

INVACARE CORP
Form S-3/A
May 24, 2007

Table of Contents

As filed with the Securities and Exchange Commission on May 24, 2007

Registration No. 333-142311

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

**Amendment No. 1
to
FORM S-3
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

Invacare Corporation
(Exact name of registrant as specified in its charter)

SEE TABLE OF CO-REGISTRANTS ON THE FOLLOWING PAGE

Ohio
(State or other jurisdiction of incorporation or organization)

95-2680965
(I.R.S. Employer Identification No.)

**One Invacare Way
P.O. Box 4028
Elyria, Ohio 44036
(440) 329-6000**

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

Dale C. LaPorte, Esq.
Senior Vice President Business Development and General Counsel
Invacare Corporation
One Invacare Way
P.O. Box 4028
Elyria, Ohio 44036
(440) 329-6000

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

With a copy to:
Douglas A. Neary, Esq.
Calfee, Halter & Griswold LLP
1400 KeyBank Center
800 Superior Avenue
Cleveland, Ohio 44114
(216) 622-8200

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement.

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

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

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.

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

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

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

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

Table of Contents**TABLE OF CO-REGISTRANTS**

| Exact Name of Co-Registrant as Specified in its Charter | State or Other Jurisdiction of Incorporation or Organization | Primary Standard Industrial Classification Code Number | I.R.S. Employer Identification Number |
|--|---|---|--|
| Adaptive Switch Laboratories, Inc. | Texas | 3842 | 76-0446470 |
| Altimate Medical, Inc. | Minnesota | 3842 | 41-1595309 |
| Champion Manufacturing Inc. | Delaware | 3842 | 20-1700364 |
| Freedom Designs, Inc. | California | 3842 | 95-3674857 |
| Garden City Medical Inc. | Delaware | 3842 | 34-1907951 |
| Healthtech Products, Inc. | Missouri | 3842 | 43-1696816 |
| The Helixx Group, Inc. | Ohio | 3842 | 20-2732748 |
| Invacare Canadian Holdings, Inc. | Delaware | 3842 | 20-2493311 |
| Invacare Credit Corporation | Ohio | 3842 | 34-1386578 |
| Invacare Florida Corporation | Delaware | 3842 | 59-3446753 |
| Invacare Florida Holdings, LLC | Delaware | 3842 | N/A |
| Invacare Holdings, LLC | Ohio | 3842 | N/A |
| Invacare International Corporation | Ohio | 3842 | 34-1429041 |
| Invacare Supply Group, Inc. | Massachusetts | 3842 | 34-1852891 |
| Kuschall, Inc. | Delaware | 3842 | 20-3001038 |
| Medbloc, Inc. | Delaware | 3842 | 16-1512988 |
| The Aftermarket Group, Inc. | Delaware | 3842 | 31-1632048 |

The address, including zip code, and telephone number including area code, of each Co-Registrant's principal executive offices is: c/o Invacare Corporation, One Invacare Way, P.O. Box 4028, Elyria, Ohio 44036, Telephone: (440) 329-6000.

The name, address, including zip code, and telephone number, including area code of the agent for service for each of the Co-Registrants is: Dale C. LaPorte, Esq., Senior Vice President Business Development and General Counsel, Invacare Corporation, One Invacare Way, P.O. Box 4028, Elyria, Ohio 44036, Telephone: (440) 329-6000.

Copy To: Douglas A. Neary, Esq., Calfee, Halter & Griswold LLP, 1400 KeyBank Center, 800 Superior Avenue, Cleveland, Ohio 44114-2688, Telephone: (216) 622-8200.

Table of Contents

The information in this prospectus is not complete and may be changed. The selling securityholders 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.

Subject to Completion, dated May 24, 2007

PROSPECTUS

\$135,000,000

INVACARE CORPORATION

**4.125% CONVERTIBLE SENIOR SUBORDINATED DEBENTURES DUE 2027 AND
THE COMMON SHARES ISSUABLE UPON CONVERSION OF THE DEBENTURES**

We issued \$135 million in aggregate principal amount of 4.125% Convertible Senior Subordinated Debentures due 2027 (the debentures) in a private placement on February 12, 2007. This prospectus may be used by selling securityholders to resell their debentures as described below. This prospectus also may be used by selling securityholders to resell the common shares issuable upon conversion of the debentures from time to time as described below.

We will pay interest on the debentures on February 1 and August 1 of each year, beginning August 1, 2007, at an annual rate of 4.125%.

The debentures are our unsecured senior subordinated obligations and rank junior in right of payment to all of our other existing and future senior debt and equal in right of payment to all of our existing and future senior subordinated debt. The debentures are guaranteed by substantially all of our existing domestic subsidiaries and will be guaranteed by certain future direct and indirect wholly owned domestic subsidiaries. We do not intend to list the debentures on any national securities exchange. The debentures are eligible for trading in the PORTALsm Market, a subsidiary of The Nasdaq Stock Market, Inc.

The debentures are convertible, at your option, at a conversion rate of 40.3323 shares per \$1,000 principal amount of debentures (equivalent to an initial conversion price of approximately \$24.79 per share), subject to adjustment as described in this prospectus, at any time before the stated maturity, from and after the date of the following events:

during any fiscal quarter after the fiscal quarter ending March 31, 2007, if the last reported sale price of our common shares for at least 20 trading days in the 30 trading-day period ending on the last trading day of the previous fiscal quarter exceeds 130% of the conversion price on that 30th trading day;

during the five business days immediately after any five consecutive trading-day period in which the trading price per \$1,000 principal amount of the debentures for each day of that period was less than 98% of the product of the closing price of our common shares and the conversion rate of the debentures on each such day;

if we have called the debentures for redemption;

on or after November 1, 2026; or

on the occurrence of the specified corporate transactions described in this prospectus.

Upon conversion, we will have the right to deliver cash, our common shares, or a combination of cash and our common shares. If certain corporate transactions occur on or before February 1, 2017, we will increase the conversion rate by a number of additional common shares, or, in lieu thereof, we may in certain circumstances elect to adjust the conversion rate and related conversion obligation so that the debentures are convertible into shares of the acquiring or surviving company.

Our common shares are traded on the New York Stock Exchange under the symbol IVC. The last reported sale price of our common shares on May 23, 2007 was \$18.20 per share.

We may not redeem the debentures before February 6, 2012. We may redeem some or all of the debentures for cash on or after February 6, 2012 through and including February 1, 2017 if the last reported sale price of our common shares for at least 20 trading days in a 30 trading-day period exceeds 130% of the then applicable conversion price on such 30th trading day (such 30th trading day being no later than February 1, 2017) at a redemption price equal to 100% of the principal amount of the debentures to be redeemed, plus any accrued and unpaid interest.

We may redeem some or all of the debentures for cash at any time on or after February 1, 2017 at 100% of the principal amount plus any accrued and unpaid interest. You may require us to repurchase for cash all or a portion of your debentures on February 1, 2017 and 2022, or subject to specified conditions upon a fundamental change (as described in this prospectus).

We will not receive any proceeds from the resale by the selling securityholders of the debentures or the common shares. Other than underwriting discounts and commissions and transfer taxes, if any, we will pay all expenses of the registration of the debentures, guarantees and common shares and certain other expenses.

Investing in our securities involves risks. Please read Risk Factors beginning on page 8 of this prospectus.

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

The date of this prospectus is _____, 2007.

TABLE OF CONTENTS

| | |
|---|-----|
| <u>About This Prospectus</u> | i |
| <u>Where You Can Find More Information</u> | i |
| <u>Incorporation By Reference</u> | ii |
| <u>Forward-Looking Statements</u> | ii |
| <u>Prospectus Summary</u> | 1 |
| <u>Ratio of Earnings to Fixed Charges</u> | 7 |
| <u>Risk Factors</u> | 8 |
| <u>Use of Proceeds</u> | 25 |
| <u>Description of Capital Stock</u> | 25 |
| <u>Dividend Policy</u> | 30 |
| <u>Description of Other Indebtedness</u> | 31 |
| <u>Description of the Debentures</u> | 35 |
| <u>Certain U.S. Federal Income Tax Considerations</u> | 65 |
| <u>Selling Securityholders</u> | 74 |
| <u>Plan of Distribution</u> | 78 |
| <u>Legal Matters</u> | 79 |
| <u>Experts</u> | 79 |
| <u>Index to Financial Statements</u> | F-1 |
| <u>EX-5.1</u> | |
| <u>EX-5.2</u> | |
| <u>EX-12.1</u> | |
| <u>EX-23.1</u> | |

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission, or SEC. This prospectus does not contain all of the information included in the registration statement. The registration statement filed with the SEC includes exhibits that provide more details about the matters discussed in this prospectus. You should carefully read this prospectus, the related exhibits filed with the SEC and any prospectus supplement, together with the additional information described below under the headings “Where You Can Find More Information” and “Incorporation by Reference.”

You should rely only on the information contained or incorporated by reference in this prospectus and in any accompanying prospectus supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus, any prospectus supplement and any other document incorporated by reference is accurate only as of the date on the front cover of those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

Under no circumstances should the delivery to you of this prospectus create any implication that the information contained in this prospectus is correct as of any time after the date of this prospectus.

Unless otherwise indicated or unless the context otherwise requires, all references in this prospectus to “Invacare,” “we,” “us,” and “our” mean Invacare Corporation and all of our subsidiaries that are consolidated under GAAP. In this prospectus, we sometimes refer to the debentures, common shares and guarantees collectively as the “securities.” Our fiscal year ends on December 31 of each year. When we refer to a year, such as 2006, we are referring to the fiscal

year ended on December 31 of that year.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement with the SEC under the Securities Act of 1933, as amended, which we refer to as the Securities Act, that registers the sale of the securities offered by this prospectus. The registration statement, including the attached exhibits, contains additional relevant information about us. The rules and

Table of Contents

regulations of the SEC allow us to omit some information included in the registration statement from this prospectus. We have agreed to provide certain financial information to investors in the debentures. See Description of the Debentures Provision of Financial Statements.

We file annual, quarterly, and other reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. You may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our SEC filings are also available to the public through the SEC's website at <http://www.sec.gov>. General information about us, including our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as any amendments and exhibits to those reports, are available free of charge through our website at <http://www.invacare.com> as soon as reasonably practicable after we file them with, or furnish them to, the SEC. Information on our website is not incorporated into this prospectus or our other securities filings and is not a part of this prospectus.

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference information into this document. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus. We incorporate by reference the documents listed below, other than any portions of the respective filings that were furnished (pursuant to Item 2.02 or Item 7.01 of current reports on Form 8-K or other applicable SEC rules) rather than filed:

our annual report on Form 10-K/A, filed March 7, 2007, for the year ended December 31, 2006;

our quarterly report on Form 10-Q, filed May 9, 2007, for the fiscal quarter ended March 31, 2007;

our current reports on Form 8-K as filed with the SEC on the following dates: January 24, 2007; February 1, 2007 (under Item 8.01 only); February 6, 2007; February 7, 2007; February 9, 2007; February 13, 2007; and March 2, 2007;

the description of our common shares contained in our registration statement on Form 8-A filed under the Exchange Act, including any amendments or reports filed for the purpose of updating such description.

All documents that we file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and until the offerings hereunder are completed, or after the date of the registration statement of which this prospectus forms a part and prior to effectiveness of the registration statement, will be deemed to be incorporated by reference into this prospectus and will be a part of this prospectus from the date of the filing of the document. Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document that also is or is deemed to be incorporated by reference in this prospectus modifies or supersedes that statement. Any statement that is modified or superseded will not constitute a part of this prospectus, except as modified or superseded. Information that accompanies an SEC filing but that is furnished under SEC rules, rather than filed, will not be considered a part of this prospectus and will not supplement, modify or supercede the information contained herein.

We will provide to each person, including any beneficial owner, to whom a prospectus is delivered, a copy of any or all of these filings, other than an exhibit to these filings unless we have specifically incorporated that exhibit by reference into the filing, upon written or oral request and at no cost. Requests should be made by writing or telephoning us at the following address or phone number: Shareholder Relations Department, Invacare Corporation,

One Invacare Way, P.O. Box 4028, Elyria, Ohio 44036-2125; (440) 329-6000.

FORWARD-LOOKING STATEMENTS

This prospectus contains and incorporates by reference forward-looking statements. Generally, you can identify these statements because they contain words like anticipates, believes, estimates, expects,

Table of Contents

forecasts, future, intends, plans and similar terms. These statements reflect only our current expectations. Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, capital expenditures, future results, our competitive strengths, our business strategy and the trends in our industry.

We cannot guarantee the accuracy of any forward-looking statements, and actual results may differ materially from those we anticipated due to a number of uncertainties, including, among others, the risks we face as described under the Risk Factors section and elsewhere in this prospectus. You should not place undue reliance on these forward-looking statements. These forward-looking statements are within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, and are intended to be covered by the safe harbors created thereby. To the extent that these statements are not recitations of historical fact, these statements constitute forward-looking statements that, by definition, involve risks and uncertainties. In any forward-looking statement where we express an expectation or belief as to future results or events, that expectation or belief is expressed in good faith and is believed to have a reasonable basis, but is based on underlying assumptions that may not occur and may be beyond our control and there can be no assurance that the future results or events expressed by the statement of expectation or belief will be achieved or accomplished. Our actual results, performance or achievements could differ materially from those expressed in, or implied by, forward-looking statements. We can give you no assurance that any of the events or performance measures anticipated by forward-looking statements will occur or be achieved or, if any of them do, what impact they will have on our results of operations and financial condition. Important factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to:

possible adverse effects of being substantially leveraged, which could impact our ability to raise capital, limit our ability to react to changes in the economy or our industry or expose us to interest rate risks;

changes in domestic or foreign government and other third-party payor reimbursement levels and practices and regulations and interpretations of regulations;

consolidation of health care customers and our competitors;

ineffective cost reduction and restructuring efforts;

inability to design, manufacture, distribute and achieve market acceptance of new products with higher functionality and lower costs;

extensive government regulation of our products;

environmental regulations which hinder our research and development and manufacturing processes;

lower cost imports;

increased freight costs;

failure to comply with regulatory requirements or receive regulatory clearance or approval for our products or operations in the United States or abroad;

potential product recalls;

increases in uncollectible accounts receivable;

further difficulties in implementing our new enterprise resource planning system;

legal actions or regulatory proceedings and governmental investigations;

product liability claims;

inadequate patents or other intellectual property protection;

incorrect assumptions concerning demographic trends that impact the market for our products;

provisions of our charter documents and our bank credit agreements or other debt instruments that could prevent or delay a change in control;

the loss of the services of our key management and personnel;

Table of Contents

decreased availability or increased costs of raw materials could increase our costs of producing our products;
inability to acquire strategic acquisition candidates because of limited financing alternatives;
risks inherent in managing and operating businesses in many different foreign jurisdictions;
exchange rate fluctuations; and
potential impairment charges associated with goodwill, intangibles and/or other assets.

Additional risks, uncertainties and other factors that may cause our actual results, performance or achievements to be different from those expressed or implied in our written or oral forward-looking statements may be found under Risk Factors contained in this prospectus and in the annual and quarterly reports that we have filed with the SEC and that are incorporated by reference in this prospectus.

These factors and other risk factors disclosed in this prospectus and elsewhere are not necessarily all of the important factors that could cause our actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could also harm our results. Consequently, there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us. Given these uncertainties, you are cautioned not to place undue reliance on these forward-looking statements.

The forward-looking statements contained in this prospectus are made only as of the date of this prospectus. Except to the extent required by law, we do not undertake, and specifically decline any obligation, to update any forward-looking statements or to publicly announce the results of any revisions to any of these statements to reflect future events or developments or otherwise.

Table of Contents

PROSPECTUS SUMMARY

The following summary highlights certain information contained in or incorporated by reference in this prospectus. It does not contain all of the information that may be important to you and to your investment decision. The following summary is qualified in its entirety by the more detailed information and the financial statements and the notes included or incorporated by reference in this prospectus. You should carefully read this entire prospectus and should consider, among other things, the matters described in the Risk Factors section before deciding to invest in the debentures or the common shares issuable upon conversion of the debentures.

The Company

We are the world's leading manufacturer and distributor in the \$8.0 billion worldwide market for medical equipment used in the home based upon our distribution channels, breadth of product lines and net sales. We design, manufacture and distribute an extensive line of health care products for the non-acute care environment, including the home health care, retail and extended care markets. We continuously revise and expand our product lines to meet changing market demands and currently offer numerous product lines. We sell our products principally to over 25,000 home health care and medical equipment providers, distributors and government locations in the United States, Australia, Canada, Europe, New Zealand and Asia. Our products are sold through our worldwide distribution network by our sales force, telesales associates and various organizations of independent manufacturers' representatives and distributors. We also distribute medical equipment and disposable medical supplies manufactured by others.

We are committed to design, manufacture and deliver the best value in medical products, which promote recovery and active lifestyles for people requiring home and other non-acute health care. We pursue this vision by:

designing and developing innovative and technologically superior products;

ensuring continued focus on our primary market – the non-acute health care market;

marketing our broad range of products;

providing the industry's most professional and cost-effective sales, customer service and distribution organization;

supplying superior and innovative provider support and aggressive product line extensions;

building a strong referral base among health care professionals;

building brand preference with consumers;

continuously advancing and recruiting top management candidates;

empowering all employees;

providing a performance-based reward environment; and

continually striving for total quality throughout the organization.

When Invacare was acquired in December 1979 by a group of investors, including some of our current officers and Directors, we had \$19.5 million in net sales and a limited product line of standard wheelchairs and patient aids. In 2006, Invacare reached approximately \$1.5 billion in net sales, representing a 17% compound average sales growth rate since 1979, and currently is the leading company in each of the following major, non-acute, medical equipment categories: power and manual wheelchairs, home care bed systems and home oxygen systems.

Table of Contents

The Recapitalization

On February 12, 2007, we completed certain refinancing transactions which are further described below and which we refer to collectively as the Recapitalization.

On February 12, 2007, we entered into a Credit Agreement which provides for a \$400 million senior secured credit facility consisting of a \$250 million term loan facility and a \$150 million revolving credit facility. Our obligations under the Credit Agreement are secured by substantially all of the Company's assets, subject to certain exceptions, and are guaranteed by our material domestic subsidiaries, with certain obligations also guaranteed by our material foreign subsidiaries. The Credit Agreement contains a number of customary restrictive covenants, affirmative covenants and events of default, and financial covenants that require the Company to maintain a maximum leverage ratio, a minimum interest coverage ratio, and a minimum fixed charge coverage ratio.

We also consummated the issuance and sale of the debentures on February 12, 2007. The net proceeds to the Company from the offering, after deducting the initial debenture purchasers' discount and the estimated offering expenses payable by us, were approximately \$132.3 million. The debentures are governed by an Indenture, dated February 12, 2007, by and among the Guarantors named therein and Wells Fargo Bank, N.A. (the trustee), and us. The debentures are unsecured senior subordinated obligations of the Company guaranteed by substantially all of our domestic subsidiaries and pay interest at 4.125% per annum on each February 1 and August 1.

We also consummated the issuance and sale of \$175 million aggregate principal amount of our 93/4% Senior Notes due 2015 (the senior notes) on February 12, 2007. Our net proceeds from the offering, after deducting the initial note purchasers' discount and the estimated offering expenses payable by us, were approximately \$167 million. The senior notes are governed by an Indenture, dated February 12, 2007, by and among the Guarantors named therein, the trustee and us. The senior notes are unsecured senior obligations of the Company, guaranteed by substantially all of our domestic subsidiaries. See Description of Other Indebtedness.

We used the net proceeds from the offerings of the senior notes and the debentures, together with our initial borrowings under the Credit Agreement to repay outstanding indebtedness under our previously existing revolving credit facility, our accounts receivable securitization, our 6.71% senior notes due 2008, 3.97% senior notes due 2007, 4.74% senior notes due 2009, 5.05% senior notes due 2010 and 6.17% senior notes due 2016 and our related expenses and repayment costs aggregating \$570 million, and we refer to these related transactions collectively as the Recapitalization.

Recent Developments

We recently became aware of a potential embezzlement at one of our foreign facilities, which is being investigated by the local authorities. The embezzlement is believed to have occurred from January 2005 through March 2007. Our internal audit function is currently performing both an internal audit and a forensic audit into this situation. We carry insurance on employee dishonesty in the amount of \$5 million and believe we will recover the entire amount of that policy after completion of the necessary paperwork. We do not believe the impact of the embezzlement and the related insurance proceeds will have a significant impact on our financial results, operations or plans and believe that the appropriate internal controls were in place but were circumvented by collusion.

Our principal executive offices are located at One Invacare Way, Elyria, Ohio 44036, and our telephone number at that address is (440) 329-6000. Our website address is <http://www.invacare.com>. The information on our website is not part of this prospectus.

Table of Contents

The Debentures

The following summary contains only basic information about the debentures and is not a complete description of the debentures. You should read the full text and more specific details contained elsewhere in this prospectus. For a more detailed description of the debentures, see the section entitled "Description of the Debentures" in this prospectus.

| | |
|----------------------------------|---|
| Issuer | Invacare Corporation |
| Securities Offered | \$135,000,000 aggregate principal amount of 4.125% Convertible Senior Subordinated Debentures due 2027 and the common shares issuable upon conversion of the debentures. |
| Maturity Date | February 1, 2027, unless earlier redeemed, repurchased or converted. |
| Interest and Additional Interest | We will pay interest on the debentures on February 1 and August 1 of each year, beginning August 1, 2007, at an annual rate of 4.125%. Additional interest is payable if we fail to comply with certain obligations set forth under "Description of the Debentures" Registration Rights. Interest will be computed on the basis of a 360-day year comprising twelve 30-day months. |
| Guarantees | The debentures are guaranteed on an unsecured senior subordinated basis by all of our existing domestic subsidiaries (other than our captive insurance subsidiary and any receivables subsidiaries) and certain future direct and indirect wholly owned domestic subsidiaries. The guarantees can be released under certain circumstances. |
| Ranking | <p>The debentures are our unsecured senior subordinated obligations. Accordingly, they:</p> <ul style="list-style-type: none"> are subordinated in right of payment to all of our existing and future senior debt, including our senior secured credit facilities and our 93/4% senior notes due 2015; rank equally in right of payment to our existing and future senior subordinated indebtedness; rank senior to any of our existing and future subordinated debt; and are structurally subordinated to any existing and future debt or other liabilities of our subsidiaries that do not guarantee the debentures, including obligations of our foreign subsidiaries. <p>Similarly, the guarantees are unsecured senior subordinated obligations of the guarantors and:</p> <ul style="list-style-type: none"> are subordinated in right of payment to all of the applicable guarantors existing and future senior debt, including the guarantees of our senior secured credit facilities and our 93/4% senior notes due 2015; |

rank equally in right of payment to the applicable guarantors existing and future senior subordinated indebtedness;

rank senior to any of the applicable guarantors existing and future subordinated debt; and

are structurally subordinated to any existing and future debt or other liabilities of the guarantors subsidiaries that do not guarantee the debentures.

Table of Contents

As of March 31, 2007, we had \$291.9 million of senior secured debt, including \$175 million of our 93/4% senior notes due 2015, to which the debentures were subordinated. In addition, we had \$3.3 million of letters of credit under our senior secured credit facilities. As of that date, we also had \$119.3 million of availability for additional borrowings under our revolving credit facility, subject to borrowing base availability. Certain of our foreign subsidiaries are able to borrow up to \$150 million of our senior secured credit facilities. See Description of Other Indebtedness.

Conversion Rights

You may convert your debentures at any time before the stated maturity from and after the date of the following events:

during any fiscal quarter after the fiscal quarter ending March 31, 2007, if the last reported sale price of our common shares for at least 20 trading days in the 30 trading-day period ending on the last trading day of the previous fiscal quarter exceeds 130% of the conversion price on that 30th trading day;

during the five business days immediately following any five consecutive trading-day period in which the trading price (as defined under Description of the Debentures Conversion upon Satisfaction of Trading Price Condition) per \$1,000 principal amount of the debentures for each day of that period was less than 98% of the product of the closing price of our common shares and the conversion rate of the debentures on each such day;

if we have called the debentures for redemption;

on or after November 1, 2026; or

on the occurrence of the specified corporate transactions, described under Description of the Debentures Conversion Rights Conversion upon Specified Corporate Transactions.

Each debenture will be convertible at a conversion rate equal to 40.3323 shares per debenture. This represents an initial conversion price of approximately \$24.79 per common share. The conversion rate may be adjusted for certain reasons, but will not be adjusted for accrued interest (or additional interest, if any). On conversion, you will generally not receive any cash payment representing accrued interest (or additional interest, if any). Instead, accrued interest and additional interest will be deemed paid by cash and our common shares, if any, received by you on conversion. Debentures called for redemption may be surrendered for conversion until the close of business on the second business day before the redemption date.

Upon conversion, we will have the right to deliver, in lieu of our common shares, cash or a combination of cash and our common shares.

If you elect to convert your debentures in connection with a fundamental change as described under Description of the Debentures Conversion Rights Conversion upon Specified Corporate Transactions that occurs on or prior to February 1, 2017, and 10% or more of the consideration for our common shares consists of consideration other than common shares that are

Table of Contents

traded or scheduled to be traded on a U.S. national securities exchange or the New York Stock Exchange, we will increase the conversion rate by a number of additional common shares as described under Description of the Debentures Conversion Rights Conversion Rate Adjustments Make-Whole Amount and Adjustments for Conversion After a Public Acquirer Change of Control or, in lieu thereof, we may in certain circumstances elect to adjust the conversion rate and related conversion obligation so that the debentures are convertible into shares of the acquiring or surviving company.

Payment at Maturity

Each holder of \$1,000 principal amount of the debentures shall be entitled to receive \$1,000 at maturity, plus accrued interest (including additional interest, if any).

Optional Redemption

We may not redeem the debentures before February 6, 2012. We may redeem some or all of the debentures for cash on or after February 6, 2012 through and including February 1, 2017 if the last reported sale price of our common shares for at least 20 trading days in a 30 trading-day period exceeds 130% of the then applicable conversion price on such 30th trading day (such 30th trading day being no later than February 1, 2017) at a redemption price equal to 100% of the principal amount of the debentures to be redeemed, plus any accrued or unpaid interest (including additional interest, if any), to the redemption date.

We may redeem some or all of the debentures for cash on or after February 1, 2017, on at least 30 days but not more than 60 days notice by mail to holders of debentures at a redemption price equal to 100% of the principal amount of the debentures to be redeemed, plus any accrued and unpaid interest (including additional interest, if any), to the redemption date.

Repurchase Right of Holders

You may require us to repurchase for cash all or a portion of your debentures on February 1, 2017 and 2022 at a purchase price equal to 100% of the principal amount of the debentures to be repurchased, plus accrued and unpaid interest (including additional interest, if any), up to but excluding the repurchase date.

Fundamental Change Put

On a fundamental change (as defined under Description of the Debentures Repurchase of Debentures by Invacare at Option of Holder upon a Fundamental Change), you may require us, subject to certain conditions, to repurchase for cash all or a portion of your debentures at a purchase price equal to 100% of the principal amount of the debentures to be repurchased, plus accrued and unpaid interest (including additional interest, if any), to the repurchase date.

Events of Default

If there is an event of default under the debentures, the principal amount of the debentures, plus accrued and unpaid interest (including additional interest, if any), may be declared due and payable. These amounts automatically become due and payable if an event of default relating to

certain events of bankruptcy, insolvency or reorganization occurs.

Use of Proceeds

We will not receive any proceeds from the sale by selling securityholders of the securities. See Use of Proceeds.

Table of Contents

| | |
|-------------------------------------|--|
| Form, Denomination and Registration | The debentures were issued in fully registered form. The debentures were in denominations of \$1,000 principal amount and integral multiples thereof. The debentures are represented by one or more global debentures, deposited with the trustee as custodian for The Depository Trust Company, or DTC, and registered in the name of Cede & Co., DTC's nominee. Beneficial interests in the global debentures are shown on, and any transfers are effected only through, records maintained by DTC and its participants. See Description of the Debentures Form, Denomination, Exchange, Registration and Transfer. |
| Registration Rights | <p>We prepared this prospectus in connection with our obligations under a registration rights agreement pursuant to which we agreed to file a shelf registration statement, of which this prospectus is a part, with the SEC covering the resale of the debentures and common shares issuable upon conversion of the debentures. We also agreed to use our commercially reasonable efforts to keep the shelf registration statement effective until the earliest of the date on which the debentures or common shares issued upon conversion:</p> <ul style="list-style-type: none">have been effectively registered under the Securities Act and disposed of in accordance with the shelf registration statement;are transferred in compliance with Rule 144 under the Securities Act or transferable pursuant to paragraph (k) of Rule 144 under the Securities Act;cease to be outstanding (whether as a result of redemption, repurchase and cancellation, conversion or otherwise); orhave otherwise been transferred and new debentures or common shares not subject to transfer restrictions under the Securities Act have been delivered by or on behalf of us in accordance with the indenture governing the debentures. <p>We will be required to pay you additional interest on the debentures if we fail to keep the shelf registration statement effective during the time periods specified above. See Description of the Debentures Registration Rights.</p> |
| Trading | The debentures are not listed on any securities exchange or included in any automated quotation system. Although the debentures initially issued in the private placement are eligible for trading in the PORTAL sm Market, debentures sold using this prospectus will no longer be eligible for trading on the PORTAL sm Market. Our common shares are traded on the New York Stock Exchange under the symbol IVC. |

You should carefully consider all of the information included or incorporated by reference in this prospectus, including the discussion in the section entitled Risk Factors, for an explanation of certain risks of investing in the

debentures.

Table of Contents**Ratio of Earnings to Fixed Charges**

The following table sets forth our ratios of earnings to fixed charges on a consolidated basis for the periods shown. You should read these ratios of earnings to fixed charges in connection with our consolidated financial statements, including the notes to those statements, included or incorporated by reference into this prospectus. It should be noted that the Recapitalization did not occur until February 12, 2007.

| | Years Ended December 31, | | | | | Three |
|------------------------------------|---------------------------------|-------------|-------------|-------------|-------------|------------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | Months |
| | | | | | | Ended |
| | | | | | | March 31, |
| | | | | | | 2007 |
| Ratio of earnings to fixed charges | 8.0 | 11.0 | | | | |