

EVANS GARY C  
Form 4/A  
September 09, 2005

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
EVANS GARY C

2. Issuer Name and Ticker or Trading Symbol  
NOVAVAX INC [NVAX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
508 LAPP ROAD  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
09/06/2005

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

MALVERN, PA 19355

4. If Amendment, Date Original Filed(Month/Day/Year)  
09/07/2005

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                             |
| Common Stock (\$0.01 par value) | 09/06/2005                           |  | P                              |   | 44,000  | A  | \$ 1.29                           |
|                                 |                                      |  |                                |   | 502,300   | D  |                                   |

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474 (9-02)

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

Edgar Filing: EVANS GARY C - Form 4/A

| 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. Nu Deriv Secur Bene Own Follo Repo Trans (Instr |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  | Code V (A) (D)                 |   | Date Exercisable Expiration Date                         | Title Number of Shares  |  |  |

## Reporting Owners

| Reporting Owner Name / Address                     | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| EVANS GARY C<br>508 LAPP ROAD<br>MALVERN, PA 19355 | X             |           |         |       |

## Signatures

Dennis W Genge  
Attorney-in-Fact  
09/09/2005

\_\_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).

### Remarks:

Transaction change code to "P"

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. ich could dilute the interest of, or impair the voting power of, our common stockholders. The issuance of a series of preferred stock could be used to discourage, delay or prevent a change in control. Although we do not presently intend to issue any shares of preferred stock, we may do so in the future.

### Provisions in our charter documents and under Delaware law could discourage a takeover that stockholders may consider favorable.

Provisions of our Amended and Restated Certificate of Incorporation and Bylaws could make it more difficult for a third party to acquire us, even if doing so would be beneficial to our stockholders. For example, our board of directors is divided into three classes, with one class being elected each year by our stockholders, which generally makes it more difficult for stockholders to replace a majority of directors and obtain control of our board. In addition, stockholder meetings may be called only by our board of directors, the chairman of the board and the president, advance notice is required prior to stockholder proposals and stockholders may not act by written consent. Further, we

have authorized preferred stock that is undesignated, making it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of Answers Corporation.

Delaware law also could make it more difficult for a third party to acquire us. Specifically, Section 203 of the Delaware General Corporation Law, to which our company is subject, may have an anti-takeover effect with respect to transactions not approved in advance by our board of directors, including discouraging attempts that might result in a premium over the market price for the shares of common stock held by our stockholders.

**We are at risk of securities class action litigation.**

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because Internet companies have experienced significant stock price volatility in recent years. If we faced such litigation, it could result in substantial costs and diversion of management's attention and resources, which could adversely affect our business.

**Our stock price has been and may continue to be extremely volatile.**

The trading price of our common stock has been and is likely to be extremely volatile and could fluctuate in response to a variety of factors, including the following:

- actual or anticipated variations in our quarterly operating results and expected future results;
- changes in, or failure to meet, financial estimates by securities analysts;
- unscheduled system downtime;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures, new products or capital commitments;
- additions or departures of key personnel;
- announcements of technological innovations or new services by us or our competitors;
- initiation of or developments in litigation affecting us;
- conditions or trends in the Internet and online commerce industries;
- changes in the market valuations of other Internet, online commerce, or technology companies; and
- developments in regulation.

The trading prices of Internet stocks in general, and ours in particular, have experienced extreme price and volume fluctuations in recent periods. These fluctuations can often be unrelated or disproportionate to the operating performance of these companies. Negative changes in the public's perception of the prospects of Internet or e-commerce or technology companies have in the past and may in the future depress our stock price regardless of our results. Other broad market and industry factors may decrease the market price of our common stock, regardless of our operating performance.

**RISKS RELATED TO OUR LOCATION IN ISRAEL**

**Conditions in Israel may limit our ability to produce and sell our product, which would lead to a decrease in revenues.**

Because our principal offices and sole research and development facilities are located in Jerusalem, Israel, our operations are directly affected by economic, political and military conditions affecting Israel. Specifically, we could be adversely affected by:

- any major hostilities involving Israel;
- a full or partial mobilization of the reserve forces of the Israeli army;
- the interruption or curtailment of trade between Israel and its present trading partners;
- risks associated with the fact that a number of our employees and a key officer reside in what are commonly referred to as occupied territories; and
- a significant downturn in the economic or financial conditions in Israel.

Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its Arab neighbors and a state of hostility, varying in degree and intensity, has led to security and economic problems for Israel. Despite negotiations to effect peace between Israel and its Arab neighbors, the future of these peace efforts is uncertain. Since October 2000, there has been a significant increase in violence, civil unrest and hostility, including armed clashes between the State of Israel and the Palestinians, and acts of terror have been committed inside Israel and against Israeli targets in the West Bank and Gaza Strip. There is no indication as to how long the current

hostilities will last or whether there will be any further escalation. Any further escalation in these hostilities or any future conflict, political instability or violence in the region may have a negative effect on our business, harm our results of operations and adversely affect our share price.

Furthermore, there are a number of countries that restrict business with Israel or with Israeli companies, which may limit our ability to make sales in those countries.

**We may not be able to enforce covenants not-to-compete under current Israeli law that might result in added competition for our products.**

We have non-competition agreements with all of our employees, almost all of which are governed by Israeli law. These agreements prohibit our employees from competing with or working for our competitors, generally during and for up to 12 months after termination of their employment. However, Israeli courts are reluctant to enforce non-compete undertakings of former employees and tend, if at all, to enforce those provisions for relatively brief periods of time in restricted geographical areas and only when the employee has obtained unique value to the employer specific to that employer's business and not just regarding the professional development of the employee.

**The Israeli government tax benefits program in which we currently participate and from which we receive benefits requires us to meet several conditions. These programs or benefits may be terminated or reduced in the future, which may result in an increase in our tax liability.**

Our Israeli subsidiary receives tax benefits authorized under Israeli law for capital investments that are designated as "Approved Enterprises." To be eligible for these tax benefits, we must meet certain conditions. If we fail to meet such conditions, these tax benefits could be cancelled, and we could be required to pay increased taxes or refund the amount of tax benefits we received, together with interest and penalties. Israeli governmental authorities have indicated that the government may in the future reduce or eliminate the benefits of such programs. The termination or reduction of these programs and tax benefits could increase our Israeli tax rates, and thereby reduce our net profits or increase our net losses.

### **FORWARD-LOOKING STATEMENTS**

The Private Securities Litigation Reform Act of 1995 (the "Act") provides a safe harbor for forward-looking statements made by us or on our behalf. We and our representatives may from time to time make written or oral statements that are "forward-looking," including statements contained in this prospectus and other filings with the Securities and Exchange Commission, reports to our stockholders and news releases. All statements that express expectations, estimates, forecasts or projections are forward-looking statements within the meaning of the Act. In addition, other written or oral statements which constitute forward-looking statements may be made by us or on our behalf. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "projects," "forecasts," "may," "should," variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in or suggested by such forward-looking statements. Among the important factors on which such statements are based are assumptions concerning our ability to increase the number of persons who use our products, our ability to increase the number of partners who will generate increased traffic to our sites, our ability to improve the monetization of our products and our ability to continue our relationship with Google, Inc. which directs user traffic to [www.answers.com](http://www.answers.com) through its definition link.

### **USE OF PROCEEDS**

We will not receive any of the proceeds from the sale of the shares sold pursuant to this prospectus. We will bear all expenses in connection with the registration of the shares, other than underwriting discounts and selling commissions

### **SELLING STOCKHOLDERS**

Below is information with respect to the number of shares of our common stock owned by the selling stockholders as of May 17, 2006. Except as described below, the selling stockholders do not have, or have not had, any position, office or other material relationship or transaction with us or any of our affiliates beyond their investment in, or receipt of, our securities. See "Plan of Distribution" for additional information about the selling stockholders and the manner in which the selling stockholders may dispose of their shares. Beneficial ownership has been determined in accordance with the rules of the SEC, and includes voting or investment power with respect to the shares. Unless otherwise indicated in the table below, to our knowledge, the selling stockholders named in the table below have sole voting and investment power with respect to their shares of common stock. Our registration of these shares does not necessarily mean that the selling stockholders will sell any or all of the shares covered by this prospectus.

This prospectus relates to 1,883,274 shares of our common stock, par value \$.001 per share, for sale from time to time by the selling stockholders identified in this prospectus. Of these shares, 1,012,438 shares of common stock were previously registered in Registration Statement No. 333-123906, 405,414 shares of common stock were previously

registered in Registration Statement No. 333-115424, 439,000 shares were issued in December 2005 as part of the consideration in connection with our acquisition of Brainboost Technology, LLC and 26,422 shares are issuable upon the exercise of Reload Warrants issued to WEC Partners LLC in connection with the exercise of bridge warrants issued in a bridge financing transaction in January and February 2004. The 26,422 Reload Warrants issued to WEC Partners LLC were mistakenly excluded from Registration Statement No. 333-123906 and should have been registered in Registration Statement No. 333-123906 pursuant to an agreement dated as of February 4, 2005 between us and the holders of the Reload Warrants. WEC Partners LLC has waived any registration payment penalties which we may be obligated to pay as a result of the failure to register the 26,422 Reload Warrants in Registration Statement No. 333-123906.

On January 30, 2004 and February 17, 2004, we completed our bridge financing, consisting of \$5.0 million aggregate principal amount of bridge notes bearing interest at an annual rate of 8%, or Bridge Notes. The aggregate principal amount of the Bridge Notes included \$200,000 previously advanced to us by investors that was converted into Bridge Notes in connection with the bridge financing. The Bridge Notes were due on the earlier of January or February 2005 and the consummation of our initial public offering.

Of the aggregate Bridge Notes outstanding, \$3,160,000 principal amount of the Bridge Notes was repaid in cash from the net proceeds of our initial public offering and \$1,840,000 of the principal amount of the Bridge Notes was converted on the date of our initial public offering into shares of common stock at a conversion price of \$3.75.

In connection with the issuance of the Bridge Notes, we issued bridge warrants, or Bridge Warrants, to purchase an aggregate of 1,700,013 shares of common stock, exercisable at \$7.20 per share, commencing on December 31, 2004. In the third quarter of 2004, our board of directors authorized the issuance of an aggregate of 750,002 warrants to the noteholders.

On October 7, 2004, the date on which we filed our registration statement related to our initial public offering, each noteholder received a pro rata share of these additional warrants (approximately .44 warrant for each bridge warrant held). These additional warrants contained terms identical to the Bridge Warrants, except for certain expiration provisions. In October 2004, the National Association of Securities Dealers, Inc. determined that shares issuable upon conversion of Bridge Notes and upon exercise of Bridge Warrants held by certain noteholders in our bridge financing constituted underwriter's compensation, because of the relationship between these noteholders and one of the underwriters involved in our initial public offering. As a result, these noteholders were contractually obligated to surrender their warrants to purchase 648,534 shares of common stock to us without consideration and had \$1,350,000 aggregate principal amount of Bridge Notes entirely repaid instead of converted into common stock.

The 1,029,488 warrants, or Reload Warrants, were issued on February 4, 2005 to certain holders of the Bridge Warrants. On February 4, 2005, we entered into an agreement with the holders of the Bridge Warrants, under which the holders of the Bridge Warrants exercised an aggregate of 1,871,783 Bridge Warrants at the exercise price of \$7.20 per share (with the exception of Vertical Ventures LLC which held a warrant exercisable at \$3.75 per share) for aggregate proceeds of approximately \$12,220,000, net of fees and expenses. The Reload Warrants were issued to the holders of the Bridge Warrants as an incentive to exercise their respective Bridge Warrants. The Reload Warrants are currently exercisable at an exercise price of \$17.27 per share and expire on February 4, 2010.

We will not receive any of the proceeds from the sale of the shares sold pursuant to this prospectus. We will bear all expenses in connection with the registration of the shares, other than underwriting discounts and selling commissions.

The number of shares of common stock that may actually be sold by the selling stockholders will be determined by the selling stockholders. Because the selling stockholders may sell all, some or none of the shares of common stock which they hold, and because the offering contemplated by this prospectus is not currently being underwritten, no estimate can be given as to the number of shares of common stock that will be held by the selling stockholders upon termination of the offering. The information set forth in the following table regarding the beneficial ownership after resale of shares is based on the premise that the selling stockholders will sell all of the shares of common stock owned by such selling stockholder and covered by this prospectus.

| Selling Stockholder                     | Beneficial Ownership<br>Prior<br>to this Offering | Shares That May be<br>Offered<br>and Sold Hereby | Beneficial Ownership After this<br>Offering (1)(2) |                     |
|---|---|--|--|---------------------|
|   |   |  | Number of<br>Shares                                | Percent<br>of Class |
| Ajax Partners                           | 26,422  | 26,422 (3)                                       | 0  | 0                   |
| Andrew Rosen                            | 55,423  | 55,423 (4)                                       | 0  | 0                   |
| Arthur Steinberg                        | 13,211  | 13,211 (5)                                       | 0  | 0                   |
| Barretto Pacific<br>Corporation         | 7,800   | 7,800 (6)  | 0  | 0                   |
| Brainboost<br>Partnership               | 439,000   | 439,000 (7)                                      | 0  | 0                   |
| Brian Daly                              | 6,607   | 6,607 (8)  | 0  | 0                   |
| Bruce Bernstein                         | 6,607   | 6,607 (9)  | 0  | 0                   |
| Chris Conway                            | 37,231  | 37,231 (10)                                      | 0  | 0                   |
| Dr. Joseph Vardi                        | 94,831  | 39,633 (11)                                      | 55,198   | *                   |
| Eli Rothman                             | 26,422  | 26,422 (12)                                      | 0  | 0                   |
| Eric Stein                              | 38,191  | 38,191 (13)                                      | 0  | 0                   |
| Iroquois Capital, LP                    | 300,930   | 300,930 (14)                                     | 0  | 0                   |
| Marc Friedman                           | 74,462  | 74,462 (15)                                      | 0  | 0                   |
| Nanette C. Koryn and<br>Robert H. Cohen | 12,733  | 12,733 (16)                                      | 0  | 0                   |
| Morton H. Meyerson                      | 293,346   | 145,030 (17)                                     | 148,316  | 1.9                 |
| Omicron Master Trust                    | 66,055  | 66,055 (18)                                      | 0  | 0                   |
| Petrocelli Industries,<br>Inc.          | 29,887  | 29,887 (19)                                      | 0  | 0                   |
| Rivington<br>Investments N.V.           | 67,997  | 2,173 (20)                                       | 65,824   | *                   |
| Salvador Abady                          | 37,231  | 37,231 (21)                                      | 0  | 0                   |
| Scot Jason Cohen                        | 11,819  | 11,890 (22)                                      | 0  | 0                   |
| Smithfield Fiduciary<br>LLC             | 132,108   | 132,108 (23)                                     | 0  | 0                   |
| Stanoff Corporation                     | 27,500  | 27,500 (24)                                      | 0  | 0                   |
| Steven and Adam<br>Sprung               | 37,231  | 37,231 (25)                                      | 0  | 0                   |
| Steven Landman                          | 6,607   | 6,607 (26)                                       | 0  | 0                   |
| Ted Struhl Family<br>Partnership        | 68,962  | 68,962 (27)                                      | 0  | 0                   |
|   | 196,506   | 196,506 (28)                                     | 0  | 0                   |

Explanation of Responses:



|                           |        |             |   |   |
|---------------------------|--------|-------------|---|---|
| Vertical Ventures,<br>LLC |        |             |   |   |
| WEC Partners LLC          | 26,422 | 26,422 (29) | 0 | 0 |
| William Castor            | 11,000 | 11,000 (30) | 0 | 0 |

\* Represents less than 1%.

- (1) Percentage calculated on the basis of 7,728,174 shares of common stock outstanding on May 17, 2006.
- (2) Assumes the sale of all shares of common stock registered pursuant to this prospectus, although the selling stockholders are under no obligations known to us to sell any shares of common stock at this time.
- (3) Consists of shares of common stock issuable upon exercise of Reload Warrants. David Stone is the managing partner of Ajax Partners and has sole voting and investment power over the securities owned by Ajax Partners.
- (4) Consists of 52,844 shares of common stock issuable upon exercise of Reload Warrants and 2,579 shares of common stock issued upon exercise of the Bridge Warrants.

- (5) Consists of shares of common stock issuable upon exercise of Reload Warrants.
- (6) Consists of shares of common stock issued to Barretto Pacific Corporation. On December 13, 2004 we entered into a one-year term agreement with Barretto for the provision of investor relations consulting services. The agreement was for an aggregate cash amount of \$100,000. In connection with the agreement, we issued Barretto 7,800 shares of our common stock. Landon Barretto has sole voting and investment power over the shares owned by Barretto.
- (7) Consists of shares of common stock issued to Brainboost Partnership. On December 1, 2005 pursuant to a Purchase Agreement among us, Brainboost Partnership, a New York general partnership Assaf Rozenblatt, Edo Segal and Jon Medved, we purchased the entire limited liability interests of Brainboost Technology, LLC, a Delaware limited liability company (“Brainboost”). As a result of the acquisition, we took title to and possession of those certain assets owned by Brainboost, including, among other things, all intellectual property rights associated with a functionality known as the Brainboost Answer Engine, a cutting-edge Artificial Intelligence technology targeting natural language search on the World-Wide-Web. Pursuant to the Purchase Agreement, we paid Brainboost Partnership an aggregate of \$4,000,000 in cash and 439,000 shares of our common stock. Assaf Rozenblatt has sole voting and investment power over the shares owned by Brainboost Partnership.
- (8) Consists of shares of common stock issuable upon exercise of Reload Warrants.
- (9) Consists of shares of common stock issuable upon exercise of Reload Warrants.
- (10) Consists of 13,211 shares of common stock issuable upon exercise of Reload Warrants and 24,020 shares of common stock issued upon exercise of the Bridge Warrants.
- (11) Consists of shares of common stock issuable upon exercise of Reload Warrants.
- (12) Consists of shares of common stock issuable upon exercise of Reload Warrants.
- (13) Consists of 11,494 shares of common stock issuable upon exercise of Reload Warrants, 20,897 shares of common stock issued upon exercise of the Bridge Warrants and 5,800 shares of common stock issued upon conversion of the Bridge Notes.
- (14) Consists of 174,827 shares of common stock issuable upon exercise of Reload Warrants and 126,103 shares of common stock issuable upon exercise of the Bridge Warrants. Joshua Silverman is the managing partner of Iroquois Capital, L.P. and has sole voting and investment power over the shares owned by Iroquois Capital, L.P. Mr. Silverman disclaims beneficial ownership of the shares owned by Iroquois Capital, L.P.
- (15) Consists of 26,422 shares of common stock issuable upon exercise of Reload Warrants and 48,040 shares of common stock issued upon exercise of the Bridge Warrants.
- (16) Consists of 6,066 shares of common stock issuable upon exercise of Reload Warrants and 6,667 shares of common stock issued upon conversion of the Bridge Notes.
- (17) Consists of 97,496 shares of common stock issuable upon exercise of Reload Warrants and 47,534 shares of common stock issued upon conversion of the Bridge Notes. Of the 97,496 shares of common stock issuable upon exercise of Reload Warrants, 50,000 are owned by the Morton

Meyerson Family Foundation. Mr. Meyerson is the President of the Morton Meyerson Family Foundation and has voting and investment power over the 50,000 Reload Warrants.

- (18) Consists of shares of common stock issuable upon exercise of Reload Warrants. Omicron Capital, L.P. a Delaware limited partnership (“Omicron Capital”), serves as investment manager to Omicron Master Trust, a trust formed under the laws of Bermuda (“Omicron”), Omicron Capital, Inc., a Delaware corporation (“OCI”), serves as general partner of Omicron Capital, and Winchester Global Trust Company Limited (“Winchester”) serves as the trustee of Omicron. By reason of such relationships, Omicron Capital and OCI may be deemed to share dispositive power over the shares of our common stock owned by Omicron, and Winchester may be deemed to share voting and dispositive power over the shares of our common stock owned by Omicron. Omicron Capital, OCI and Winchester disclaim beneficial ownership of such shares of our common stock. Omicron Capital has delegated authority from the board of directors of Winchester regarding the portfolio management decisions with respect to the shares of common stock owned by Omicron and as of March 15, 2006, Mr. Olivier H. Morali and Mr. Bruce T. Bernstein, officers of OCI, have delegated authority from the board of directors of OCI regarding the portfolio management decisions of Omicron Capital with respect to the shares of common stock owned by Omicron. By reason of such delegated authority, Messrs. Morali and Bernstein may be deemed to share dispositive power over the shares of our common stock owned by Omicron. Messrs. Morali and Bernstein disclaim beneficial ownership of such shares of our common stock and neither of such persons has any legal right to maintain such delegated authority. No other person has sole or shared voting or dispositive power with respect to the shares of our common stock being offered by Omicron, as those terms are used for purposes under Regulation 13D-G of the Securities Exchange Act of 1934, as amended. Omicron and Winchester are not “affiliates” of one another, as that term is used for purposes of the Securities Exchange Act of 1934, as amended, or of any other person named in this prospectus as a selling stockholder. No person or “group” (as that term is used in Section 13(d) of the Securities Exchange Act of 1934, as amended, or the SEC’s Regulation 13D-G) controls Omicron and Winchester.
- (19) Consists of 5,867 shares of common stock issuable upon exercise of Reload Warrants and 24,020 shares of common stock issued upon exercise of Bridge Warrants. Florence Petrocelli has voting and/or dispositive power over the securities owned by Petrocelli Industries, Inc.

- (20) Consists of shares of common stock issuable upon exercise of stock options granted to Rivington Investments N.V. On April 27, 1999, we entered into a consulting agreement with Rivington pursuant to which agreement Rivington was retained to provide us with advisory services on strategic business planning and product critique. Pursuant to the consulting agreement, (i) Rivington was obligated to avail itself to our management team for a minimum of four (4) hours a month; (ii) we agreed to compensate Rivington in the form of the grant of a stock option to purchase 50,000 shares of our common stock at an exercise price of \$0.05 per share (it should be noted that following our 23.02:1 reverse stock split in January 2004, this option became an option to purchase 2,173 shares of our common stock at the exercise price of \$1.15); and (iii) the term of the option was ten (10) years subject to earlier termination pursuant to the terms of an option agreement entered into in conjunction with the consulting agreement. Professor Ehud Shapiro, Michelle Arnon and Elieser Kaplan share voting and/or dispositive power over the securities owned by Rivington.
- (21) Consists of 13,211 shares of common stock issuable upon exercise of Reload Warrants and 24,020 shares of common stock issued upon exercise of Bridge Warrants.
- (22) Consists of shares of common stock issuable upon exercise of Reload Warrants.
- (23) Consists of shares of common stock issuable upon exercise of Reload Warrants. Highbridge Capital Management, LLC is the trading manager of Smithfield Fiduciary LLC and has voting control and investment direction over securities held by Smithfield Fiduciary LLC. Glenn Dubin and Henry Swieca control Highbridge Capital Management, LLC. Each of Highbridge Capital Management, LLC, Glenn Dubin and Henry Swieca disclaim beneficial ownership of the securities held by Smithfield Fiduciary LLC.
- (24) Consists of shares of common stock issuable upon exercise of Reload Warrants. Howard Weingrow as president and Robert Lifton as chairman of Stanoff Corporation have voting and investment power over the securities owned by Stanoff Corporation.
- (25) Consists of 13,211 shares of common stock issuable upon exercise of Reload Warrants and 24,020 shares of common stock issued upon exercise of Bridge Warrants.
- (26) Consists of shares of common stock issuable upon exercise of Reload Warrants.
- (27) Consists of 20,922 shares of common stock issuable upon exercise of Reload Warrants and 48,040 shares of common stock issued upon exercise of Bridge Warrants.
- (28) Consists of shares of common stock issuable upon exercise of Reload Warrants. Joshua Silverman is a managing partner of Vertical Ventures, LLC and has sole voting and investment power over the securities owned by Vertical Ventures, LLC. Mr. Silverman disclaims beneficial ownership of the securities owned by Vertical Ventures, LLC.
- (29) Consists of shares of common stock issuable upon exercise of Reload Warrants. Jaime Hartman, Daniel Saks and Ethan Benovitz share voting and investment power over the securities owned by WEC Partners, LLC.
- (30) Consists of 7,927 shares of common stock issuable upon exercise of Reload Warrants and 3,073 shares issued upon exercise of Bridge Warrants.



## **PLAN OF DISTRIBUTION**

The shares being offered by the selling stockholders will be sold from time to time in one or more transactions (which may involve block transactions) that may take place in The Nasdaq National Market, including ordinary brokers' transactions, privately negotiated transactions or through sales to one or more dealers for resale of such securities as principals, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. Usual and customary or specifically negotiated brokerage fees or commissions may be paid by the selling stockholders. The shares may also be sold pursuant to Rule 144 under the Securities Act. The selling stockholders have the sole and absolute discretion not to accept any purchase offer or make any sale of shares if they deem the purchase price to be unsatisfactory at any particular time.

The selling stockholders may also sell the shares directly to market makers acting as principals and/or broker-dealers acting as agents for themselves or their customers. Such broker-dealers may receive compensation in the form of discounts, concessions or commissions from the selling stockholders and/or the purchasers of shares for whom such broker-dealers may act as agents or to whom they sell as principal, or both, which compensation as to a particular broker-dealer might be in excess of customary commissions. Market makers and block purchasers purchasing the shares will do so for their own account and at their own risk. It is possible that a selling stockholder will attempt to sell shares of common stock in block transactions to market makers or other purchasers at a price per share which may be below the then market price.

The selling stockholders and intermediaries through whom such securities are sold may be deemed "underwriters" within the meaning of the Securities Act, with respect to the securities offered hereby, and any profits realized or commissions received may be deemed underwriting compensation. We have agreed to indemnify the selling stockholders against certain liabilities, including liabilities under the Securities Act.

The selling stockholders, alternatively, may sell all or any part of the shares offered by this prospectus through an underwriter. To our knowledge, no selling stockholder has entered into an agreement with a prospective underwriter. If any selling stockholder notifies us that it has entered into an agreement or agreements with a broker-dealer or underwriter for the resale of the common stock, the relevant details will be set forth in a supplement or revision to this prospectus.

The selling stockholders and any other persons participating in the sale or distribution of the shares will be subject to applicable provisions of the Securities Exchange Act of 1934 and the rules and regulations thereunder, including, without limitation, Regulation M, which may restrict certain activities of, and limit the timing of purchases and sales of any of the shares by the selling stockholders or any other such person. Furthermore, under Regulation M, persons engaged in a distribution of securities are prohibited from simultaneously engaging in market making and certain other activities with respect to such securities for a specified period of time prior to the commencement of such distributions, subject to specified exceptions or exemptions. All of these limitations may affect the marketability of the shares.

## **LEGAL MATTERS**

The validity of the common stock will be passed upon by our counsel, Sichenzia Ross Friedman Ference LLP, New York, New York.

## **EXPERTS**

The consolidated financial statements of Answers Corporation (formerly GuruNet Corporation) as of December 31, 2005 and 2004, and for each of the years in the two-year period ended December 31, 2005, have been incorporated by reference herein and in the registration statement in reliance upon the report of Somekh Chaikin, a member firm of KPMG International, an independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

#### **WHERE YOU CAN FIND MORE INFORMATION**

This prospectus is part of a registration statement that we filed on Form S-3 with the Securities and Exchange Commission or SEC. This prospectus does not contain all of the information in the registration statement and the exhibits and schedules that were filed with the registration statement. You should refer to the registration statement for additional information about us and the common stock being offered in this prospectus. Statements made in this prospectus regarding the contents of any contract, agreement or other document that is filed as an exhibit to the registration statement or any document incorporated by reference into the registration statement are not necessarily complete, and you should review the referenced document itself for a complete understanding of its terms.

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any document that we file at the SEC's public reference facilities located at 100 F Street, NE, Washington, DC 20549. Copies of all or any part of the registration statement may be obtained from the SEC upon payment of the prescribed fee. Information regarding the operation of the public reference rooms may be obtained by calling the SEC at 1-800-SEC-0330. Our SEC filings are also available to you free of charge at the SEC's web site at <http://www.sec.gov>.

## INCORPORATION OF DOCUMENTS BY REFERENCE

The SEC allows us to 'incorporate by reference' the information into this prospectus. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information that we incorporate by reference is considered to be part of this prospectus. Because we are incorporating by reference our future filings with the SEC, this prospectus is continually updated and those future filings may modify or supersede some or all of the information included or incorporated in this prospectus. This means that you must look at all of the SEC filings that we incorporate by reference to determine if any of the statements in this prospectus or in any document previously incorporated by reference have been modified or superseded. This prospectus incorporates by reference the documents listed below and any future filings we will make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until the selling stockholders sell all of our common stock registered under this prospectus.

Answers Corporation (File No. 001-32325)

- our annual report on Form 10-KSB for the fiscal year ended December 31, 2005 filed with the SEC on March 20, 2006;
- our annual report on Form 10-KSB/A for the fiscal year ended December 31, 2005 filed with the SEC on April 13, 2006;
- our annual report on Amendment No.2 to Form 10-KSB for the fiscal year ended December 31, 2005 filed with the SEC on May 19, 2006;
- our annual report on Amendment No. 3 to Form 10-KSB for the fiscal year ended December 31, 2005 filed with the SEC on June 7, 2006;
- our quarterly report on Form 10-QSB for the quarter ended March 31, 2006 filed with the SEC on May 12, 2006;
- our current report on Form 8-K filed on February 16, 2006; and
- the description of our common stock contained in Item 1 of our Registration Statement on Form 8-A, filed with the SEC on August 1, 2005.

The information about us contained in this prospectus should be read together with the information in the documents incorporated by reference. You may request a copy of any or all of these filings, at no cost, by writing or telephoning us at Jerusalem Technology Park, The Tower, Jerusalem 91481 Israel, +972-2-649-5000 or at 237 West 35<sup>th</sup> Street, Suite 1101, New York, NY 10001, 646-502-4777.