aggregate dollar amount of all securities previously issued hereunder. Any securities registered hereunder may be sold separately or in combination with the other securities registered hereunder. Pursuant to Rule 457(i) of the Securities Act of 1933, as amended, which we refer to herein as the Securities Act, the securities registered also include such indeterminate amounts and numbers of common stock and preferred stock as may be issued upon conversion of or exchange for debt securities that provide for conversion or exchange, upon exercise of warrants or pursuant to the antidilution provisions of any such securities. With respect to the secondary offering, there are being registered hereunder 3,000,000 shares of common stock that the selling stockholders may sell from time to time. In addition, pursuant to Rule 416 under the Securities Act, the shares being registered hereunder include such indeterminate number of shares of common stock and preferred stock as may be issuable with respect to the shares being registered hereunder as a result of stock splits, stock dividends or similar transactions.

(2) The proposed maximum aggregate offering price per class of security will be determined from time to time by the registrant in connection with the issuance by the registrant of the securities registered hereunder and is not specified as to each class of security in reliance on Rule 457(o) under the Securities Act and pursuant to General Instruction II.D of Form S-3 under the Securities Act.

(3) Calculated pursuant to Rule 457(o) of the Securities Act.

(4) Consisting of some or all of the securities listed above, in any combination, including common stock, preferred stock, debt securities, warrants, subscription rights and units.

Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(c) under the Securities Act based on the average of the high and low prices of the common stock of the registrant as reported on the NASDAQ Global Market on December 22, 2014.

The address of the principal executive offices of each of the additional registrants listed above is 1510 Cotner Avenue, Los Angeles, California 90025. Their telephone number at that address is (310) 478-7808.

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

The information in this prospectus is not complete and may be changed. The registrant and the selling stockholders may not sell the securities until the registration statement filed with the Securities and Exchange Commission, of which this prospectus is a part, is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS
SUBJECT TO COMPLETION, DATED DECEMBER 30, 2014

RadNet, Inc.

\$200,000,000
COMMON STOCK

PREFERRED STOCK

DEBT SECURITIES

WARRANTS

SUBSCRIPTION RIGHTS

UNITS

and

3,000,000 Shares of Common Stock

Offered by the Selling Stockholders

We may from time to time offer and sell any of the securities described in this prospectus, either individually or in combination, for total gross proceeds of up to \$200,000,000. We may also offer and sell common stock, preferred stock, debt securities, warrants, subscription rights or units described in this prospectus, either separately or together with other securities described in this prospectus. In addition, the selling stockholders identified in this prospectus, or any of their transferees, donees, pledgees or other successors, may offer and sell from time to time up to 3,000,000 shares of common stock.

This prospectus provides a general description of the securities we may offer. Each time we sell securities, we will provide specific terms related to such sales in one or more supplements to this prospectus. We may also authorize one or more free writing prospectuses to be provided to you in connection with these offerings.

The prospectus supplement, and any documents incorporated by reference, may also add, update or change information contained in this prospectus. Before you invest, you should carefully read this prospectus, the applicable prospectus supplement, any documents incorporated by reference and any related free writing prospectus before buying any of the securities being offered. This prospectus may not be used to consummate a sale of securities unless accompanied by the applicable prospectus supplement.

We will sell these securities directly, through underwriters, dealers or agents as designated from time to time, or through a combination of these methods. If any underwriters, dealers or agents are involved in the sale of these securities, the applicable prospectus supplement will set forth the names of the agents, dealers or underwriters and any applicable fees, commissions or discounts.

The selling stockholders, or any of their respective transferees, donees, pledgees or other successors, may offer and sell the common stock from time to time directly or through underwriters, dealers or agents, or directly to purchasers, on a continued or delayed basis and at fixed prices, prevailing market prices, at prices related to prevailing market prices or at negotiated prices. We will not receive any proceeds from the sale of common stock by the selling stockholders.

Our common stock is currently quoted on the NASDAQ Global Market, under the symbol "RDNT." The applicable prospectus supplement will contain information, where applicable, as to any other listing, if any, of the securities covered by the applicable prospectus supplement. On December 29, 2014, the last reported sales price per share of our common stock on the NASDAQ Global Market was \$9.19.

An investment in our securities involves a high degree of risk. See the heading “Risk Factors” commencing on page 3 of this prospectus for a discussion of these risks and in the sections entitled “Risk Factors” in our most recent annual report on Form 10-K and in any quarterly report on Form 10-Q, as well as in any prospectus supplement related to these specific offerings.

We may amend or supplement this prospectus from time to time by filing amendments or supplements as required. You should read the entire prospectus, any amendments or supplements, any free writing prospectuses, and any documents incorporated by reference carefully before you make your investment decision.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2015.

TABLE OF CONTENTS

	Page
<u>ABOUT THIS PROSPECTUS</u>	1
<u>PROSPECTUS SUMMARY</u>	2
<u>RISK FACTORS</u>	3
<u>CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	3
<u>USE OF PROCEEDS</u>	3
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	4
<u>DESCRIPTION OF CAPITAL STOCK</u>	4
<u>DESCRIPTION OF DEBT SECURITIES</u>	9
<u>DESCRIPTION OF WARRANTS</u>	17
<u>DESCRIPTION OF SUBSCRIPTION RIGHTS</u>	20
<u>DESCRIPTION OF UNITS</u>	20
<u>LEGAL OWNERSHIP OF SECURITIES</u>	21
<u>SELLING STOCKHOLDERS</u>	24
<u>PLAN OF DISTRIBUTION</u>	24
<u>LEGAL MATTERS</u>	28
<u>EXPERTS</u>	28
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	28
<u>INFORMATION INCORPORATED BY REFERENCE</u>	28

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or the SEC, using a “shelf” registration process. Under this shelf registration statement process, we may from time to time offer and sell, either individually or in combination, in one or more offerings, any combination of the securities described in this prospectus, for total gross proceeds of up to \$200,000,000. Each time we offer securities under this prospectus, we will provide a prospectus supplement that will contain more specific information about the terms of that offering. We may also authorize one or more free writing prospectuses to be provided to you that may contain material information relating to these offerings. The prospectus supplement and any related free writing prospectus that we may authorize to be provided to you may also add, update or change any of the information contained in this prospectus or in the documents that we have incorporated by reference into this prospectus.

In addition, the selling stockholders may use this shelf registration statement to sell up to an aggregate of 3,000,000 shares of our common stock from time to time. We will not receive any proceeds from the sale of the shares by the selling stockholders. The selling stockholders may deliver a supplement with this prospectus, if required, to update the information contained in this prospectus. The selling stockholders may sell their shares of common stock through any means described in the section entitled “Plan of Distribution” or described in any accompanying prospectus supplement. As used herein, the term “selling stockholders” includes the selling stockholders and any of their transferees, donees, pledgees or other successors.

You should read both this prospectus, any applicable prospectus supplement and any free writing prospectuses we have authorized for use in connection with a specific offering together with additional information described under the heading “Where You Can Find More Information”, “Cautionary Note Regarding Forward-Looking Statements” and “Information Incorporated by Reference” below before investing in any of the securities being offered. The information appearing in this prospectus, any applicable prospectus supplement or any free writing prospectus is accurate only as of the date on the front of the document and any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference, regardless of the time of delivery of this prospectus, any applicable prospectus supplement or any related free writing prospectus, or any sale of a security. Our business, financial condition, results of operations and prospects may have changed since those dates. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information contained in that prospectus supplement. **This prospectus may not be used to consummate a sale of securities unless it is accompanied by a prospectus supplement.**

You should rely only on the information we have provided or incorporated by reference in this prospectus and any prospectus supplement. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell securities in any jurisdiction where the offer or sale is not permitted.

This prospectus contains summaries of certain provisions contained in some of the documents described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of some of the documents referred to herein have been filed, will be filed or will be incorporated by reference as exhibits to the registration statement of which this prospectus is a part, and you may obtain copies of those documents as described below under the section entitled “Where You Can Find More Information.”

We further note that the representations, warranties and covenants made by us in any agreement that is filed as an exhibit to any document that is incorporated by reference herein were made solely for the benefit of the parties to such agreement, including, in some cases, for the purposes of allocating risk among the parties to such agreements, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties and covenants should not be relied on as accurately representing the current state of our affairs.

In this prospectus, unless otherwise indicated, “our company,” “we,” “us,” “RadNet,” or “our” refer to RadNet, Inc., a Delaware corporation, and its consolidated subsidiaries.

PROSPECTUS SUMMARY

This prospectus summary highlights certain information about our company and other information contained elsewhere in this prospectus or in documents incorporated by reference. This summary does not contain all of the information that you should consider before making an investment decision. You should carefully read the entire prospectus, any prospectus supplement, including the section entitled “Risk Factors” and the documents incorporated by reference into this prospectus, before making an investment decision.

Our Business

We are the leading national provider of freestanding, fixed-site outpatient diagnostic imaging services in the United States based on number of locations and annual imaging revenue. At September 30, 2014, we operated directly or indirectly through joint ventures, 263 centers located in California, Maryland, Florida, Delaware, New Jersey, Rhode Island and New York. Our centers provide physicians with imaging capabilities to facilitate the diagnosis and treatment of diseases and disorders and may reduce unnecessary invasive procedures, often reducing the cost and amount of care for patients. Our services include magnetic resonance imaging (MRI), computed tomography (CT), positron emission tomography (PET), nuclear medicine, mammography, ultrasound, diagnostic radiology (X-ray), fluoroscopy and other related procedures. The vast majority of our centers offer multi-modality imaging services, a key point of differentiation from our competitors. Our multi-modality strategy diversifies revenue streams, reduces exposure to reimbursement changes and provides patients and referring physicians one location to serve the needs of multiple procedures.

In addition to our imaging services, one of our subsidiaries, eRAD, Inc., develops and sells computerized systems for the imaging industry, including Picture Archiving Communications Systems (“PACS”) and Radiology Information Systems (“RIS”). Another one of our subsidiaries, Imaging On Call LLC, provides teleradiology services for remote interpretation of images on behalf of radiology groups, hospitals and imaging center customers. Teleradiology is the process of taking radiological patient images, such as X-rays, CTs, and MRIs, from one location to another for the purposes of interpretation and/or consultation. Teleradiology allows radiologists to provide services without actually having to be at the location of the patient and allows trained specialists to be available 24/7. In addition to providing alternative revenue sources for us, the capabilities of both eRAD and Imaging On Call can make the RadNet imaging center operations more efficient and cost effective.

Principal Executive Office

Our executive offices are located at 1510 Cotner Avenue, Los Angeles, California 90025 and our telephone number at that address is (310) 478-7808. Our corporate website is www.radnet.com. Information contained on our website or

that can be accessed through our website is not incorporated by reference in this prospectus and does not constitute a part of this prospectus.

The Offering

We may offer and sell, from time to time, up to \$200,000,000 of our common stock, preferred stock, debt securities, warrants, subscription rights or units, in one or more offerings and in any combination thereof. In addition, the selling stockholders may sell up to 3,000,000 shares of our common stock. This prospectus provides you with a general description of the securities we may offer and the selling stockholders may offer. Except in the case of certain offers and sales by the selling stockholders in circumstances described under “Plan of Distribution,” this prospectus may not be used to offer or sell securities unless accompanied by a prospectus supplement. We will not receive any proceeds from the sale of common stock by the selling stockholders.

Listing

Our common stock is currently quoted on the NASDAQ Global Market, under the symbol “RDNT”.

RISK FACTORS

An investment in our company involves a high degree of risk. Before you make a decision to invest in our securities, you should consider carefully the risks described in the section entitled “Risk Factors” contained in the applicable prospectus supplement and in our most recent annual report on Form 10-K and quarterly reports on Form 10-Q filed with the SEC, as well as any amendment or update thereto reflected in subsequent filings with the SEC or in any current report on Form 8-K we may file. The risks and uncertainties described in this prospectus, any applicable prospectus supplement and the documents incorporated by reference herein are not the only ones facing us. Additional risks and uncertainties that we do not presently know about or that we currently believe are not material may also adversely affect our business. Our business, results of operations or financial condition could be seriously harmed, and the trading price of our securities may decline due to any of these or other risks.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference in this prospectus contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, which we refer to as the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. Forward-looking statements reflect current views about future events and are based on our currently available financial, economic and competitive data and on current business plans. Actual events or results may differ materially depending on risks and uncertainties that may affect our operations, markets, services, prices and other factors.

Statements in this prospectus and the documents incorporated by reference in this prospectus concerning our ability to successfully acquire and integrate new operations, to grow our contract management business, our financial guidance, our future cost saving efforts, our increased business from new equipment or operations and our ability to finance our operations are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expect,” “intend,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “assumption” or the negative of these terms or other comparable terminology.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Before deciding to purchase our securities, you should carefully consider such risks, including those factors listed in “Risk Factors” set forth herein and elsewhere in this prospectus and the documents incorporated by reference in this prospectus and in other reports that we file with the SEC.

We do not undertake any responsibility to release publicly any revisions to these forward-looking statements to take into account events or circumstances that occur after the date of this prospectus. Additionally, we do not undertake any responsibility to update you on the occurrence of any unanticipated events which may cause actual results to differ from those expressed or implied by the forward-looking statements contained in this prospectus unless required by applicable law.

USE OF PROCEEDS

Except as described in any applicable prospectus supplement, we currently intend to use the net proceeds from the sale of the securities offered hereunder, if any, for general corporate purposes, which may include working capital, capital expenditures, acquisitions and refinancing or repayment of indebtedness, including the indebtedness under our senior secured credit facilities. While we do not have any plans, arrangements or commitments for any specific acquisitions or investments at this time, we believe opportunities may exist from time to time to expand our current business through strategic alliances or acquisitions.

When specific securities are offered, the prospectus supplement relating thereto will set forth our intended use of the net proceeds that we receive from the sale of such securities. Pending the application of the net proceeds, we may invest the proceeds in marketable securities and short-term investments.

We will not receive any proceeds from the sale of common stock by the selling stockholders pursuant to this prospectus. We have agreed to pay all costs, expenses and fees relating to registering the shares of our common stock to be sold by the selling stockholders and referenced in this prospectus. The selling stockholders will pay any brokerage commissions and/or similar charges incurred for the sale of such shares of our common stock.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for each of the periods presented:

	Fiscal Year Ended December 31,					Nine Months Ended September 30, 2014
	2013	2012	2011	2010	2009	
Ratio of earnings to fixed charges (1)(2)	1.13	1.07	1.13	–	–	–
Additional earnings required to have a one-to-one ratio of earnings to fixed charges	\$–	\$–	\$–	\$9,422	\$2,521	\$ 885

(1) For purposes of computing the ratio of earnings to fixed charges, earnings is computed without reduction for net income attributable to noncontrolling interests and fixed charges includes 14% of operating lease costs, which approximates the portion that relates to the interest portion based on our estimated incremental borrowing rate.

(2) We do not calculate a ratio of earnings to combined fixed charges and preferred stock dividends at this time because no shares of our preferred stock are issued and outstanding. If we offer shares of preferred stock under this prospectus we will, at that time, provide a ratio of earnings to combined fixed charges and preferred stock dividends in the applicable prospectus supplement.

DESCRIPTION OF CAPITAL STOCK

The following description of our common stock and preferred stock, together with the additional information we include in any prospectus supplement, summarizes the material terms and provisions of the common stock and the preferred stock that we may offer pursuant to this prospectus. While the terms we have summarized below will apply generally to any future common stock or preferred stock that we may offer, we will describe the particular terms of

any class or series of these securities in more detail in the particular prospectus supplement. For the complete terms of our common stock and preferred stock, please refer to our current certificate of incorporation, as amended to date, or our bylaws, which have been filed with the SEC and are incorporated herein by reference. The terms of these securities may also be affected by the Delaware General Corporation Law. The summary below and any update which may be contained in any prospectus supplement is qualified in its entirety by reference to our certificate of incorporation, as amended to date, and our bylaws, as either may be amended from time to time after the date of this prospectus, but before the date of any such prospectus supplement.

Authorized Capitalization

We are authorized to issue 200,000,000 shares of common stock having a par value of \$.0001 per share and 30,000,000 shares of preferred stock having a par value of \$.0001 per share. As of November 5, 2014, we had 42,710,676 shares of common stock outstanding and no shares of preferred stock outstanding. Our authorized shares of common stock and preferred stock are available for issuance without further action by our stockholders, unless such action is required by applicable law or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded. If the approval of our stockholders is not so required, our board of directors may determine not to seek stockholder approval.

Common Stock

Subject to the preferences that may apply to shares of preferred stock outstanding at the time, the holders of outstanding shares of our common stock are entitled to receive dividends out of assets legally available at the times and in the amounts that our board of directors may from time to time declare. Upon the liquidation, dissolution or winding-up of our company, the holders of outstanding shares of our common stock will be entitled to share in all assets remaining after payment of all liabilities and the liquidation preferences of any outstanding preferred stock. Each holder of our common stock is entitled to one vote per share on all matters submitted to a vote of shareholders, and may not cumulate votes for the election of directors. Our certificate of incorporation does not provide for any preemptive rights. Our common stock is not subject to conversion or redemption. Book-entry and other indirect holders should consult their banks, brokers or other financial institutions for information on how to vote their shares or how they will receive payments of dividends or liquidation proceeds.

Transfer Agent and Registrar

American Stock Transfer and Trust Company has been appointed as the transfer agent and registrar for our common stock.

Preferred Stock

Subject to the limitations imposed by law and the rules of the NASDAQ Stock Market, our board of directors is authorized to designate and issue up to 30,000,000 shares of preferred stock in one or more series, without further shareholder approval. Our board of directors is authorized from time to time to fix the designations and the powers, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including, without limitation, the dividend rate, conversion or exchange rights, redemption price and liquidation preference, of any series of shares of preferred stock, and to fix the number of shares constituting any such series, and to increase or decrease the number of shares of any such series (but not below the number of shares thereof then outstanding). Any or all of these rights may be superior to the rights of the common stock.

Subject to the limitations imposed by law and the rules of the NASDAQ Stock Market, our board of directors may designate and issue preferred stock with terms that could delay or prevent a change in control of our company or make removal of our management more difficult. Additionally, our issuance of preferred stock may decrease the market price of our common stock, decrease the amount of earnings and assets available for distribution to holders of our common stock if we liquidate or dissolve, and restrict or limit amounts which we may pay as dividends to holders of our common stock or use to repurchase or otherwise acquire shares of our common stock.

A prospectus supplement relating to a series of preferred stock will describe terms of that series of preferred stock, including:

· the designation and stated value of that series;

· the number of shares of preferred stock we are offering;

· the initial public offering price at which the shares of preferred stock will be sold;

· the dividend rate of that series, the conditions and dates upon which those dividends will be payable, whether those dividends will be cumulative or noncumulative, and, if cumulative, the date from which dividends will accumulate;

· the process for any auction and remarketing, if any;

· the relative ranking and preferences of that series as to dividend rights and rights upon any liquidation, dissolution or winding up of the affairs of our company;

· any redemption, repurchase, or sinking fund provisions;

any conversion or exchange rights of the holder or us;

any voting rights;

any preemptive rights;

any restrictions on transfer, sale or other assignment;

any restrictions on further issuances;

whether interests in the preferred stock will be represented by depository shares;

a discussion of any material United States federal income tax considerations applicable to the preferred stock;

any application for listing of that series on any securities exchange or market;

any limitations on the issuance of any class or series of preferred stock ranking senior to or on a parity with the series of preferred stock as to dividend rights and rights upon liquidation, dissolution or winding up of our company's affairs; and

any other specific terms, preferences, rights or limitations of, or restrictions on, that series of preferred stock.

Anti-Takeover Effects of Provisions of Delaware Law and Our Charter Documents

The following provisions of Delaware law and our certificate of incorporation and bylaws may affect the control of our company.

Delaware Law

Section 203 of the Delaware General Corporation Law, which we refer to as the DGCL, generally prohibits any Delaware corporation from engaging in any "business combination" with any "interested stockholder" for a period of three years following the date the stockholder became an interested stockholder, unless:

prior to that date the board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;

upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock outstanding at the time the transaction commenced, excluding (for purposes of calculating the total voting stock outstanding) shares held by inside directors or employee stock plans which do not grant the right to tender shares confidentially; or

on or following that date, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

Section 203 generally defines a “*business combination*” to include:

any merger or consolidation of the corporation or any of its direct or indirect majority-owned subsidiaries with either the interested stockholder or any other person or entity if the transaction is caused by the interested stockholder;

any sale, lease, transfer, pledge or other disposition of the assets of the corporation or any direct or indirect majority-owned subsidiary involving the interested stockholder if the value of the assets exceeds 10% or more of the market value of the corporation’s consolidated assets or outstanding stock;

subject to specified exceptions, any transaction that results in the issuance or transfer by the corporation or any of its direct or indirect majority-owned subsidiaries of any stock of the corporation or the subsidiary to the interested stockholder;

any transaction involving the corporation or any of its direct or indirect majority-owned subsidiaries that has the effect of increasing the proportionate share of the stock of any class or series of the corporation or the subsidiary beneficially owned by the interested stockholder; or

the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation or any of its direct or indirect majority-owned subsidiaries.

In general, Section 203 defines an “*interested stockholder*” as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by that entity or person.

Section 203 of the Delaware General Corporation Law could depress our stock price and delay, discourage or prohibit transactions not approved in advance by our board of directors, such as takeover attempts that might otherwise involve the payment to our stockholders of a premium over the market price of our common stock.

Certificate of Incorporation and Bylaw Provisions.

Some provisions of our certificate of incorporation and bylaws may have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt that a stockholder might deem to be in its, his or her best interest. The existence of these provisions might reduce the price that investors would be willing to pay in the future for shares of our common stock or other securities. These provisions include:

Special stockholder meetings. Only a majority of the members of our board of directors, or a duly authorized committee thereof, may call a special meeting of stockholders, provided, however, that if and to the extent that any special meeting of stockholders may be called by any other person or persons specified in any certificate of designations filed under Section 151(g) of the DGCL (or its successor statute as in effect from time to time), then such special meeting may also be called by the person or persons, in the manner, at the times and for the purposes so specified.

Authorized but unissued shares. Our board of directors may designate and issue authorized but unissued shares of preferred stock (as well as issue shares of authorized but unissued common stock) without stockholder approval, subject to certain limitations imposed by the NASDAQ Stock Market. These additional shares may be utilized in an

effort to dilute the stock ownership and voting power of persons seeking to obtain control of our company, including by implementation of a stockholder rights plan, or may be issued to investors who would support our board of directors in opposing an unsolicited takeover bid.

Number of directors. Our board of directors has the authority to increase the number of directors as stated in our bylaws, and may fill the vacancies created by such action without stockholder approval.

Transfer restrictions. Our certificate of incorporation contains provisions generally restricting any direct or indirect transfer of shares of our capital stock where the transferee(s), individually or collectively, is or would become a “5-percent shareholder,” as such term is defined in the U.S. Internal Revenue Service Treasury Regulation ss. 1.382-2T(g) (referred to herein as the Treasury Regulation), or would increase the ownership percentage of an existing 5-percent shareholder. Such transfer restrictions are intended to preserve certain of our tax assets and any attempted transfer of our capital stock to a 5-percent shareholder in violation of the provisions of our certificate of incorporation will be void ab initio. Under the Treasury Regulation, 5-percent shareholder generally means an individual or group that owns five percent or more of the applicable company, however, the Treasury Regulation is complex and you are encouraged to consult with your tax advisors to determine whether or not you are a 5-percent shareholder for purposes of the Treasury Regulation.

Indemnification Provisions

Delaware Law, Certificate of Incorporation, and Bylaws

The following provisions of Delaware law and our certificate of incorporation and bylaws govern the indemnification of our directors and officers.

Section 145 of the DGCL permits a corporation to indemnify any director, officer, employee or agent of the corporation, or other person who is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, any such person we refer to as an indemnitee, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with any action, suit or proceeding brought by reason of the fact that the indemnitee is or was serving the corporation or another entity at the direction of the corporation, provided that the indemnitee acted in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, if he or she had no reason to believe his or her conduct was unlawful. In a derivative action (i.e., one brought by or on behalf of the corporation), indemnification may be provided only for expenses actually and reasonably incurred by the indemnitee in connection with the defense or settlement of such an action or suit if the indemnitee acted in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, except that no indemnification shall be provided if the indemnitee is adjudged to be liable to the corporation, unless and only to the extent that the court in which the action or suit was brought determines that the indemnitee is fairly and reasonably entitled to indemnity for his or her expenses despite the adjudication of liability.

Section 145(g) of the DGCL also provides that a corporation may maintain insurance against liabilities even if the corporation would lack the power under the DGCL to indemnify against those liabilities.

Article Ninth of our certificate of incorporation provides that a director is not liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director to the fullest extent permitted by the DGCL. It further obligates us, with respect to our officers and directors, and permits us, with respect to our employees and agents, to indemnify, in the manner and to the fullest extent permitted by the DGCL, any person (or the estate of any person) who is or was a party to, or is threatened to be made a party to, any threatened, pending or completed action, suit or proceeding, whether or not by or in the right of RadNet, and whether civil, criminal, administrative, investigative or otherwise, by reason of the fact that the person is or was a director or officer, or employee or agent, as the case may be, of RadNet, or is or was serving at the request of RadNet as a director or officer, or employee or agent, as the case may be, of another corporation or entity. We may advance the expenses incurred by any such director, officer, employee or agent in defending any such action, suit or proceeding prior to its final disposition upon receipt of an undertaking by the recipient to repay the amounts advanced if it is ultimately determined that he or she is not entitled to be indemnified as authorized by the DGCL and our certificate of incorporation. To the fullest extent permitted by

the DGCL, the indemnification provided in the certificate of incorporation includes expenses (including attorneys' fees), judgments, fines and amounts paid in settlement and, in the manner provided by the DGCL, we may pay any of these expenses in advance of the final disposition of such action, suit or proceeding.

Except as described in this paragraph, Article VII of our bylaws contains provisions substantially similar to Article Ninth of our certificate of incorporation. In addition, our bylaws obligate us to indemnify each of our officers, directors, employees and agents in any action, suit or proceeding referred to above to the extent that person has been successful on the merits in defense thereof, or in defense of any claim, issue or matter therein, against expenses (including attorneys' fees) actually and reasonably incurred by that person in connection therewith. Our bylaws obligate us to advance expenses to our officers and directors, and require an undertaking to repay expenses under the specified conditions if required by applicable law.

General

We also maintain insurance for our officers and directors against certain liabilities, including liabilities under the Securities Act. The effect of this insurance is to indemnify any of our officers or directors against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement, incurred by an officer or director upon a determination that such person acted in good faith. RadNet pays the premiums for this insurance.

RadNet has also entered into separate indemnification agreements with its officers and directors, which indemnify the officer or director against all liabilities relating to his or her position as an officer or director of RadNet, or as an employee, agent, officer or director of any other entity if the officer or director is serving in that capacity at our request, to the fullest extent permitted under applicable law.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or controlling persons pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In addition, indemnification for violations of state securities laws may be limited by applicable laws.

DESCRIPTION OF DEBT SECURITIES

We may issue senior debt securities or subordinated debt securities (any of which may be convertible or not convertible). We use the term debt securities in this prospectus to refer to both senior debt securities and subordinated debt securities. No debt securities will be secured by any of our property or assets or the property or assets of any of our subsidiaries. No debt securities will be guaranteed by any of our subsidiaries or any other person or entity. Thus, by owning a debt security, you will be an unsecured creditor of RadNet.

The senior debt securities will be issued under our senior debt indenture described below and will rank equally with all of our other unsecured and unsubordinated debt. The subordinated debt securities will be issued under our subordinated debt indenture described below and will be subordinate in right of payment to all of our “senior debt,” as defined in the subordinated debt indenture. We use the term indentures in this prospectus to refer to both the senior debt indenture and the subordinated debt indenture. Neither indenture limits our ability to incur additional unsecured indebtedness, unless otherwise described in the prospectus supplement relating to any series of debt securities. The indentures and the debt securities will be governed by New York law, unless otherwise indicated in the prospectus supplement applicable to a series of debt securities.

We have summarized some of the material provisions of the indentures on the following pages. The summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all provisions of the indentures, including definitions of various terms contained in the indentures. Copies of the entire indentures are exhibits to the registration statement of which this prospectus is a part, and are incorporated herein by reference. We encourage you to read the full text of the indentures, which you can obtain as described under the heading “Where You Can Find More Information” elsewhere in this prospectus. While the terms we have summarized below will apply generally to any future debt securities we may offer under this prospectus, the applicable prospectus supplement or free writing prospectus will describe the specific terms of any debt securities offered through that prospectus supplement or free writing prospectus. The terms of any debt securities we offer under a prospectus supplement or free writing prospectus may differ from the terms we describe