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NOVAMED INC
Form 10KSB
March 28, 2003

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-KSB

(Mark One)

Annual report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2002.

Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934 (No fee required) for the transition period from to

Commission file number:000-26927

NOVAMED, INC

(Name of Small Business Issuer in Its Charter)

Nevada

58-2027283

(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

1403 East 900 South, Salt Lake City, Utah 84105

(Address of Principal Executive Offices) (Zip Code)

(801) 582-9609

(Issuer's Telephone Number, Including Area Code)

Securities registered under Section 12(b) of the Exchange Act:

Title of Each Class	Name of each Exchange on Which Registered
Common Stock (\$0.001 Par Value)	None

Check whether the registrant: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and if no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB [].

The registrants's net sales for the year ended December 31, 2002, were \$0.

The aggregate market value of the registrant's common stock, \$0.001 par value (the only class of voting stock), held by non-affiliates was approximately \$54,925 based on the average closing bid and asked prices for the common stock on March 14, 2003.

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At March 14, 2003, the number of shares outstanding of the registrant's common stock, \$0.001 par value (the only class of voting stock), was 1,299,858.

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PART I

ITEM 1. DESCRIPTION OF BUSINESS

Corporate History.

As used herein the term Company refers to NovaMed, Inc., its subsidiaries and predecessors, unless the context indicates otherwise. NovaMed, Inc. was incorporated in Nevada on November 26, 1996, as Conceptual Technologies, Inc. On April 9, 1998, the Company changed its name to reflect the acquisition of the operating subsidiaries of NovaMed Medical Products Incorporated (NMMP), and the resultant operational focus to the development, manufacture, and sale of mammary prosthesis devices. The Company developed, manufactured and sold mammary prosthesis devices outside of North America until such efforts were abandoned in October of 2000 due to regulatory concerns and questions of adequate funding.

Selection of a Business.

The Company is now considering other business opportunities either through merger or acquisition that might create value for our shareholders. We have no day-to-day operations at the present time. Our sole officer and director devotes limited time and attention to the affairs of the Company. Management has adopted a conservative policy of seeking opportunities that they consider to be of exceptional quality. As a result of that policy the Company may have to wait some time before consummating a suitable transaction. Management recognizes that the higher the standards it imposes upon itself, the greater may be its competitive disadvantages when vying with other acquiring interests or entities.

The Company does not intend to restrict its consideration to any particular business or industry segment, and the Company may consider, among others, finance, brokerage, insurance, transportation, communications, research and development, service, natural resources, manufacturing or high-technology. However, due to the Company's limited financial resources, the scope and number of suitable candidate business ventures available is limited, and most likely the Company will not be able to participate in more than a single business venture. Accordingly, it is anticipated that the Company will not be able to diversify, but may be limited to one merger or acquisition. This lack of diversification will not permit the Company to offset potential losses from one business opportunity against profits from another.

The decision to participate in a specific business opportunity will be made upon management's analysis of the quality of the other firm's management and personnel, the anticipated acceptability of new products or marketing concepts, the merit of technological changes and numerous other factors which are difficult, if not impossible, to analyze through the application of any objective criteria. In many instances, it is anticipated that the historical operations of a specific venture may not necessarily be indicative of the potential for the future because of the necessity to substantially shift a marketing approach, expand operations, change product emphasis, change or substantially augment management, or make other changes. The Company will be dependent upon the management of a business opportunity to identify such problems and to implement, or be primarily responsible for the implementation of, required changes.

Since the Company may participate in a business opportunity with a newly organized business or wi

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business which is entering a new phase of growth, it should be emphasized that the Company may incur risk due to the failure of the target's management to have proven its abilities or effectiveness, or the failure to establish a market for the target's products or services, or the failure to realize profits. While the Company does not intend to rule out its consideration of any particular business or industry segment, management has determined to focus its principal interest in evaluating development stage companies in the electronic commerce, high-technology, communication technologies, information services and biotechnology industry segments.

We will not acquire or merge with any company for which audited financial statements cannot be obtained. It may be anticipated that any opportunity in which the Company participates will present certain risks. Many of these risks cannot be adequately identified prior to selection of the specific opportunity, and the Company's shareholders must, therefore, depend on the ability of management to identify and evaluate such risk. In the case of some of the opportunities available to the Company, it may be anticipated that the founders thereof have been unable to develop a going concern or that such business is in its development stage in that it has not generated significant revenues from its principal business activities prior to the Company's participation.

Acquisition of Business.

In implementing a structure for a particular business acquisition, the Company may become a party to a merger, consolidation, reorganization, joint venture, franchise or licensing agreement with another corporation or entity. It may also purchase stock or assets of an existing business. On the consummation of a transaction, it is possible that the present management and shareholders of the Company will not be in control of the Company. In addition, the Company's sole officer and director may, as part of the terms of the acquisition transaction, resign and be replaced by new officers and directors without a vote of the Company's shareholders.

The Company anticipates that any securities issued in any such reorganization would be issued in reliance on exemptions from registration under applicable federal and state securities laws. In some circumstances, however, as a negotiated element of this transaction, the Company may agree to register such securities either at the time the transaction is consummated, under certain conditions, or at a specified time thereafter. The issuance of substantial additional securities and their potential sale into any trading market may have a depressive effect on such market.

While the actual terms of a transaction to which the Company may be a party cannot be predicted, it may be expected that the parties to the business transaction will find it desirable to avoid the creation of a taxable event and thereby structure the acquisition in a so called "tax-free" reorganization under Section 368(a)(1) of the Internal Revenue Code of 1986, as amended (the "Code"). In order to obtain tax-free treatment under the Code, it may be necessary for the owners of the acquired business to own 80% or more of the voting stock of the surviving entity. In such event, the shareholders of the Company would retain less than 20% of the issued and outstanding shares of the surviving entity, which could result in significant dilution in the equity of such shareholders.

As part of our investigation, officers and directors of the Company will meet personally with management and key personnel, may visit and inspect material facilities, obtain independent analysis or verification of certain information provided, check reference of management and key personnel, and take

other reasonable investigative measures, to the extent of the Company's limited financial resources and management expertise.

The manner in which each Company participates in an opportunity will depend on the nature of the opportunity, the respective needs and desires of the Company and other parties, the management of the opportunity, and the relative negotiating strength of the Company and such other management. With respect to any mergers or acquisitions, negotiations with target company management will be expected to focus on the percentage of the Company that target company shareholders would acquire in exchange for their shareholdings in the target company. Depending upon, among other things, the target company's assets and liabilities, the Company's shareholders will in all likelihood hold a lesser percentage ownership interest in the Company following any merger or acquisition. The percentage ownership may be subject to significant reduction in the event the Company acquires a target company with substantial assets. Any merger or acquisition effected by the Company can be expected to have a significant dilutive effect on the percentage of shares held by the Company's then shareholders.

Operation of Business After Acquisition.

The Company's operation following its merger or acquisition of a business will be dependent on the nature of the business and the interest acquired. The Company is unable to determine at this time whether the Company will be in control of the business or whether present management will be in control of the Company following the acquisition. It may be expected that the business will present various challenges that cannot be predicted at the present time.

Government Regulation.

The Company cannot anticipate the government regulations, if any, to which the Company may be subject until it has acquired an interest in a business. The use of assets to conduct a business that the Company may acquire could subject it to environmental, public health and safety, land use, trade, or other governmental regulations and state or local taxation. In selecting a business in which to acquire an interest, management will endeavor to ascertain, to the extent of the limited resources of the Company, the effects of such government regulation on the prospective business of the Company. In certain circumstances, however, such as the acquisition of an interest in a new or start-up business activity, it may not be possible to predict with any degree of accuracy the impact of government regulation.

Competition.

The Company will be involved in intense competition with other business entities, many of which will have a competitive edge over the Company by virtue of their stronger financial resources and prior experience in business. There is no assurance that the Company will be successful in obtaining suitable business opportunities.

Employees.

The Company currently has no employees. Our executive officer devotes as much time to the affairs of the Company as he deems appropriate. Management of the

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Company expects to use consultants, attorneys, and accountants as necessary, and does not anticipate a need to engage any full-time employees as long as business needs are being identified and evaluated. The need for employees and

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their availability will be addressed in connection with a decision concerning whether or not to acquire or participate in a specific business venture.

Reports to Security Holders.

The Company's annual report will contain audited financial statements. The Company is not required to deliver an annual report to security holders and will not voluntarily deliver a copy of the annual report to the security holders. The Company files all of its required information with the Securities and Exchange Commission ("SEC").

The public may read and copy any materials that are filed by the Company with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The statements and forms filed by the Company with the SEC have also been filed electronically and are available for viewing or copy on the SEC maintained Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The Internet address for this site can be found at <http://www.sec.gov>.

Board of Directors Committees

The board of directors has not yet established an audit committee or a compensation committee. An audit committee typically reviews, acts on and reports to the board of directors with respect to various auditing and accounting matters, including the recommendations and performance of independent auditors, the scope of the annual audits, fees to be paid to the independent auditors, and internal accounting and financial control policies and procedures. Certain stock exchanges currently require companies to adopt formal written charter that establishes an audit committee that specifies the scope of an audit committee's responsibilities and the means by which it carries out those responsibilities. In order to be listed on any of these exchanges, we will be required to establish an audit committee.

The board of directors has not yet established a compensation committee. Directors currently are not reimbursed for out-of-pocket costs incurred in attending meetings and no director receives any compensation for services rendered as a director. It is likely that we will adopt a provision for compensating directors in the future.

ITEM 2. DESCRIPTION OF PROPERTY

The Company currently maintains its offices at 1403 East 900 South, Salt Lake City, Utah 84105. The office space is owned by Ruairidh Campbell, our sole officer, director, and a substantial shareholder of the Company. The Company pays no rent for the use of this address. The Company does not believe that it will need to maintain an office at any time in the foreseeable future in order to carry out the plan of operation described herein.

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ITEM 3. LEGAL PROCEEDINGS

The Company is currently not a party to any pending legal proceeding

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

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No matters were submitted to a vote of security holders during the fourth quarter of the period covered by this report.

PART II

ITEM 5. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND OTHER SHAREHOLDER MATTERS

The Company's common stock is traded on Over the Counter Bulletin Board under the symbol NOMD.OB.

The table below sets forth the high and low sales prices for the Company's common stock for each quarter of 2002 and 2001, reflecting a one for fifty (1:50) reverse split that was implemented on May 7, 2002. The high and low sales prices for each quarter of 2002 have been adjusted to reflect a one for fifty (1:50) reverse split that was implemented on May 7, 2002. The quotations below reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions:

Year	Quarter Ended	High	Low
	-----	----	---
2002	March 31	\$0.02	\$0.00

	June 30	\$0.12	\$0.10
	September 30	\$0.20	\$0.10
	December 31	\$0.10	\$0.10
2001	March 31	\$0.06	\$0.02

	June 30	\$0.05	\$0.01
	September	\$0.02	\$0.01
	December 31	\$0.03	\$0.01

Record Holders

As of March 14, 2003, there were approximately 331 shareholders of record holding a total of 1,299,858 shares of common stock. The holders of the common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of the common stock have no preemptive rights and no right to convert their common stock into any other securities. There are no redemption or sinking fund provisions applicable to the common stock.

Dividends

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The Company has not declared any cash dividends since inception and does not anticipate paying any dividends in the foreseeable future. The payment of dividends is within the discretion of the board of directors and will depend on the Company's earnings, capital requirements, financial condition, and other relevant factors. There are no restrictions that currently limit the Company's ability to pay dividends on its common stock other than those generally imposed by applicable state law.

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Recent Sales of Unregistered Securities

On November 18, 2002, the Company issued 420,000 shares of common stock to Ruairidh Campbell valued at \$0.10 a share in consideration for services rendered in 2001 and 2002 as president of the Company, pursuant to section 4(2) of the Securities Act in a private transaction that did not include a public offering. The Company issued the shares to Mr. Campbell as part of a plan to reduce or eliminate amounts due to creditors. Mr. Campbell's services had not been compensated and therefore the decision was taken to settle all obligations to Mr. Campbell as of the period ended September 30, 2002.

On November 18, 2002 the Company issued 10,000 shares of common stock to Adam Kredovski valued at \$0.10 a share in consideration of services rendered to the Company in 2001, pursuant to section 4(2) of the Securities Act in a private transaction that did not include a public offering. The Company issued the shares to Mr. Kredovski as part of a plan to reduce or eliminate amounts due to creditors. Mr. Kredovski's services had not been compensated and therefore the decision was taken to settle all obligations to Mr. Kredovski.

ITEM 6 MANAGERMENT'S PLAN OF OPERATION

Plan of Operations

The Company's plan of operation for the coming year, as discussed above, is to identify and acquire a favorable business opportunity. The Company does not plan to limit its options to any particular industry, but will evaluate each opportunity on its merits. Management believes that the Company has sufficient resources to meet the anticipated needs of the Company's operations through at least the calendar year ending December 31, 2003. However, there can be no assurances to that effect, as the Company has no revenues and the Company's need for capital may change dramatically if it acquires an interest in a business opportunity during that period. Further, the Company has no plans to raise additional capital through private placements or public registration of its securities until a merger or acquisition candidate is identified.

The Company projects that if no acquisition candidate is found for the Company within the next twelve months its operating requirements will not exceed \$5,000. Further, the Company's president, Ruairidh Campbell will provide his expertise in preparing the necessary documentation to keep the Company current with its reporting requirements with the SEC and those costs will accrue on the Company's balance sheet.

Nonetheless, the Company has not yet entered into any agreement, nor does it have any commitment or understanding to enter into or become engaged in any transaction, as of the date of this filing. Any decision to participate in a

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specific business opportunity will be made based upon a Company analysis of the merits of the prospective business based on objective criteria.

Going Concern

The Company's audit expressed substantial doubt as to the Company's ability to continue as a going concern as a result of reoccurring losses, lack of revenue generating activities and an accumulated deficit of \$6,425,892 as of December 31, 2002. The Company's ability to continue as a going concern is subject to the ability of the Company to realize a profit and /or obtain funding from outside sources.

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Management's plan to address the Company's ability to continue as a going concern, includes: (1) obtaining funding from private placement sources; (2) obtaining additional funding from the sale of the Company's securities; (3) establishing revenues from a suitable business opportunity; (4) obtaining loans and grants from various financial institutions where possible. Although management believes that it will be able to obtain the necessary funding to allow the Company to remain a going concern through the methods discussed above, there can be no assurances that such methods will prove successful.

ITEM 7. FINANCIAL STATEMENTS

The Company's financial statements for the fiscal year ended December 31, 2002 are attached hereto as pages F-1 through F-15.

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NOVAMED, INC.

(A DEVELOPMENT STAGE COMPANY)

Consolidated Financial Statements

December 31, 2002 and 2001

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NOVAMED, INC. (A DEVELOPMENT STAGE COMPANY)

Index to Consolidated Financial Statements

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Independent auditors' report

Consolidated balance sheet

Consolidated statement of operations

Consolidated statement of stockholders' equity (deficit)

Consolidated statement of cash flows

Notes to consolidated financial statements

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
and Stockholders of
NovaMed, Inc.

We have audited the accompanying consolidated balance sheet of NovaMed, Inc. (a development stage company), as of December 31, 2002, and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for the two years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of

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NovaMed, Inc. (a development stage company), as of December 31, 2002, and the results of their consolidated operations and their cash flows for the two years then ended, in conformity with accounting principles generally accepted in the United States.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has a working capital deficit, a stockholders' deficit, and has incurred losses from operations since inception. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

TANNER + CO.

Salt Lake City, Utah
March 4, 2003

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Consolidated Balance Sheet

December 31, 2002

Assets

Current assets:

Cash	\$	9,145
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Total assets	\$	9,145
--------------	----	-------

Liabilities and Stockholders Deficit

Current Liabilities

Note payable	\$	20,000
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Accounts payable		89,850
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Total current liabilities		109,850
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Commitments and contingencies

-

Stockholders deficit:

Common stock, \$.001 par value, 50,000,000 shares

Authorized; 1,299,858 shares issued and outstanding	1,300
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Additional paid-in capital	6,323,887
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Accumulated deficit	6,440,940
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Equity accumulated during development stage	15,048
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Total stockholders deficit:	(100,705)
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Total liabilities and stockholders deficit \$ 9,145

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NOVAMED, INC
(A DEVELOPMENT STAGE COMPANY)

Consolidated Statement of Operations

	Years Ended December 31	
	2002	2001
Net sales	\$ -	\$ -
Costs and expenses		
General and administrative	38,890	566,959
Write down of inventory	-	129,204
	38,890	696,163
Loss from operations	(38,890)	(696,163)
Gain on sale of subsidiary	-	225,000
Gain on disposition of assets	47,151	-
Other income	6,787	3,099
Interest expense	-	(7,500)
Income (loss) before income taxes	15,048	(475,564)
Income tax (expense) benefit	-	-
Net income (loss)	\$ 15,048	\$ (475,564)
Earnings (loss) per common share		
Basic and diluted	.02	(.55)
Weighted average common shares		
Basic and diluted	979,000	870,000

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NOVAMED, INC.
(A DEVELOPMENT STAGE COMPANY)

Consolidated Statement of Stockholders Equity (Deficit)

Years Ended December 31, 2002 and 2001

	Shares	Common stock Amount	Paid-in Capital	Additional Subscription Receivable	Stock
Balance at January 2, 2001	869,858	\$ 870	\$ 6,711,327	\$ (692,510)	
Services exchanged for					

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Subscriptions receivable	-	-	-	262,500
Write-off of subscription Receivables	-	-	(430,010)	430,010
Net loss	-	-	-	-
Balance at December 31, 2001	869,858	870	6,281,317	-
Common stock issued For services	430,000	430	42,570	-
Net Income	-	-	-	-
Balance at December 31, 2002	1,299,858	\$ 1,300	\$ 6,323,687	\$ -

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Consolidated Statement of Cash Flows
Years Ended December 31,

2002	2001		
Cash flows from operating activities:			
Net income (loss)		\$ 15,048	\$ (475,56
Adjustments to reconcile net income (loss) to net cash Used in operating activities:			
Depreciation		4,481	17,
Gain on disposal of assets		(47,151)	
Gain on settlement of accrued interest		(6,761)	
Stock issued to related party for services		36,000	
Stock subscriptions satisfied for services		-	262,
Gain on sale of subsidiary		-	225,0
Write down of inventory		-	129,
(Increase) decrease in:			
Receivables		15,000	
(Decrease) increase in:			
Accounts payable and accrued liabilities		(17,506)	79,
Net cash used in operating activities		(889)	(211,7
Cash flows from investing activities			
Proceeds from the sale of subsidiary		-	10,
Net cash provided by investing activities		-	10,
Cash flows from financing activities			
Proceeds from convertible debentures		-	200,
Net cash provided by financing activities		-	200,
Net decrease in cash		(889)	(1,7
Cash, beginning of year		10,034	11,
Cash, end of year		\$ 9,145	\$ 10,

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Notes to Consolidated Financial Statements

December 31, 2002 and 2001

1. Organization
and
Presentation

The consolidated financial statements consist of NovaMed, Inc. (formerly Conceptual Technologies, Inc.) and its wholly owned subsidiaries.

The Company was formerly engaged primarily in the development, manufacture and sale of hydrogel and saline filled breast implant products. Due to an inability to obtain funding or generate sufficient revenues, the Company made the decision to abandon the breast implant business during 2002. The Company's remaining inventory and property and equipment were sold in exchange for the assumption of certain liabilities and the Company began the process of seeking other business opportunities. During 2002, the Company did not generate any revenues and is considered a development stage company subsequent to January 1, 2002. Cumulative amounts since the inception of the development stage have not been presented in the statement of operations or the statement of cash flows because such amounts were the same as those presented for the year ended December 31, 2002. The Company has, at the present time, not paid any dividends and any dividends that may be paid in the future will depend upon the financial requirements of the Company and other relevant factors.

During 2002, the Company's common stock was reverse split with a 50 to 1 ratio. The shares of common stock, par value of common stock, and additional paid-in capital have been retroactively restated to reflect the reverse stock split.

2. Going
Concern

At December 31, 2002 the Company had a working capital deficit, a deficit in stockholders' equity, and has incurred losses from operations since inception as well as negative cash flow from operations. These conditions raise substantial doubt about the ability of the Company to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

See accompanying notes to consolidated financial statements

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Concern
Continued

The Company's ability to continue as a going concern is subject to obtaining necessary funding from outside sources. The Company intends to begin seeking a potential merger partner and cash infusion through a reverse acquisition transaction. There can be no assurance that the Company will be successful in these efforts.

3. Significant

Accounting
Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated.

Cash Equivalents

For purposes of the statement of cash flows, cash includes all cash and investments with original maturities to the Company of three months or less.

Inventories

Inventories were recorded at the lower of cost or market, cost being determined on a first-in, first-out (FIFO) method. During the year ended December 31, 2001 the Company determined that \$129,204 its inventory was impaired based on the inability of the Company to sell its products and based on a default of license agreement (See note 10). In 2002, the Company sold all remaining inventory in exchange for the assumption of certain liabilities.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Depreciation and amortization on property and equipment is determined using the straight-line method over the estimated useful lives of the assets which is approximately 4 years. Expenditures for maintenance and repairs are expensed when incurred and betterments are capitalized. Gains and losses on sale of property and equipment are reflected in operations. In 2002, the

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Company sold all property and equipment in exchange for the assumption of certain liabilities.

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NOVAMED, INC.

(A DEVELOPMENT STAGE COMPANY)

Notes to Consolidated Financial Statements

Continued

3. Significant
Accounting
Policies
Continued Revenue Recognition

Revenue is recognized when a valid purchase order has been received, product has been shipped, the selling price is fixed or determinable, and collectibility is reasonably assured.

Income Taxes

Deferred taxes are computed using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax assets are not recognized unless it is more likely than not that the asset will be realized in future years.

Earnings Per Share

The computation of basic earnings per common share is based on the weighted average number of shares outstanding during each year.

The computation of diluted earnings per common share is based on the weighted average number of shares outstanding during the year plus the common stock equivalents, which would arise from the exercise of stock options and warrants outstanding using the treasury stock method and the average market price per share during the year. There were no outstanding options to purchase stock at December 31, 2001 or December 31, 2002.

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Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Company has not experienced any losses in such account and believes it is not exposed to any significant credit risk on cash and cash equivalents.

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NOVAMED, INC.

(A DEVELOPMENT STAGE COMPANY)

Notes to Consolidated Financial Statements

Continued

3. Significant
Accounting
Policies

Continued

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2001 financial statements have been reclassified to conform with the current year presentation.

4. Note Payable The Company has a note payable of \$20,000 due to an entity, which is unsecured, non-interest bearing, and due on demand.
5. Related Party Transactions The Company incurred consulting expenses of \$24,000 per year to an Officer of the Company for the years ended December 31, 2002 and 2001. These expenses were paid through the issuance of 420,000 shares of common stock.
6. Income Taxes The provision for income taxes is different than amounts which would be provided by applying the statutory federal income tax rate to loss before the provision for income taxes for the following reasons:

Years Ended

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December 31,

	2002	2001
Federal income tax		
Continued (provision) benefit at statutory rate	\$ (5,000)	\$ 161,000
Change in valuation allowance	5,000	(161,000)
	\$ -	\$ -

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NOVAMED, INC.
(A DEVELOPMENT STAGE COMPANY)
Notes to Consolidated Financial Statements

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NOVAMED, INC.
(A DEVELOPMENT STAGE COMPANY)
Notes to Consolidated Financial Statements
Continued

6. Income Taxes

Deferred tax assets (liabilities) are comprised of the following:

Net operating loss carryforward

Valuation allowance

\$

\$

\$

A valuation allowance has been established for the net deferred tax asset due to the uncertainty of the Company's ability to realize such asset.

At December 31, 2002, the Company has a net operating loss carryforward available to offset future taxable income of approximately \$4,400,000, which begins to expire in 2010. The amount of net operating loss carryforward that can be used in any one year will be limited by the applicable tax laws which are in effect at the time such carryforward can be utilized. The change in ownership of the Company may reduce the amount of loss allowable.

7. Supplemental
Cash Flow

During the year ended December 31, 2002:

Information The Company
equipment with a net
book value of \$28,590 for the buyer's assumption of \$75,741 in
accounts payable and accrued liabilities. The Company
recorded a gain of \$47,151 in connection with this transaction.

The Company
common stock as
payment for services rendered in the amount
of \$43,000, \$7,000 of which was included in
accounts payable at December 31, 2001.

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NOVAMED, INC.
(A DEVELOPMENT STAGE COMPANY) Notes to
Consolidated Financial Statements Continued
During the year ended December 31, 2001 the
Company determined that \$430,010 of its
stock subscriptions receivable were
uncollectible and determined not to cancel
the related issued shares. Accordingly
\$430,010 has been off-set to additional
paid-in-capital.

NOVAMED, INC.
 (A DEVELOPMENT STAGE COMPANY)
 Notes to Consolidated Financial Statements
 Continued

7. Supplemental
 Cash Flow
 Information
 Continued

During the year ended December 31, 2001 the Company sold to an individual a wholly-owned subsidiary which was formed in 2001. The Company had no cost basis in the subsidiary and sold the subsidiary for a gain of \$225,000 as follows:

Cash	\$
Notes receivable	
Assignment of convertible debentures	
Gain on sale of minority interest	\$

During the years ended December 31, 2002 and 2001, the Company paid interest of \$0 and \$800, respectively. The Company did not pay any income taxes in 2002 or 2001.

8. Stock
 Options
 and
 Warrants

During the year ended December 31, 1999 the Company established a stock option plan (the Plan), which allowed a maximum of 1,315,000 options be granted to purchase common stock at prices generally not less than the fair market value of common stock at the date of grant. Under the Plan, grants of options may be made to selected officers, employees and non-employees without regard to any performance measures. The options may be immediately exercisable or may vest over time as determined by the Board of Directors. As of December 31, 2002, there were no options or warrants to purchase common stock outstanding. No options were granted during 2002.

9. Gain on NOVAMED, INC.
 (A DEVELOPMENT STAGE COMPANY)
 Settlement of Debt and Disposal of Property and Equipment

Notes to Consolidated Financial Statements
 Continued

During the year ended December 31, 2002 the Company exchanged all property and equipment in exchange for the buyer's assumption of \$75,741 in accounts payable and accrued liabilities. The difference between the debt assumed and the net book value of the assets of \$47,151 resulted in gain on disposition of assets.

NOVAMED, INC.
 (A DEVELOPMENT STAGE COMPANY)
 Notes to Consolidated Financial Statements
 Continued

10. Commitments
 and
 Contingencies

Royalty Agreement

The Company had a license agreement which assigned the intellectual property, technology and patent rights used in and around manufacturing breast implants. The term of this license was perpetual and allowed for the worldwide exclusive rights to manufacture and market the product. As part of this agreement, the Company agreed to pay a royalty equal to 5% of net revenue of the product and a minimum royalty payment of \$21,000 for each six month period beginning May 1, 2001. During the year-ended December 31, 2001 the Company was in default of the agreement for failing to remit minimum royalty payments as required by the agreement and the Company's rights to the technology were terminated. The termination of these rights prohibits sales of the Company's traditional product, which accounts for substantially all product sales in 2000 and preceding years. During the years ended December 31, 2002 and 2001, the Company had royalty expense relating to this agreement of approximately \$0 and \$53,000, respectively.

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Operating Lease

The Company's wholly owned subsidiary NovaMed Medical Products Manufacturing, Inc., leased a facility under a non-cancelable operating lease which expires January 2004. Rental expense incurred under this lease for the years ended December 31, 2002 and 2001 totaled approximately \$0 and \$80,000, respectively. At December 31, 2001 the Company was in default of its lease payments and had been evicted from the facility. Under the lease obligation the Company may be liable for future minimum lease payments for the residue of the stated term less the fair rental value of the leased facility taking into account the time and expenses necessary for the leaser, to re-let the facility. Minimum lease payments for which the Company was potentially obligated according to the agreement at December 31, 2001 for this operating lease is as follows:

Year	Amount
2002	\$ 62,000
2003	62,000
2004	5,200
Total future minimum lease payments	\$ 129,200

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NOVA
(A DEVELOPMENT STAGE
Notes to Consolidated Financial S

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NOVAMED, INC.
(A DEVELOPMENT STAGE COMPANY)
Notes to Consolidated Financial Statements
Continued

10. Commitments
and
Contingencies
Continued

Litigation

The Company may become or is subject to investigations, claims or lawsuits ensuing out of the conduct of its business, including those related to product safety and health, product liability, commercial transactions, etc. The Company is currently not aware of any such items, which it believes could have a material adverse effect on its financial position.

11. Fair
Value of
Financial
Instrument
s

The Company's financial instruments consist of cash, payables, and a note payable. The carrying amount of cash and payables approximates fair value because of the short-term nature of these items.

12. Recent
Accounting
Pronounce-
ments

In April 2002, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections." This statement requires the classification of gains or losses from the extinguishments of debt to meet the criteria of Accounting Principles Board Opinion No. 30 before they can be classified as extraordinary in the income statement. As a result, companies that use debt extinguishment as part of their risk management cannot classify the gain or loss from that extinguishment as extraordinary. The statement also requires sale-leaseback accounting for certain lease modifications that have economic effects similar to sale-leaseback transactions. The Company does not expect the adoption of SFAS No. 145 to have a material impact on its financial position or future operations.

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NOVAMED, INC.
(A DEVELOPMENT STAGE COMPANY)

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Notes to Consolidated Financial Statements

Continued

12. Recent

Accounting

Pronounce-

ments

Continued

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." This standard, which is effective for exit or disposal activities initiated after December 31, 2002, provides new guidance on the recognition, measurement and reporting of costs associated with these activities. The standard requires companies to recognize cost associated with exit or disposal activities when they are incurred rather than at the date the company commits to an exit or disposal plan. The adoption of SFAS No. 146 by the Company is not expected to have a material impact on the Company's financial position or future operations.

In December 2002, the FASB issued SFAS No. 148 "Accounting for Stock-Based Compensation--Transition and Disclosure--an amendment of FASB Statement No. 123," which is effective for all fiscal years ending after December 15, 2002. SFAS No. 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation under SFAS No. 123 from the intrinsic value based method of accounting prescribed by Accounting Principles Board Opinion No. 25. SFAS 128 also changes the disclosure requirements of SFAS 123, requiring a more prominent disclosure of the pro- forma effect of the fair value based method of accounting for stock-based compensation. The adoption of SFAS No. 148 by the Company did not have a material impact on the Company's financial position or operations.

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ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS O ACCOUNTING AND FINANCIAL DISCLOSURE

There were no changes in accountants or disagreements between the Company and its accountants.

PART III N

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ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS, AND CONTROL PERSONS

The officers and directors of the Company as of December 31, 2002 are as follows:

Name	Age	Position
Ruairidh Campbell	39	president, chief financial officer and director

Mr. Campbell was appointed as an officer and director of the Company in April of 1995. He estimates that he will spend approximately 10 percent of his time, approximately 5 hours per week, on the Company's business during the next 12 months. He also has significant responsibilities with other companies, as detailed in the following paragraph. He will serve until an annual meeting of the Company's shareholders and his successor is elected and qualified. Thereafter, directors will be elected for one-year terms at the annual shareholders meeting. Officers will hold their positions at the pleasure of the board of directors, absent any employment agreement.

Mr. Campbell graduated from the University of Texas at Austin with a Bachelor of Arts in History and then from the University of Utah College of Law with a Juris Doctorate with an emphasis in corporate law, including securities and taxation. Over the past five years he has been an officer and director of several public companies: InvestNet, Inc. a mineral resource exploration company from February 2000 to present (president, chief financial officer, director), Montana Mining Corp. a mineral resource exploration company from December 1999 to present (president, chief financial officer, director), Allied Resources Inc., an oil and gas development company from 1998 to present (president, chief financial officer, director), EnterNet, Inc.) an internet vitamin retailer from February 2000 to July 2001 (president, chief financial officer, director) and Bren-Mar Minerals, Ltd. a mineral resource development company from 1995 to May 2001 (president, chief financial officer, director).

Compliance with Section 16(a) of the Exchange Act

Based solely upon a review of Forms 3, 4 and 5 furnished to the Company, the Company is aware of three entities who during the transitional period ended December 31, 2002 were directors, officers, or beneficial owners of more than ten percent of the common stock of the Company, and who failed to file, on a timely basis, reports required by Section 16(a) of the Securities Exchange Act of 1934.

Novamedical VertstrieB GmbH failed to file a Form 3 or Form 5 despite being the beneficial owner of in excess of 10% of the Company's common stock. Graeco II, Ltd. failed to file a Form 3 or

Form 5 despite being the beneficial owner of in excess of 10% of the Company's common stock. AAB Corporation failed to file a Form 3 or Form 5 despite being the beneficial owner of in excess of 10% of the Company's common stock.

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ITEM 10. EXECUTIVE COMPENSATION

The following table provides summary information for the years 2002, 2001 and 2000 concerning cash and non-cash compensation paid or accrued by the Company to or on behalf of president and the only other employee to receive compensation in excess of \$100,000.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation			Long Term Compensation	
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards Restricted Stock Award(s) (\$)	Securities Underlying Options SAR (#)
Ruairidh Campbell, President, Chief Financial Officer and Director	2002	-	-	-	420,000	-
	2001	24,000	-	-	-	-
	2000	67,000	-	-	2,000,000*	30,000**

* The shares issued to Mr. Campbell were issued prior to the 1 for 50 (1:50) reverse split that was implemented on May 7, 2002. ** The share options granted to Mr. Campbell at \$0.45 a share expired unexercised in March of 2001.

Compensation of Directors

The Company's director is not currently compensated for his service as a director of the Company.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of the stock of the Company as of March 14, 2003, by each shareholder who is known by the Company to beneficially own more than 5% of the outstanding common stock, by each director, and by all executive officers and directors as a group.

Title of Class	Name and Address of Beneficial Ownership	Amount and nature of Beneficial Ownership
Common Stock	Ruairidh Campbell 600 Westwood Terrace Austin, Texas 78746	463,000 Legal
Common Stock	Dr. Aydin Dogan* 3 Heinestrasse D-40789 Monheim, Germany	164,900 Legal and Beneficial

Common Stock	Novamedical Vertstrieb GmbH, 3 Heinestrasse D- 40789 Monheim, Germany	139,000 Legal
Common Stock	Dr. Robert Ersek** 630 West 34th Street #201 Austin, Texas 78705	178,618 Legal and Beneficial
Common Stock	Graeco II, Ltd. 630 West 34th Street #201 Austin, Texas 78705	177,400 Legal
Common Stock	AAB Corporation 5009 White Bear Lake Minnesota 55110	175,000 Legal
Common Stock	All Executive Officers and Directors as a Group	463,000

* The 164,900 shares held by Dr. Aydin Dogan include 139,000 shares held by Novamedical Verstr corporation owned by Dr. Dogan.

** The 178,618 shares held by Dr. Robert Ersek include 177,400 shares held by Graeco2, Ltd., a Dr. Ersek.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

On November 18, 2002, the Company issued 420,000 shares of common stock to Ruairidh Campbell valued at \$0.10 a share in consideration for services rendered in 2001 and 2002 as president of the Company, pursuant to section 4(2) of the Securities Act in a private transaction that did not include a public offering. The Company issued the shares to Mr. Campbell as part of a plan to reduce or eliminate amounts due to creditors. Mr. Campbell's services had not been compensated and therefore the decision was taken to settle all obligations to Mr. Campbell as of the period ended September 30, 2002.

On December 31, 2000, the Company issued 6,400,000 (pre-reverse split) shares of common stock to Dr. Aydin Dogan pursuant to an agreement for accord and satisfaction, for consulting services rendered in connection with his management of Novamedical Products GmbH and loans provided to the Company, pursuant to the exemptions provided by Regulation S of the Securities Act in a private transaction that did not include a public offering. Amounts due to Dr. Dogan under a consulting agreement with Novamedical Products GmbH and loans made to the Company were settled. The Company chose to issue the shares to Dr. Dogan in order satisfy his claims for compensation for services and loans made. Further, the Company canceled a promissory note due to the Company by Dr. Dogan.

On December 31, 2000, the Company issued 1,020,000 (pre-reverse split) shares of common stock to Dr. Aydin Dogan for debt settlement services in connection with the sale of Novamedical Products GmbH, rendered pursuant to the exemptions provided by Regulation S of the Securities Act in a private transaction that did not include a public offering. The share issuance to Dr. Dogan was part of a stock purchase and sale agreement pursuant to the terms of which the Company was to issue 1,350,000 shares to be used to settle the claims of creditors of Novamedical Products GmbH. The Company issued 330,000 (pre-reverse split) shares to creditors directly and 1,022,000 (pre-reverse split) shares to Dr. Dogan for his use in settling creditors.

On December 29, 2000, the Company issued 8,750,000 (pre-reverse split) shares of common stock to AAB Corporation for inducement to enter into a new license agreement with the Company, settlement of royalty debts and pre-payment on royalties, pursuant to section 4(2) of the Securities Act in a private transaction that did not include a public offering. The share issuance to AAB Corporation induced it to enter into a new licence agreement with the Company executed on even date that enables the Company to utilize certain patented technology in the manufacture of its products.

On December 29, 2000, the Company issued 8,750,000 (pre-reverse split) shares of common stock to Greaco II, Ltd. for inducement to enter into a new license agreement with the Company, settlement of royalty debts and pre-payment on royalties, pursuant to section 4(2) of the Securities Act in a private transaction that did not include a public offering. The share issuance to Greaco II, Ltd. induced it to enter into a new licence agreement with the Company executed on even date that enables the Company to utilize certain patented technology in the manufacture of its products.

On December 26, 2000, the Company issued 2,000,000 (pre-reverse split) shares of common stock to Ruairidh Campbell in consideration for services rendered in 2000 as president of the Company, pursuant to section 4(2) of the Securities Act in a private transaction that did not include a public offering. The Company issued the shares to Mr. Campbell as part of a plan to reduce or eliminate amounts due to creditors. Mr. Campbell's services had not been adequately compensated and therefore the decision was taken to settle all obligations to Mr. Campbell as of year-end 2000.

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits. Exhibits required to be attached by Item 601

of Regulation S-B are listed in
the Index to Exhibits beginning on page 15 of this Form 10-KSB,
which is incorporated herein by reference.

(b) Reports on Form 8-K. The Company filed no Form 8K's

during the last quarter of the
period covered by this Form 10-KSB.

ITEM 14. CONTROLS AND PROCEDURES

The Company's president acts both as the Company's chief executive officer and chief financial officer ("Certifying Officer") and is responsible for establishing and maintaining disclosure controls and procedures for the Company. The Certifying Officer has concluded (based on his evaluation of these controls and procedures as of a date within 90 days of the filing of this report) that the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-14(c) under the Securities Exchange Act of 1934) are effective. No significant changes were made in the Company's internal controls or in other factors that could significantly affect those controls subsequent to the date of the evaluation, including any corrective actions with regard to

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slight deficiencies and material weaknesses. Due to the Certifying Officer's dual role as chief executive officer and chief financial officer, the Company has no segregation of duties related to internal controls.

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SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, this 14th day of March, 2003

NovaMed, Inc.

/s/ Ruairidh Campbell

Ruairidh Campbell, President/CFO and Director

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Ruairidh Campbell	Director	March 14
----- Ruairidh Campbell		

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ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Ruairidh Campbell, president and chief financial officer of NovaMed, Inc. certify that:

1. I have reviewed this annual report on Form 10-KSB of NovaMed, Inc.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
 - c) Presented in this annual report my conclusions about the effectiveness of the disclosure controls and procedures based on my evaluation as of the Evaluation Date;
5. I have disclosed, based on my most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions): a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of my most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 14, 2003

/s/ Ruairidh Campbell
Ruairidh Campbell, president and chief financial officer

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Index to Exhibits

EXHIBIT NO.	PAGE NO.	DESCRIPTION
3(i)	*	Articles of Incorporation of the Company formally known as Conceptual Technologies Inc. a Nevada corporation dated November 26, 1996 (incorporated herein by reference from Exhibit No. 2(i) to the Company's Form 10SB12G/A as filed with the SEC on November 29, 1999).
3(ii)	*	Bylaws of the Company adopted on November 12, 1996 (incorporated herein by reference from Exhibit 2(iv) of the Company's Form 10SB12G/A as filed with the SEC on November 29, 1999).
3(iii)	*	Certificate of Amendment of the Articles of Incorporation of the Company filed on August 29, 1997 effecting a 1-for-14 reverse split and rounding each fractional share to one whole share (incorporated herein by reference from Exhibit 2(ii) of the Company's Form 10SB12G/A as filed with the SEC on November 29, 1999).
3(iv)	*	Certificate of Amendment of the Articles of Incorporation of the Company changing name from Conceptual Technologies, Inc. to NovaMed, Inc. (incorporated herein by reference from Exhibit 2(iii) of the Company's Form 10SB12G/A as filed with the SEC on November 29, 1999).

Material Contracts

10(i)	*	The Company's Stock Option Plan dated March 2, 2000, reserving a maximum of 1,315,000 (pre-reverse split) shares of common stock to provide incentives to officers, directors and key employees (incorporated herein by reference to the Company's S-8 registration statement filed with the SEC on March 2, 2000).
10(ii)	*	Agreement for the Issuance, Sale and Purchase of NovaMed Common Stock between the Company and AAB Corp. and Greaco II, Ltd. dated December 29, 2000 for the issuance of a combined total of 17,500,000 (pre-reverse split) shares to the Inventors to induce them to enter into a new license agreement, settle debt owed on royalties and pay royalty payments (incorporated herein by reference to the Company's Form 10-K filed with the SEC on May 21, 2001).
10(iii)	*	Agreement for Accord and Satisfaction between the Company and Dr. Aydin Dogan dated December 31, 2000 for the issuance of 6,400,000 (pre-reverse split) shares to satisfy obligations Dr. Dogan had against the Company and settle obligations the Company had against Dr. Dogan pursuant to a promissory note (incorporated herein by reference to the Company's Form 10-KSB filed with the SEC on May 21, 2001).
10(iv)	*	Stock Purchase and Sale Agreement between the Company and Dr. Aydin Dogan dated December 31, 2000 to effect the sale of Novamedical Products GmbH to Dr. Dogan, terms of which included the issuance of 1,350,000 shares of common stock to settle claims of creditors of Novamedical Products GmbH (incorporated herein by reference to the Company's Form 10-KSB filed with the SEC on May 21, 2001).
10(v)	*	Stock Sale Agreement between the Company and John Olson dated December 17, 2001 to effect the sale of the Company's interest in a former subsidiary (incorporated herein by reference to the Company's Form 8-K filed with the SEC on March 4, 2002).
99.1	18	Certification Pursuant to 18 U.S.C. Section 1350, Section 906 of the Sarbanes-Oxley Act of 2002.
	*	Incorporated by reference from previous filings of the Company.

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EXHIBIT 99.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of the NovaMed, Inc. ("Company") on Form 10-KSB for the period ending December 31, 2002 as filed with the Commission on the date hereof, I, Ruairidh Campbell, president and chief financial officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) This 10-KSB complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act; and

(2) The financial information contained in this Form 10-KSB fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Ruairidh Campbell
Ruairidh Campbell, President and Chief Financial Officer

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