

Berger Paul E
Form 4
August 28, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Berger Paul E

2. Issuer Name and Ticker or Trading Symbol
NightHawk Radiology Holdings Inc
[NHWK]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
250 NORTHWEST BLVD, #202
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
08/24/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
Chief Executive Officer

COEUR D'ALENE, ID 83814

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	08/24/2006		S ⁽¹⁾	500 D	\$ 16.67	5,907,255	D
Common Stock	08/24/2006		S ⁽¹⁾	100 D	\$ 16.65	5,907,155	D
Common Stock	08/24/2006		S ⁽¹⁾	100 D	\$ 16.64	5,907,055	D
Common Stock	08/24/2006		S ⁽¹⁾	200 D	\$ 16.62	5,906,855	D
Common Stock	08/24/2006		S ⁽¹⁾	400 D	\$ 16.61	5,906,455	D

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Common Stock	08/24/2006	<u>S⁽¹⁾</u>	700	D	\$ 16.6	5,905,755	D
Common Stock	08/24/2006	<u>S⁽¹⁾</u>	431	D	\$ 16.59	5,905,324	D
Common Stock	08/24/2006	<u>S⁽¹⁾</u>	269	D	\$ 16.58	5,905,055	D
Common Stock	08/24/2006	<u>S⁽¹⁾</u>	400	D	\$ 16.57	5,904,655	D
Common Stock	08/24/2006	<u>S⁽¹⁾</u>	696	D	\$ 16.56	5,903,959	D
Common Stock	08/24/2006	<u>S⁽¹⁾</u>	500	D	\$ 16.55	5,903,459	D
Common Stock	08/24/2006	<u>S⁽¹⁾</u>	100	D	\$ 16.54	5,903,359	D
Common Stock	08/24/2006	<u>S⁽¹⁾</u>	100	D	\$ 16.53	5,903,259	D
Common Stock	08/24/2006	<u>S⁽¹⁾</u>	321	D	\$ 16.52	5,902,938	D
Common Stock	08/24/2006	<u>S⁽¹⁾</u>	200	D	\$ 16.51	5,902,738	D
Common Stock	08/24/2006	<u>S⁽¹⁾</u>	520	D	\$ 16.49	5,902,218	D
Common Stock	08/24/2006	<u>S⁽¹⁾</u>	300	D	\$ 16.48	5,901,918	D
Common Stock	08/24/2006	<u>S⁽¹⁾</u>	268	D	\$ 16.47	5,901,650	D
Common Stock	08/24/2006	<u>S⁽¹⁾</u>	1,800	D	\$ 16.46	5,899,850	D
Common Stock	08/24/2006	<u>S⁽¹⁾</u>	4,180	D	\$ 16.45	5,895,670	D
Common Stock	08/24/2006	<u>S⁽¹⁾</u>	100	D	\$ 16.44	5,895,570	D
Common Stock	08/24/2006	<u>S⁽¹⁾</u>	700	D	\$ 16.43	5,894,870	D
Common Stock	08/24/2006	<u>S⁽¹⁾</u>	2,139	D	\$ 16.41	5,892,731	D
Common Stock	08/24/2006	<u>S⁽¹⁾</u>	100	D	\$ 16.4	5,892,631	D
Common Stock	08/24/2006	<u>S⁽¹⁾</u>	132	D	\$ 16.37	5,892,499	D
	08/24/2006	<u>S⁽¹⁾</u>	100	D		5,892,399	D

Common Stock					\$				16.36
Common Stock	08/24/2006		S ⁽¹⁾	100	D	\$	16.31	5,892,299	D
Common Stock	08/24/2006		S ⁽¹⁾	200	D	\$	16.27	5,892,099	D
Common Stock	08/24/2006		S ⁽¹⁾	100	D	\$	16.24	5,891,999	D
Common Stock	08/24/2006		S ⁽¹⁾	100	D	\$	16.18	5,891,899	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Beneficially (Instr. 5)
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Berger Paul E 250 NORTHWEST BLVD, #202 COEUR D'ALENE, ID 83814	X	X	Chief Executive Officer	

Signatures

Paul E. Cartee,
Attorney-at-Fact
08/28/2006

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on May 24, 2006.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. The Company also estimates and records a sales return reserve for possible sales refunds based on historical experience. Shipping and Handling Costs The Company records freight and shipping revenues collected from associates as revenue. The Company records shipping and handling costs associated with shipping products to its associates as cost of goods sold. Earnings Per Share Basic earnings per share is computed based on the weighted average number of common shares outstanding during the periods presented. Diluted earnings per share data gives effect to all potentially dilutive common shares that were outstanding during the periods presented. 4. Recent Accounting Pronouncements In July 2001, FASB issued Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets", ("SFAS No. 142"), which is effective for fiscal years beginning after December 15, 2001. SFAS No. 142 requires, among other things, the discontinuance of goodwill amortization. In addition, the standard includes provisions upon adoption for the reclassification of certain existing recognized intangibles as goodwill, reassessment of the useful lives of existing recognized intangibles, reclassification of certain intangibles out of previously reported goodwill and the testing for the impairment of existing goodwill and other intangibles. 8 Application of the non-amortization provisions of the Statement did not have an effect on the Company's financial position or operations. In August 2001, the FASB issued Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations", ("SFAS No. 143"), which is effective for all fiscal years beginning after June 15, 2002; however, early adoption is encouraged. In October 2001, the FASB issued Statement of Financial Accounting Standards No. 144 ("SFAS No. 144"), "Accounting for the Impairment or Disposal of Long-Lived Assets," which supercedes Statement of Financial Accounting Standards No. 121 ("SFAS No. 121"), "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" and certain provisions of APB Opinion No. 30, "Reporting Results of Operations - Reporting the Effects of Disposal of a Segment of a Business and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." SFAS No. 144 requires that long-lived assets to be disposed of by sale, including discontinued operations, be measured at the lower of carrying amount or fair value, less cost to sell, whether reported in continuing operations or in discontinued operations. SFAS No. 144 also broadens the reporting requirements of discontinued operations to include all components of an entity that have operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity. The provisions of SFAS No. 144 are effective for fiscal years beginning after December 15, 2001. The Company implemented SFAS No. 144 and SFAS No. 143 beginning January 1, 2002. 5. Equity Transactions During the first nine months of 2002, the Company received notice of conversion on \$1,556,710 of Series F, H and J Preferred Stock. The Company issued 985,381 shares of Common Stock upon conversion of the shares of Preferred Stock and the accrued dividends thereon. The Company issued 19,300 shares of Common Stock to a law firm in the first nine months of 2002 for legal services of approximately \$57,100. The Company issued 236,663 shares of Common Stock in the first nine months of 2002 for payments of notes payable and accrued interest of approximately \$279,000. Item 2. Management's Discussion and Analysis or Plan of Operation The following discussions should be read in conjunction with the consolidated financial statements and notes contained in Item 1 hereof. Forward Looking Statements When used in Form 10-QSB and in future filings by the Company with the Securities and Exchange Commission, the words "will likely result", "the Company expects", "will continue", "is anticipated", "estimated", "projected", "outlook" or similar expressions are intended to identify "forward looking statements" within the meaning of the Private Securities Litigation Act of 1995. The Company wishes to caution readers not to place undue reliance on such forward-looking statements, each of which speak only as of the date made. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical earnings and those presently anticipated or projected. The Company has no obligation to publicly release the results of any revisions, which may be made to any forward-looking statements to reflect anticipated or unanticipated

events or circumstances occurring after the date of such statements. Overview Natural Health Trends Corp. ("NHTC") is a Florida corporation. NHTC was incorporated on December 1, 1988 as "Florida Institute of Massage Therapy, Inc." and changed its name to "Natural Health Trends Corp." on June 24, 1993. NHTC's Common Stock, par value \$0.001 per share (the "Common Stock") is listed on the Over-the-Counter Bulletin Board (the "OTCBB") under the symbol "NHTC". NHTC is a holding company that operates two businesses, both of which distribute products that promote health, wellness and sexual vitality through the multi-level marketing ("MLM") channel. 9 NHTC's largest operation is Lexxus International, Inc. ("Lexxus"), a Delaware corporation and a majority-owned subsidiary of NHTC. Lexxus sells products that heighten mental and sexual arousal, particularly in women. NHTC's other business, eKaire.com, Inc. ("eKaire"), distributes nutritional supplements aimed at general health and wellness through the Internet and other channels. eKaire consists of companies operating in the U.S., in Canada as Kaire International Canada Ltd. ("Kaire Canada"), in Australia as Kaire Nutraceuticals Australia Pty. Ltd. ("Kaire Australia"), in New Zealand as Kaire Nutraceuticals New Zealand Limited ("Kaire New Zealand"), and in Trinidad as Kaire Trinidad, Ltd. ("Kaire Trinidad"). In January 2001, NHTC entered into a joint venture with Lexxus International and formed a new majority-owned subsidiary, Lexxus International, Inc., a Delaware corporation. The original founders of Lexxus International received an aggregate of 10,000,000 shares of Common Stock. In March 2001, Global Health Alternatives, Inc., a Delaware corporation and wholly-owned subsidiary of NHTC ("GHA"), and Ellon, Inc., a Delaware corporation and wholly-owned subsidiary of GHA ("Ellon"), filed for Chapter 7 bankruptcy liquidation in the United States Bankruptcy Court of the Northern District of Texas. Neither GHA nor Ellon had operations during the years 2000 or 2001. Both GHA and Ellon were dissolved in June 2001. In the second quarter of 2001, NHTC incorporated Lexxus International (SW Pacific) Pty. Ltd., an Australian corporation and majority-owned subsidiary of NHTC, which does business in Australia ("Lexxus Australia"). In addition, NHTC incorporated Lexxus International (New Zealand) Limited, a New Zealand corporation and majority-owned subsidiary of NHTC, which does business in New Zealand ("Lexxus New Zealand"). In June 2001, NHTC incorporated Lighthouse Marketing Corporation ("LMC"), a Delaware Corporation and a wholly-owned subsidiary of NHTC. As of June 30, 2002, LMC had not conducted any business, but intends to conduct business in the future. On November 16, 2001, NHTC incorporated Lexxus International Co. Ltd., a corporation organized under the laws of the Republic of China and a majority-owned subsidiary of NHTC ("Lexxus Taiwan"). On January 28, 2002, NHTC incorporated MyLexxus Europe AG, a corporation organized under the laws of Switzerland and a majority-owned subsidiary of NHTC ("Lexxus Europe"). This company manages the sales of product into sixteen eastern European countries, including Russia. In March 2002, NHTC incorporated Lexxus International Co. Ltd., a corporation organized under the laws of Hong Kong and a majority-owned subsidiary of NHTC ("Lexxus Hong Kong"). In April 2002, NHTC incorporated Personal Care International India Pvt. Ltd., a corporation organized under the laws of India and a majority-owned subsidiary of NHTC ("MyLexxus India"). In June 2002, NHTC incorporated Lexxus Marketing Pte. Ltd., a corporation organized under the laws of Singapore and a majority-owned subsidiary of NHTC ("Lexxus Singapore").

Results of Operations - Nine Months Ended September 30, 2002 Compared To The Nine Months Ended September 30, 2001. As discussed in Note 2 to the consolidated financial statements, we have amended and restated our results for both the three and nine month periods ended September 30, 2002 and 2001. All of the following analyses apply the basis of the restated amounts. Net Sales. Net sales were approximately \$24,556,000 and \$19,114,000 for the nine months ended September 30, 2002 and September 30, 2001, respectively; an increase of approximately \$5,442,000 or 28%. The increased sales were primarily from the sales of Lexxus products at varying prices in different markets and the expansion of Lexxus into international markets offset by a slight decrease in the sales of eKaire products and by the deferral of revenue related to the administrative enrollment fee of distributors. Cost of Goods Sold. Cost of goods sold for the nine months ended September 30, 2002 was approximately \$4,415,000 or 18% of net sales. Cost of goods sold for the nine months ended September 30, 2001 was approximately \$4,350,000 or 23% of net sales. Cost of goods sold decreased as a percentage of net sales due to increased sales volume of higher margin inventory, the lower costs associated with the packaging of the Lexxus product line, and increased efficiencies gained from global distribution channels partially offset by the deferral of the cost of sales related to the direct cost of the administrative enrollment fee of the distributors. 10 Gross Profit. Gross profit increased from approximately \$14,764,000 for the nine months ended September 30, 2001 to approximately \$20,140,000 for the nine months ended September 30, 2002. The increase of approximately \$5,376,000 or 36% is attributable to higher sales volumes by Lexxus and the international expansion of Lexxus slightly offset by the deferral of both revenue and cost of sales related to the administrative enrollment fee of

distributors. Associate Commissions. Associate commissions were approximately \$12,413,000 in the nine months ended September 30, 2002 compared to approximately \$9,333,000 for the nine months ended September 30, 2001, an increase of approximately \$3,080,000. This increase is directly attributable to the higher sales volume generated in 2002. Selling, General and Administrative Expenses. Selling, general and administrative expenses as a percentage of net sales increased from approximately \$4,290,000 or 22% of net sales in the nine months ended September 30, 2001 to approximately \$7,216,000 or 29% of net sales in the nine months ended September 30, 2002. These expenses as a percentage of net sales increased primarily due to the expansion of Lexxus into international markets and the development of a strong global infrastructure, including increased personnel and facility costs. Operating Income. Operating income decreased from approximately \$1,140,000 for the nine months ended September 30, 2001 to approximately \$511,000 for the nine months ended September 30, 2002. The decrease is due to the initial costs incurred in opening international offices and developing a marketing strategy in international markets. Income Taxes. Income tax benefits were not reflected in either period. The anticipated benefits of utilizing net operating losses against future profits were not recognized in the nine months ended September 30, 2002 or the nine months ended September 30, 2001 under the provisions of Financial Standards Board Statement of Financial Accounting Standards No. 109 (Accounting for Income Taxes), utilizing the Company's loss carry forward as a component of income tax expense. A valuation allowance equal to the net deferred tax asset has been recorded, as management of the Company has not been able to determine that it is more likely than not that the deferred tax assets will be realized. Net Income. Net income was approximately \$267,000 in the nine months ended September 30, 2002 as compared to approximately \$1,184,000 in the nine months ended September 30, 2001. Liquidity and Capital Resources The Company has funded working capital and capital expenditure requirements primarily from cash receipts, which are directly from the sale of Lexxus and eKaire products. In the nine months ended September 30, 2002, NHTC issued 509,882 shares of Common Stock to an accredited investor upon conversion of \$1,096,710, face amount of Series F Preferred Stock pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "Act"). In the nine months ended September 30, 2002, NHTC issued 60,827 shares of Common Stock to an accredited investor upon conversion of \$75,000, face amount of Series H Preferred Stock pursuant to Section 4(2) of the Act. In the nine months ended September 30, 2002, NHTC issued 414,673 shares of Common Stock to an accredited investor upon conversion of \$385,000, face amount of Series J Preferred Stock pursuant to Section 4(2) of the Act. At September 30, 2002, the ratio of current assets to current liabilities was 0.63 to 1.0 and the Company had a working capital deficit of approximately \$4,653,000. Cash provided by operations for the nine months ended September 30, 2002 was approximately \$4,478,000. Cash used in investing activities during the period was approximately \$547,000, primarily due to increase in restricted cash and capital expenditures. Cash provided by financing activities during the period was approximately \$13,000. Total cash increased by approximately \$4,100,000 during the period. CRITICAL ACCOUNTING POLICIES Management's discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the USA. The preparation of financial statements requires management to make 11 estimates and judgments that affect the reported amounts of assets and liabilities, revenue and expenses and disclosures at the date of the financial statements. We evaluate our estimates on an on-going basis, including those related to revenue recognition, legal contingencies and income taxes. We use authoritative pronouncements, historical experience and other assumptions as the basis for making estimates. Actual results could differ from those estimates. SEASONALITY In addition to general economic factors, we are impacted by seasonal factors and trends such as major cultural events and vacation patterns. For example, most Asian markets celebrate their respective local New Year in the first quarter, which generally has a negative impact on that quarter. We believe that direct selling in the United States and Europe is also generally negatively impacted during the month of August, which is in our third quarter, when many individuals, including our distributors, traditionally take vacations. CURRENCY RISK AND EXCHANGE RATE INFORMATION Some of our revenue and some of our expenses are recognized outside of the United States, except for inventory purchases which are primarily transacted in U.S. dollars from vendors in the United States. The local currency of each of our subsidiary's primary markets is considered the functional currency. Revenue and expenses are translated at the weighted average exchange rates for the periods reported. Therefore, our reported revenue and earnings will be positively impacted by a weakening of the U.S. dollar and will be negatively impacted by a strengthening of the U.S. dollar. Given the uncertainty of exchange rate fluctuations, we cannot estimate the effect of these fluctuations on our future business, product pricing, results of operations or financial condition. ITEM 3. CONTROLS AND

PROCEDURES We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including our President and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. During the quarters ended September 30 and December 31, 2003, the Company identified certain matters that resulted in the restatement of the Company's financial statements for the three months ended September 30, 2001 and 2002, as set forth in Note 2 to the Consolidated Financial Statements. Within ninety (90) days prior to the date of this report, the Company's President and Chief Financial Officer evaluated the effectiveness of the Company's disclosure controls and procedures. Based upon his evaluation and as a result, in part, of the matters noted above, the Company's President and Chief Financial Officer has concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1937, as amended) are effective, with the qualification that the restatements mentioned above were just recently identified and implemented for the three and nine months ended September 30, 2002. Management requires additional time to fully (i) assess their correction plan and (ii) implement appropriate enhancements to its controls and procedures, if and so warranted in the circumstances. Since the date of his evaluation, there have been no significant changes to the Company's internal controls or other factors that could significantly affect these controls.

12 PART II - OTHER INFORMATION Item 1. Legal Proceedings On November 22, 2001, Pfizer, Inc. filed an action in the United States District Court, Southern District of New York, against Lexxus alleging that Lexxus' distribution and marketing of Viacreme TM infringes on Pfizer's federally registered trademark, Viagra (R). Pfizer's complaint alleges federal false designation of origin and unfair competition, federal trademark dilution, federal false advertising and unfair competition, common law trademark infringement, trademark dilution and deceptive acts and practices. NHTC settled the Pfizer lawsuit amicably in July 2002. Item 2. Changes in Securities and Use of Proceeds In the three months ended September 30, 2002, NHTC issued 23,087 shares of Common Stock to an accredited investor upon conversion of \$25,000, face amount of Series H Preferred Stock pursuant to Section 4(2) of the Act. In the three months ended September 30, 2002, NHTC issued 229,397 shares of Common Stock to an accredited investor upon conversion of \$110,000, face amount of Series J Preferred Stock pursuant to Section 4(2) of the Act. Item 3. Defaults upon Senior Securities Not applicable. Item 4. Submission of Matters to Vote of Security Holders Not applicable. Item 5. Other Information Not applicable. **PART III - OTHER** Item 6. Exhibits and Reports on Form 8-K (a) Exhibits 99.1 Certification of President and Chief Financial Officer (b) Reports on Form 8-K 8-K with date of report of May 11, 2002 filed September 30, 2002 13 **SIGNATURE** Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. **NATURAL HEALTH TRENDS CORP.** By: /s/ Mark D. Woodburn ----- Mark D. Woodburn President Date: April 12, 2004 14