

REEDS INC  
Form S-3/A  
June 23, 2009

As filed with the Securities and Exchange Commission on June 23 , 2009  
Registration No. 333-156908

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

AMENDMENT NO. 2 ON  
FORM S-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Reed's, Inc.  
(Exact name of registrant as specified in its charter)

Delaware	2086	35-2177773
(State or jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

13000 South Spring Street  
Los Angeles, California 90061  
(310) 217-9400  
(Address and telephone number of principal executive offices and principal place of business)

Christopher J. Reed  
Chief Executive Officer  
13000 South Spring Street  
Los Angeles, California 90061  
(310) 217-9400  
(Name, address and telephone number of agent for service)

With copies to:

Ruba Qashu  
Qashu & Schoenthaler LLP  
1801 Century Park East, 25th Floor  
Los Angeles, California 90067  
Telephone: (310) 773-5953  
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Joseph A. Smith  
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420 Lexington Avenue, Suite 2620  
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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

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, check the following box.

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

Registration Statement for the same offering. o

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

If delivery of the prospectus is expected to be made pursuant to Rule 434, please 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 12b2 of the Exchange Act.

Large accelerated filer

Accelerated filer

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

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 Share (1)	Estimated Proposed Maximum Aggregate Offering Price (4)	Amount of Registration Fee
Transferable Subscription Rights (“Rights”) to purchase Series B Convertible Preferred Stock, \$0.0001 par value per share (“Series B Preferred”)	—	—	—	— (2)
Shares of Series B Preferred Stock underlying the Rights	300,000	\$10.00	\$3,000,000	\$167.40 (3)
Shares of common stock underlying the Series B Preferred	—	—	—	— (4)
Total	300,000	\$10.00	\$3,000,000	\$167.40 (5)

- (1) This registration statement relates to (a) the subscription rights to purchase Series B Preferred (b) the shares of Series B Convertible Preferred Stock (“Series B Preferred”) deliverable upon the exercise of the rights and (3) the shares of common stock issuable upon conversion of the Series B Preferred ..
- (2) The rights are being issued without consideration. Pursuant to Rule 457(g), no separate registration fee is payable with respect to the rights being offered hereby since the rights are being registered in the same registration statement as the securities to be offered pursuant thereto.
- (3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
- (4) The securities being registered also include (A) such additional indeterminate number of shares of common stock as may be issued upon (i) conversion of the Series B Preferred and (ii) the payment of dividends, at the option of the company, on the Series B Preferred and (B) such indeterminate number of shares of Series B Preferred as may be issued upon payment of dividends in kind, at the option of the company, on the Series B Preferred. Pursuant to Rule 457(i), no separate fee is payable with respect to the common stock underlying the Series B Convertible Preferred Stock. In accordance with Rule 416, the number of shares registered hereby shall

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also be deemed to include an indeterminate number of additional shares of common stock that may be issued upon conversion of the Series B Convertible Preferred Stock as a result of anti-dilution provisions thereof.

(5) Calculated pursuant to Rule 457(g) based on the aggregate exercise price of the rights.

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, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities 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 an offer to buy these securities in any state where the offer or sale is not permitted.

Preliminary Prospectus

Subject To Completion, Dated June 23 , 2009

REED'S INC.

10,000,000 Transferable Rights to Subscribe for up to 300,000 Shares of  
Series B Convertible Preferred Stock at \$10.00 per Share

We are distributing at no charge to the holders of our common stock on [ ], 2009, which we refer to as the record date, subscription rights to purchase up to an aggregate of 300,000 shares of our Series B Preferred. We will distribute to you one right for every share of common stock that you own on the record date. Each share of Series B Preferred carries an eight percent (8%) annual dividend for a term of three (3) years ,will have an initial stated value of \$10.00 per share, and will be convertible into shares of our common stock at a conversion ratio of [ ] shares of common stock for each share of Series B Preferred held at the time of conversion, representing an initial conversion price of \$[ ] per share, which is subject to adjustment.

You are receiving this prospectus because you held shares of our common stock as of the close of business on June [ ], 2009, the record date for this rights offering. As of the record date, there are [ ] shares of common stock outstanding. We have granted you one right for each share of our common stock that you owned on the record date. You may purchase one share of our Series B Preferred for every four (4) rights granted to you. If you exercise your rights in full, you may also concurrently exercise an over-subscription right to purchase additional shares of Series B Preferred that remain unsubscribed at the expiration of the rights offering, subject to availability and allocation of shares among persons exercising this over-subscription right. . The over-subscription rights allow a holder to subscribe for an additional amount equal to up to 400% of the shares for which such holder was otherwise entitled to subscribe. The exercise price for over-subscription rights is the same as the exercise price per whole share as the basic subscription rights. Rights may only be exercised for whole numbers of shares; no fractional shares of Series B Preferred will be issued in this offering.

We intend to offer any shares of Series B Preferred that remain unsubscribed (after taking into account all over-subscription rights exercised) at the expiration of the rights offering to the public at \$10.00 per share of Series B Preferred.

The rights will expire at 5:00 p.m., New York City time, on [ ], 2009, which date we refer to as the expiration date. If the rights offering is undersubscribed, we may extend the period for exercising the rights for up to an additional 30 trading days in our sole discretion. A "trading day" is any day the NASDAQ Stock Market is open for trading. Any rights not exercised at or before that time will expire worthless without any payment to the holders of those unexercised rights. There is no minimum subscription amount required for consummation of the rights offering. We will raise no more than \$3,000,000 in this offering.

You should carefully consider whether to exercise your subscription rights before the expiration date. All exercises of subscription rights are irrevocable. Our board of directors is making no recommendation regarding your exercise of the subscription rights. Investing in our securities involves a high degree of risk. In addition, your holdings in our company will be diluted if you do not exercise the full amount of your basic subscription rights. See "Risk Factors" beginning on page 17 of this prospectus.

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Our common stock is quoted on the NASDAQ Capital Market under the symbol "REED." The last reported sale price of our common stock on June [ ], 2009 was \$[ ] per share. The rights are transferable and will be listed for trading on the NASDAQ Capital Market under the symbol "REEDR" during the course of this offering. We intend to apply to the OTC Bulletin Board for quotation of our Series B Preferred. We cannot assure you that our Series B Preferred will meet the requirements for quotation or that there will be an active trading market for our Series B Preferred.

As of June 16, 2009, the aggregate market value of our outstanding common stock held by non-affiliates was approximately \$10,759,000, based on 9,129,848 shares of outstanding common stock, of which approximately 5,517,231 shares are held by non-affiliates, and a per share price of \$1.95 based on the closing sale price of our common stock on June 16, 2009. As of the date hereof, we have not offered any securities pursuant to General Instruction I.B.6 of Form S-3 during the prior 12 calendar month period that ends on and includes the date hereof.

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Subscription Price