

Alphatec Holdings, Inc.  
Form 424B5  
May 10, 2012  
Table of Contents

Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-164891

**PROSPECTUS SUPPLEMENT**

(To Prospectus dated April 9, 2010)

**\$25,000,000**

**and**

**231,045 Shares**

**ALPHATEC HOLDINGS, INC.**

**Common Stock**

Pursuant to this prospectus supplement and the accompanying prospectus, we are offering up to \$25,000,000 of shares of our common stock to Eclipse Advisors, LLC, or Eclipse, pursuant to an Investment Agreement between us and Eclipse dated May 8, 2012, which we refer to as the Investment Agreement. The shares of common stock covered by this prospectus supplement and the accompanying prospectus also include the 231,045 shares of common stock issuable to Eclipse as a commitment fee in connection with the execution of the Investment Agreement. The offering price per share of the \$25,000,000 of shares of common stock will equal 90% of the average of the daily volume weighted average price, or VWAP, of our common stock on The NASDAQ Global Select Market (or such other principal exchange or market for our common stock) as reported by Bloomberg Financial L.P., using the AQR function, for specified periods prior to settlement under the Investment Agreement as described in more detail elsewhere in this prospectus supplement.

This prospectus supplement and the accompanying prospectus also cover the sale of these shares by Eclipse to the public. Eclipse is an underwriter within the meaning of Section 2(a)(11) of the Securities Act of 1933, as amended, or the Securities Act, and any profits on the sales of shares of our common stock by Eclipse and any discounts, commissions or concessions received by Eclipse may be deemed to be underwriting discounts and commissions under the Securities Act.

Our common stock is listed on The NASDAQ Global Select Market under the symbol ATEC. On May 8, 2012, the last reported sale price of our common stock on The NASDAQ Global Select Market was \$2.15 per share.

Investing in our common stock involves significant risks. See Risk Factors beginning on page S-4 of this prospectus supplement and page 4 of the accompanying prospectus.

## Edgar Filing: Alphatec Holdings, Inc. - Form 424B5

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

The date of this prospectus supplement is May 8, 2012.

**Table of Contents**

**TABLE OF CONTENTS**

Prospectus Supplement

<u>About this Prospectus Supplement</u>	S-ii
<u>Prospectus Supplement Summary</u>	S-1
<u>Risk Factors</u>	S-4
<u>Forward-Looking Statements</u>	S-5
<u>Use of Proceeds</u>	S-6
<u>Dilution</u>	S-7
<u>Dividend Policy</u>	S-8
<u>Plan of Distribution</u>	S-8
<u>Legal Matters</u>	S-10
<u>Experts</u>	S-10
<u>Where You Can Find More Information</u>	S-10
<u>Incorporation of Documents by Reference</u>	S-11

Prospectus

<u>About This Prospectus</u>	1
<u>Prospectus Summary</u>	2
<u>Risk Factors</u>	4
<u>Forward-Looking Statements</u>	5
<u>Ratios of Earnings to Fixed Charges</u>	7
<u>Use of Proceeds</u>	8
<u>Description of Securities to be Offered</u>	9
<u>Description of Capital Stock</u>	10
<u>Description of Debt Securities</u>	15
<u>Description of Warrants</u>	20
<u>Description of Units</u>	22
<u>Legal Ownership of Securities</u>	23
<u>Selling Stockholders</u>	26
<u>Plan of Distribution</u>	28
<u>Legal Matters</u>	31
<u>Experts</u>	31
<u>Where You Can Find More Information</u>	31
<u>Incorporation by Reference</u>	32

**Table of Contents**

**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, provides more general information, some of which may not apply to this offering. This prospectus supplement and the information incorporated by reference in this prospectus supplement also adds to, updates and changes information contained or incorporated by reference in the accompanying prospectus. If information in this prospectus supplement or the information incorporated by reference in this prospectus supplement is inconsistent with the accompanying prospectus or the information incorporated by reference therein, then this prospectus supplement or the information incorporated by reference in this prospectus supplement will apply and will supersede the information in the accompanying prospectus and the documents incorporated by reference therein.

This prospectus supplement is part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, using a shelf registration process. Under the shelf registration process, we may from time to time offer and sell any combination of the securities described in the accompanying prospectus up to a total dollar amount of \$100.0 million of which this offering is a part. As of the date of this prospectus supplement, we had sold \$46.0 million of securities under the registration statement, leaving \$54.0 million of securities that we may offer and sell in the future under the registration statement, including up to \$25.0 million in shares of common stock that we may offer and sell in this offering and the 231,045 shares of common stock issuable to Eclipse as the \$500,000 commitment fee in connection with this offering. This prospectus supplement does not address any shares of common stock offered by the selling stockholders named in the accompanying prospectus.

**You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus prepared by or on behalf of us. We have not authorized anyone to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not making an offer of these securities under any circumstance or in any jurisdiction where the offer is not permitted or unlawful. You should assume that the information contained in this prospectus supplement, the accompanying prospectus and any free writing prospectus prepared by or on behalf of us is accurate only as of their respective dates, and that any information in documents that we have incorporated by reference is accurate only as of the date of the document incorporated by reference.**

This prospectus supplement, the accompanying prospectus, and the information incorporated herein and therein by reference includes trademarks, service marks and trade names owned by us or other companies. All trademarks, service marks and trade names included or incorporated by reference into this prospectus supplement or the accompanying prospectus are the property of their respective owners. The Alphatec and Scient x name and logo and the names of products and services offered by Alphatec, Alphatec Spine, Inc. and Scient x are trademarks, registered trademarks, service marks or registered service marks of Alphatec.

Unless we have indicated otherwise or the context otherwise requires, all references in this prospectus supplement and the accompanying prospectus to Alphatec, the Company, we, us and our or similar terms refer to Alphatec Holdings, Inc. and its consolidated subsidiaries.

**Table of Contents**

**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights certain information about us, this offering and information appearing elsewhere in this prospectus supplement and in the accompanying prospectus and in the documents we incorporate by reference. This summary is not complete and does not contain all of the information that you should consider before investing in shares of our common stock. The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements and notes thereto appearing elsewhere or incorporated by reference into this prospectus supplement and the accompanying prospectus. Before you decide to invest in shares of our common stock, to fully understand this offering and its consequences to you, you should carefully read the entire prospectus supplement and the accompanying prospectus carefully, including the risk factors beginning on page S-4 of this prospectus supplement and beginning on page 4 of the accompanying prospectus, and the consolidated financial statements and related notes incorporated by reference in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein.*

**Alphatec Holdings, Inc.**

**Overview**

We are a medical technology company focused on the design, development, manufacturing and marketing of products for the surgical treatment of spine disorders, with a focus on products that treat conditions that affect the aging spine. We have a comprehensive product portfolio and pipeline that addresses the cervical, thoracolumbar and intervertebral regions of the spine and covers a variety of major spinal disorders and procedures. Our principal product offerings are focused on the global market for orthopedic spinal disorder solutions. Our surgeons culture emphasizes collaboration with spinal surgeons to conceptualize, design and co-develop a broad range of products. We have a state-of-the-art, in-house manufacturing facility that provides us with a unique competitive advantage, and enables us to rapidly deliver solutions to meet surgeons and patients critical needs. We believe that our products and systems have enhanced features and benefits that make them attractive to surgeons and that our broad portfolio of products and systems provide a comprehensive solution for the safe and successful surgical treatment of spine disorders. All of our implants that are sold in the U.S. that require U.S. Food and Drug Administration, or FDA, clearance have been cleared by the FDA.

**Corporate Information**

We were incorporated in Delaware in March 2005. Our common stock is listed on The NASDAQ Global Select Market under the ticker symbol ATEC. Our principal executive office is located at 5818 El Camino Real, Carlsbad, California 92008 and our telephone number is (760) 431-9286. Our website is [www.alphatecspine.com](http://www.alphatecspine.com). We have not incorporated by reference into this prospectus supplement the information on our website, and you should not consider it to be a part of this document. Our website address is included in this document as an inactive textual reference only.

**Table of Contents**

**The Offering**

Common Stock Offered by us Pursuant to this Prospectus Supplement	<p>Shares of common stock with aggregate gross sale proceeds of up to \$25.0 million, and 231,045 shares of common stock issuable to Eclipse as a commitment fee in connection with the execution of the Investment Agreement.</p> <p>The number of share of common stock we may issue under the Investment Agreement is capped at the thresholds set forth in the shareholder approval requirements set forth in NASDAQ Listing Rule 5635 unless we obtain stockholder approval to issue a greater amount than specified in such rule.</p>
Proceeds of Offering	<p>The proceeds from this offering will vary depending on the number of shares that we offer and the offering price per share. We expect that our net maximum proceeds, after estimated offering expenses (excluding the \$500,000 commitment fee payable in 231,045 shares of our common stock), will be up to approximately \$24.8 million. We may sell fewer than all of the shares offered by this prospectus supplement, in which case our net offering proceeds will be less, and we may raise less than the maximum \$25.0 million in gross offering proceeds permitted by this prospectus supplement.</p>
Use of Proceeds	<p>We currently intend to use the net proceeds of this offering for general corporate purposes and working capital, including to acquire businesses or to acquire or license products or intellectual property that are complementary to our business; to support our research and development efforts; to fund the clearance or approval and subsequent commercialization of our near-term product candidates; and we may repay certain existing indebtedness or meet legal settlement obligations. See Use of Proceeds on page S-6 of this prospectus supplement.</p>
Maximum Put Amount	<p>The lower of (a) \$5.0 million or (b) (i) 700% multiplied by (ii) (A) the average of the daily trading volume for the 30 trading days immediately preceding the particular put date multiplied by (B) the average of the VWAP for the 30 trading days immediately preceding the particular put date.</p>
Closings	<p>Each put closes in two tranches, the first of which is on the 16<sup>th</sup> day following the particular put notice for 50% of the put amount and the second of which is on the 31<sup>st</sup> day following the particular put notice for the second 50% of the put amount.</p>

**Table of Contents**

Purchase Price and Pricing Periods

90% of the average of the daily VWAP for the applicable pricing period.

The pricing period for the first closing of each put amount commences on the first trading day after a put notice and ends on the trading day immediately preceding the first closing date.

The pricing period for the second closing of each put amount commences on the first closing date and ends on the trading day immediately preceding the second closing date.

If the average of the daily VWAP for the trading days during the 30 days following the particular put notice is lower than the average of the daily VWAP for the trading days during the pricing period for the second closing of the particular put notice set forth above, then the purchase price for the entire put amount shall be reset to 90% of the average of the daily VWAP for the trading days during the 30 days following the particular put notice.

Cancellation Notices and Floor Prices

In the event that the VWAP for a trading day during any pricing period is below a floor price that we set at our discretion in the particular put notice, we can cancel and withdraw the particular put notice with respect to the closings that would otherwise have taken place after such cancellation notice.

If we issue a cancellation notice, Eclipse may purchase shares of our common stock on the trading day following the cancellation notice, the number of shares of which is determined by dividing (a) the dollar amount of shares of our common stock sold by Eclipse during the particular pricing period through the date of the cancellation notice up to 50% of the particular put amount, by (b) 90% of the average of the daily VWAP for the trading days from the commencement of the particular pricing period through the cancellation notice, subject to adjustment in certain circumstances if the cancellation notice is after the first closing.

Timing of Subsequent Put Notices

We may not submit a put notice at any time there is an outstanding put notice.

NASDAQ Global Select Market symbol

ATEC.

Risk Factors

Investing in our common stock involves a high degree of risk. See **Risk Factors** beginning on page S-4 of this prospectus supplement and on page 4 of the accompanying prospectus.

Effective Date

The Investment Agreement governing this offering became effective on May 8, 2012.

Commitment Period

24 months from the Effective Date.





**Table of Contents**

**RISK FACTORS**

*Investing in our common stock involves a high degree of risk. Before purchasing our common stock, you should carefully consider the following risk factors as well as all other information contained in this prospectus supplement and the accompanying prospectus and incorporated by reference, including our consolidated financial statements and the related notes. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, also may become important factors that affect us. If any of the following risks occur, our business, financial condition or results of operations could be materially and adversely affected. In that case, the trading price of our common stock could decline, and you may lose some or all of your investment.*

**Risks Related to this Offering**

***Management will have broad discretion as to the use of the proceeds from this offering and may allocate the net proceeds in ways that you and other stockholders may not approve.***

We have not designated the amount of net proceeds we will receive from this offering for any particular purpose. Accordingly, our management will have broad discretion as to the application of these net proceeds and could use them for purposes other than those contemplated at the time of this offering or in ways that do not necessarily improve our operating results or enhance the value of our common stock. Our stockholders may not agree with the manner in which our management chooses to allocate and spend the net proceeds.

***If we sell shares of our common stock under our equity line arrangement with Eclipse, our existing stockholders will experience immediate dilution and, as a result, our stock price may go down.***

On May 8, 2012, we entered into the Investment Agreement, which provides that we may sell up to \$25.0 million of our common stock to Eclipse over a 24-month period. If we elect to draw down amounts under the Investment Agreement, which will result in the sale of shares of our common stock to Eclipse, any such draw downs will have a dilutive impact on our existing stockholders. Eclipse may resell some or all of the shares we issue to it pursuant to draw downs under the Investment Agreement and such sales could cause the market price of our common stock to decline. To the extent of any such decline, any subsequent draw downs would require us to issue a greater number of shares of common stock to Eclipse in exchange for each dollar of proceeds received from the draw down. Under these circumstances, our existing stockholders would experience greater dilution and the total amount of financing that we will be able to raise pursuant to the Investment Agreement could be significantly lower than \$25.0 million. Although Eclipse is precluded from, among other things, short sales of shares acquired pursuant to draw downs under the Investment Agreement, the sale of our common stock under the Investment Agreement could encourage short sales by third parties, which could contribute to the further decline of our stock price. See **Dilution** on page S-7 for a more detailed discussion of the dilution you will incur in connection with this offering.

**Additional Risks Related to Our Business, Industry and an Investment in our Common Stock**

For a discussion of additional risks associated with our business, our industry and an investment in our common stock, see the section entitled **Risk Factors** of our Annual Report on Form 10-K for the year ended December 31, 2011 and any updates to those risk factors in our subsequent quarterly reports on Form 10-Q and any current reports on Form 8-K, which are incorporated by reference into, and deemed to be a part of, this prospectus supplement and the accompanying prospectus.

**Table of Contents**

**FORWARD-LOOKING STATEMENTS**

The SEC encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act.

Words such as may, anticipate, estimate, expects, projects, intends, plans, believes and words and terms of similar substance used in with any discussion of future operating or financial performance, identify forward-looking statements. Forward-looking statements represent management's present judgment regarding future events and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks include, but are not limited to:

our estimates regarding anticipated operating losses, future revenue, expenses, capital requirements, and liquidity, including our anticipated revenue growth and cost savings following our acquisition of Scient x;

our ability to market, commercialize and achieve market acceptance of any of our products or any product candidates that we are developing or may develop in the future;

our ability to successfully integrate, and realize benefits from our acquisition of, Scient x;

our ability to successfully achieve and maintain regulatory clearance or approval for our products in applicable jurisdictions;

the effect of any existing or future federal, state or international regulations on our ability to effectively conduct our business;

our estimates of market sizes and anticipated uses of our products, including without limitation the market size of the aging spine market and our ability to successfully penetrate such market;

our business strategy and our underlying assumptions about market data, demographic trends, reimbursement trends, pricing trends, and trends relating to customer collections;

trends related to the treatment of spine disorders, including without limitation the aging spine market;

our ability to control our costs, achieve profitability, and the potential need to raise additional funding;

the amount of our legal expenses associated with the securities and stockholder derivative litigation, litigation regarding our intellectual property and any future litigation that may arise, and the adequacy of our insurance policy coverage regarding those expenses and any damages or settlement payments related to such litigation;

our ability to maintain an adequate sales network for our products, including to attract and retain independent distributors;

## Edgar Filing: Alphatec Holdings, Inc. - Form 424B5

our ability to enhance our U.S. and international sales networks and product penetration;

our ability to attract and retain a qualified management team, as well as other qualified personnel and advisors;

our ability to enter into licensing and business combination agreements with third parties and to successfully integrate the acquired technology and/or businesses;

S-5

**Table of Contents**

our management team's ability to accommodate growth and manage a larger organization;

our ability to protect our intellectual property, and to not infringe upon the intellectual property of third parties;

our ability to maintain compliance with the quality requirements of the FDA and similar regulatory authorities outside of the U.S.;

our ability to meet the financial covenants under our credit facilities;

our ability to conclude that we have effective disclosure controls and procedures;

our ability to establish the industry standard in clinical and legal compliance and corporate governance programs;

the effects of the loss of key personnel;

potential liability resulting from litigation;

potential liability resulting from a governmental review of our or Scient x's business practices; and

other factors discussed elsewhere in this prospectus supplement, the accompanying prospectus or any document incorporated by reference herein or therein.

Please also see the discussion of risks and uncertainties under "Risk Factors" contained in this prospectus supplement and in the accompanying prospectus and in our most recent annual report on Form 10-K, as revised or supplemented by our subsequent quarterly reports on Form 10-Q and current reports on Form 8-K, as well as any amendments thereto, as filed with the SEC and which are incorporated herein by reference and our other filings with the SEC incorporated by reference herein.

In light of these assumptions, risks and uncertainties, the results and events discussed in the forward-looking statements contained in this prospectus or in any document incorporated herein by reference might not occur. Investors are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this prospectus supplement, the accompanying prospectus or the date of the document incorporated by reference in this prospectus. We are not under any obligation, and we expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. All subsequent forward-looking statements attributable to us or to any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

**USE OF PROCEEDS**

The proceeds from this offering will vary depending on the number of shares that we offer and the offering price per share. We expect that our net maximum proceeds, after estimated legal, accounting and printer fees and other offering expenses paid by us (excluding the \$500,000 commitment fee payable in 231,045 shares of our common stock), will be up to approximately \$24.8 million. We may sell fewer than all of the shares offered by this prospectus supplement, in which case our net offering proceeds will be less, and we may raise less than the maximum \$25.0 million in gross offering proceeds permitted by this prospectus supplement. We will not receive any proceeds from the subsequent sale of the shares of common stock offered under this prospectus supplement by Eclipse.

We currently intend to use the net proceeds from the sale of our common stock for general corporate purposes and working capital, including to acquire businesses or to acquire or license products or intellectual property that are complementary to our business; to support our research and development efforts; to fund the clearance or approval and subsequent commercialization of our near-term product candidates; and we may

## Edgar Filing: Alphatec Holdings, Inc. - Form 424B5

repay certain existing indebtedness or meet legal settlement obligations. We have no present commitments or agreements to acquire or invest in complementary businesses, products or intellectual property or to repay existing indebtedness.

S-6

**Table of Contents**

As of the date of this prospectus supplement, we have not determined the amounts we plan to spend on any of the areas listed above or the timing of these expenditures. As a result, our management will have broad discretion to allocate the net proceeds of an offering by us for any purpose. Pending application of the net proceeds as described above, we may initially invest the net proceeds in short-term, investment-grade, interest-bearing securities.

**DILUTION**

If you purchase our common stock in this offering, your interest will be diluted to the extent of the difference between the offering price per share of our common stock and the net tangible book value per share of our common stock after this offering. Dilution results from the fact that the per share offering price of the common stock is substantially in excess of the book value per share attributable to the existing stockholders for the presently outstanding stock.

The net tangible book value of our common stock on March 31, 2012 was \$31.9 million, or \$0.36 per share of common stock. Net tangible book value per share is calculated by subtracting our total liabilities and redeemable preferred stock from our total tangible assets, which is total assets less goodwill and intangible assets of \$217.0 million, and dividing this amount by the number of shares of our common stock outstanding on March 31, 2012.

After giving effect to the sale by us of common stock in this offering in the aggregate amount of \$25.0 million at an assumed offering price of \$1.94 per share (90% of \$2.15 per share, the last reported sale price of our common stock on The NASDAQ Global Select Market on May 8, 2012), and after deducting estimated offering expenses payable by us (excluding the \$500,000 commitment fee payable in 231,045 shares of our common stock), our net tangible book value as of March 31, 2012 would have been \$56.7 million, or \$0.55 per share of our common stock. This represents an immediate increase in net tangible book value of \$0.19 per share to our existing stockholders and an immediate dilution of \$1.39 per share to new investors.

The following table illustrates this per share dilution:

Assumed offering price per share	\$ 1.94
Net tangible book value per share as of March 31, 2012	\$ 0.36
Increase per share attributable to this offering	0.19
As adjusted net tangible book value per share after this offering	0.55
Dilution per share to new investors	\$ 1.39

The table above assumes for illustrative purposes that an aggregate of 12,919,896 shares of our common stock are sold at a price of \$1.94 per share (90% of \$2.15 per share, the last reported sale price of our common stock on The NASDAQ Global Select Market on May 8, 2012), for aggregate gross proceeds of approximately \$25.0 million, and does not include the 231,045 shares of common stock issuable as the commitment fee to Eclipse. The shares sold in this offering, if any, will be sold from time to time at various prices. An increase of \$0.10 per share from the last reported sale price of our common stock of \$2.15 per share and a change in the assumed offering price to \$2.03 per share as a result thereof, assuming all of our common stock in the aggregate amount of \$25.0 million is sold at that price, would result in dilution to new investors in this offering of \$1.47 per share, after deducting estimated offering expenses payable by us (excluding the \$500,000 commitment fee payable in 231,045 shares of our common stock). A decrease of \$0.10 per share from the last reported sale price of our common stock of \$2.15 per share and a change in the assumed offering price to \$1.85 per share as a result thereof, assuming all of our common stock in the aggregate amount of \$25.0 million is sold at that price, would result in dilution to new investors in this offering of \$1.30 per share, after deducting estimated offering expenses payable by us (excluding the \$500,000 commitment fee payable in 231,045 shares of our common stock). This information is supplied for illustrative purposes only.

## **Table of Contents**

The information above does not include:

5,286,492 shares of our common stock issuable upon exercise of stock options outstanding as of March 31, 2012, at a weighted average exercise price of \$3.15 per share;

557,661 shares of our common stock available as of March 31, 2012 for future grant or issuance pursuant to our stock plan; and

143,763 shares of our common stock available as of March 31, 2012 for future issuance pursuant to our employee stock purchase plan.

To the extent that options outstanding as of March 31, 2012 have been or are exercised, or other shares are issued, investors purchasing shares in this offering could experience further dilution. In addition, we may choose to raise additional capital due to market conditions or strategic considerations, even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

### **DIVIDEND POLICY**

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings for use in the operation and expansion of our business and do not anticipate paying any cash dividends in the foreseeable future.

### **PLAN OF DISTRIBUTION**

On May 8, 2012, we entered into an equity line of credit arrangement with Eclipse. Specifically, we entered into the Investment Agreement, which provides that, upon the terms and subject to the conditions set forth therein, Eclipse is committed to purchase up to \$25.0 million worth of shares of our common stock over the 24-month term of the Investment Agreement; provided, however, that we may not sell more than that number of shares of common stock that would require us to obtain stockholder approval under any applicable rule or regulation of the principal trading exchange or market for the common stock, including NASDAQ Listing Rule 5635, without first obtaining such stockholder approval.

As further described under *Prospectus Supplement Summary The Offering* above, and as set forth in the Investment Agreement, from time to time over the term of the Investment Agreement, and at our sole discretion, we may present Eclipse with put notices to purchase our common stock in two tranches over a 31-day period, or the put period, with each put period subject to being reduced by us based on a minimum threshold price of our common stock during the put period. We are able to present Eclipse with only one put notice per put period.

Once presented with a put notice, Eclipse is required to purchase: (i) 50% of the dollar amount of the shares specified in the put notice on the 16<sup>th</sup> day after the date of the put notice; and (ii) 50% of the dollar amount of the shares specified in the put notice on the 31<sup>st</sup> day after the date of the put notice. The price per share for the sale of such common stock for each of the two closings in a put period shall be 90% of the average of the daily VWAP for our common stock over the trading days that exist during the 15 days prior to such closing date. If the daily VWAP of our common stock falls below a threshold price established by us on any trading day during a put period, we have the right to send a cancellation notice to Eclipse, which will reduce our obligation to sell the shares to Eclipse to no greater than 50% of the dollar amount set forth in the put notice.

In connection with the execution of the Investment Agreement and as provided for therein, we agreed to issue Eclipse 231,045 shares of common stock, or the Commitment Shares, representing a \$500,000 commitment fee determined by dividing \$500,000 by the average of the daily VWAP for our common stock for the five trading days preceding the effective date of the Investment Agreement.

This prospectus supplement and the accompanying prospectus covers our issuance of shares of common stock to Eclipse pursuant to the Investment Agreement, including the Commitment Shares, as well as the resale of those shares from time to time by Eclipse to the public. Eclipse is an underwriter within the meaning of Section 2(a)(11) of the Securities Act.





---

**Table of Contents**

We have agreed to indemnify and hold harmless Eclipse, its affiliates, employees, representatives and advisors and each person who controls Eclipse against certain liabilities, including certain liabilities related to violations of securities laws and rules and regulations of The NASDAQ Global Select Market. We have agreed to pay \$25,000 of Eclipse's reasonable attorneys' fees and expenses incurred by Eclipse in connection with the preparation, negotiation, execution and delivery of the Investment Agreement and related transaction documentation and legal due diligence. Further, if we issue a put notice and fail to deliver the shares to Eclipse on the applicable settlement date, and such failure continues for ten trading days, we have agreed to pay Eclipse liquidated damages in cash or restricted shares of our common stock, at Eclipse's option.

Eclipse has agreed to indemnify and hold harmless us and each of our directors, officers and persons who control us against certain liabilities, including, among other things, certain liabilities under the Securities Act based upon written information furnished by Eclipse to us for inclusion in a prospectus or prospectus supplement related to this transaction.

Eclipse has informed us that it will use an unaffiliated broker-dealer to effectuate all sales, if any, of common stock that it may purchase from us pursuant to the Investment Agreement. Such sales will be made on The NASDAQ Global Select Market at prices and at terms then prevailing or at prices related to the then current market price. Each such unaffiliated broker-dealer will be an underwriter within the meaning of Section 2(a)(11) of the Securities Act. Eclipse has informed us that each such broker-dealer will receive commissions from Eclipse which will not exceed customary brokerage commissions. Eclipse may also pay other expenses associated with the sale of the common stock it acquires pursuant to the Investment Agreement.

The shares of common stock issued under the Investment Agreement may be sold in one or more of the following manners:

ordinary brokerage transactions and transactions in which the broker solicits purchasers; or

a block trade in which the broker or dealer so engaged will attempt to sell the shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction.

Eclipse has agreed that during the term of and for a period of 90 days after the termination of the Investment Agreement, neither Eclipse nor any of its affiliates, associates, agents or representatives nor any entity managed or controlled by Eclipse will, directly or indirectly, sell, buy or trade any of our securities except the shares issued under the Investment Agreement. Eclipse has agreed that during the periods listed above, neither Eclipse nor any of its affiliates, associates, agents or representatives nor any entity managed or controlled by Eclipse will, directly or indirectly, sell any shares of our common stock that it does not own or have the unconditional right to receive under the terms of the Investment Agreement (within the meaning of Rule 200 of Regulation SHO promulgated by the SEC under the Exchange Act), in any account of Eclipse or in any account directly or indirectly managed or controlled by Eclipse or any of its affiliates, associates, agents or representatives or any entity managed or controlled by Eclipse. Eclipse has agreed that during the periods listed above, neither it nor any of its affiliates, associates, agents or representatives nor any entity managed or controlled by Eclipse will enter into a short position with respect to shares of our common stock except that Eclipse may sell shares that it is obligated to purchase under a pending put notice but has not yet taken possession of so long as Eclipse covers any such sales with the shares purchased pursuant to such put notice. Eclipse has further agreed that during the periods listed above, neither Eclipse nor any of its affiliates, associates, agents or representatives nor any entity managed or controlled by Eclipse will grant any option to purchase or acquire any right to dispose or otherwise dispose for value of any shares of our common stock or any securities convertible into, or exercisable or exchangeable for, or warrants to purchase, any shares of our common stock, or enter into any swap, hedge or other agreement that transfers, in whole or in part, the economic risk of ownership of our common stock, except for the sales permitted by the prior three sentences.

---

## **Table of Contents**

In addition, Eclipse and any unaffiliated broker-dealer will be subject to liability under the federal securities laws and must comply with the requirements of the Securities Act and the Exchange Act, including, without limitation, Rule 10b-5 and Regulation M under the Exchange Act. These rules and regulations may limit the timing of purchases and sales of shares of common stock by Eclipse or any unaffiliated broker-dealer. Under these rules and regulations, Eclipse and any unaffiliated broker-dealer:

may not engage in any stabilization activity in connection with our securities;

must furnish each broker which offers shares of our common stock covered by the prospectus that is a part of the registration statement with the number of copies of such prospectus and any prospectus supplement which are required by each broker; and

may not bid for or purchase any of our securities or attempt to induce any person to purchase any of our securities other than as permitted under the Exchange Act.

These restrictions may affect the marketability of the shares of common stock purchased and sold by Eclipse and any unaffiliated broker-dealer.

## **LEGAL MATTERS**

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts, will pass upon the validity of the issuance of the shares of common stock that we are offering. As of the date of this prospectus supplement, a member of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. owns 16.25 common units in HealthpointCapital, LLC, which has an ownership interest in HGP, LLC and HGP II, LLC, which are general partners of HealthpointCapital Partners, L.P. and HealthpointCapital Partners II, L.P., respectively. HealthpointCapital, LLC and its affiliates hold approximately 36.1% of our voting shares.

## **EXPERTS**

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements and schedule included in our Annual Report on Form 10-K for the year ended December 31, 2011, and the effectiveness of our internal control over financial reporting as of December 31, 2011, as set forth in their reports, which are incorporated by reference in this prospectus supplement, the accompanying prospectus and elsewhere in the registration statement. Our consolidated financial statements and schedule are incorporated by reference in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

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

We are subject to the reporting requirements of the Exchange Act, and file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy these reports, proxy statements and other information at the SEC's public reference facilities at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You can request copies of these documents by writing to the SEC and paying a fee for the copying cost. Please call the SEC at 1-800-SEC-0330 for more information about the operation of the public reference facilities. SEC filings are also available at the SEC's website at <http://www.sec.gov>. Our common stock is listed on The NASDAQ Global Select Market, and you can read and inspect our filings at the offices of the Financial Industry Regulatory Authority at 1735 K Street, Washington, D.C. 20006.

This prospectus supplement and the accompanying prospectus are only part of a registration statement on Form S-3 that we have filed with the SEC under the Securities Act and therefore omits certain information contained in the registration statement. We have also filed exhibits and schedules with the registration statement that are excluded from this prospectus supplement and the accompanying prospectus, and you should refer to the applicable exhibit or schedule for a complete description of any statement referring to any contract or other document. You may inspect a copy of the registration statement, including the exhibits and schedules, without charge, at the public reference room or obtain a copy from the SEC upon payment of the fees prescribed by the SEC.

We also maintain a website at [www.alphatecspine.com](http://www.alphatecspine.com), through which you can access our SEC filings. The information set forth on our website is not part of this prospectus supplement.



**Table of Contents**

**INCORPORATION OF DOCUMENTS BY REFERENCE**

The SEC allows us to incorporate by reference information that we file with them. Incorporation by reference allows us to disclose important information to you by referring you to those other documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. Statements in this prospectus regarding the provisions of certain documents filed with, or incorporated by reference in, the registration statement are not necessarily complete and each statement is qualified in all respects by that reference. We incorporate by reference into this prospectus supplement and the registration statement of which the accompanying prospectus forms a part 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 Exchange Act after the date of this prospectus supplement but prior to the termination of the offering of the securities covered by this prospectus supplement and the accompanying prospectus (other than current reports or portions thereof furnished under Item 2.02 or Item 7.01 of Form 8-K or portions of other documents not deemed to be filed):

Our Annual Report on Form 10-K for the year ended December 31, 2011, filed on March 5, 2012;

The portions of our Definitive Proxy Statement on Schedule 14A filed on April 30, 2012 that are deemed filed with the SEC under the Exchange Act;

Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed on May 8, 2012;

Our Current Reports on Form 8-K filed on January 6, 2012; February 28, 2012, as amended on March 19, 2012; May 2, 2012 and May 8, 2012 (Items 1.01 and 9.01); and

The description of our common stock contained in our Registration Statement on Form 8-A filed pursuant to Section 12(b) of the Exchange Act as filed with SEC on May 26, 2006, including any subsequent amendments or reports filed for the purpose of updating such description.

The SEC file number for each of the documents listed above is 000-52024.

Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference into 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 any other subsequently filed document that is deemed to be incorporated by reference into this prospectus modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We will provide, upon written or oral request, without charge to each person, including any beneficial owner, to whom a copy of this prospectus is delivered, a copy of any or all of the information incorporated herein by reference (exclusive of exhibits to such documents unless such exhibits are specifically incorporated by reference herein). Requests, whether written or oral, for such copies should be directed to

Alphatec Holdings, Inc.

5818 El Camino Real

Carlsbad, California 92008

(760) 431-9286

Attn: Corporate Secretary

You should rely only on information contained in, or incorporated by reference into, this prospectus and any prospectus supplement. We have not authorized anyone to provide you with information different from that contained in this prospectus or incorporated by reference in this

## Edgar Filing: Alphatec Holdings, Inc. - Form 424B5

prospectus. We are not making offers to sell the securities in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

S-11

**Table of Contents**

**Prospectus**

\$100,000,000

Common Stock, Preferred Stock,  
Debt Securities, Warrants and Units

20,031,646

Shares of Common Stock

Offered by the Selling Stockholders

From time to time, we may offer and sell up to \$100,000,000 of any combination of the securities described in this prospectus, either individually or in units.

In addition, the selling stockholders may offer and sell, from time to time, up to an aggregate of 20,031,646 shares of common stock under this prospectus. We will not receive any proceeds from sales of our common stock, if any, by the selling stockholders.

This prospectus provides a general description of the securities we or the selling stockholders may offer. Each time we sell securities, we will provide specific terms of the securities offered in a supplement to this prospectus. The prospectus supplement may also add, update or change information contained in this prospectus. You should read this prospectus and the applicable prospectus supplement carefully before you invest in any securities. This prospectus may not be used to consummate a sale of securities by us unless accompanied by the applicable prospectus supplement.

Our common stock is traded on The NASDAQ Global Market under the symbol ATEC. On April 8, 2010, the last reported sales price of our common stock was \$6.35 per share. The applicable prospectus supplement will contain information, where applicable, as to any other listing on The NASDAQ Global Market or any securities market or other exchange of the securities, if any, covered by the prospectus supplement. Prospective purchasers of our securities are urged to obtain current information as to the market prices of our securities, where applicable.

**INVESTING IN OUR SECURITIES INVOLVES RISKS. SEE THE SECTION ENTITLED RISK FACTORS BEGINNING ON PAGE 4 OF THIS PROSPECTUS.**

We or the selling stockholders may sell these securities directly to investors, through agents designated from time to time or to or through underwriters or dealers. For additional information on the methods of sale, you should refer to the section entitled "Plan of Distribution" in this prospectus and in any prospectus supplement. If any underwriters are involved in the sale of any securities with respect to which this prospectus is being delivered, the names of such underwriters and any applicable commissions or discounts will be set forth in a prospectus supplement. The price to the public of such securities and the net proceeds we expect to receive from such sale will also be set forth in a prospectus supplement.

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**The date of this prospectus is April 9, 2010**

**Table of Contents**

Table of Contents

<u>About This Prospectus</u>	1
<u>Prospectus Summary</u>	2
<u>Risk Factors</u>	4
<u>Forward-Looking Statements</u>	5
<u>Ratios of Earnings to Fixed Charges</u>	7
<u>Use of Proceeds</u>	8
<u>Description of Securities to be Offered</u>	9
<u>Description of Capital Stock</u>	10
<u>Description of Debt Securities</u>	15
<u>Description of Warrants</u>	20
<u>Description of Units</u>	22
<u>Legal Ownership of Securities</u>	23
<u>Selling Stockholders</u>	26
<u>Plan of Distribution</u>	28
<u>Legal Matters</u>	31
<u>Experts</u>	31
<u>Where You Can Find More Information</u>	31
<u>Incorporation by Reference</u>	32

**Table of Contents**

**About This Prospectus**

This prospectus is a part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, utilizing a shelf registration process. Under this shelf registration process, we may offer and sell, from time to time, any combination of the securities described in this prospectus in one or more offerings up to a total dollar amount of \$100,000,000. In addition, the selling stockholders may offer and sell, from time to time, up to an aggregate of 20,031,646 shares of common stock under this prospectus.

This prospectus provides you with a general description of the securities we or the selling stockholders may offer. Each time we or the selling stockholders sell securities under this shelf registration, we will, to the extent required by law, provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. This prospectus does not contain all of the information included in the registration statement. For a more complete understanding of the offering of the securities, you should refer to the registration statement, including its exhibits. You should carefully read this prospectus, the applicable prospectus supplement, the information and documents incorporated herein by reference and the additional information under the heading *Where You Can Find More Information* before making an investment decision.

We have not authorized any dealer, salesman or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus and any accompanying supplement to this prospectus. You must not rely upon any information or representation not contained or incorporated by reference in this prospectus or any accompanying prospectus supplement. This prospectus and any accompanying supplement to this prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the registered securities to which they relate, nor do this prospectus and any accompanying supplement to this prospectus constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. You should not assume that the information contained in this prospectus and any accompanying prospectus supplement is accurate on any date subsequent to the date set forth on the front of the document or that any information we have incorporated by reference is correct on any date subsequent to the date of the document incorporated by reference, even though this prospectus and any accompanying prospectus supplement is delivered or securities sold on a later date.

This prospectus may not be used by us to consummate sales of our securities, unless it is accompanied by a prospectus supplement. To the extent there are inconsistencies between any prospectus supplement, this prospectus and any documents incorporated by reference, the document with the most recent date will control.

The terms *Alphatec*, *we*, *our*, and *us* refer, collectively, to Alphatec Holdings, Inc., a Delaware corporation, and its consolidated subsidiaries.



---

**Table of Contents**

Prospectus Summary

Our Company

We are a medical technology company focused on the design, development, manufacturing and marketing of products for the surgical treatment of spine disorders, with a focus on products that treat conditions that affect the aging spine. Our broad product portfolio and pipeline includes a variety of spinal disorder products and systems focused on solutions addressing the cervical, thoracolumbar, intervertebral, minimally invasive, vertebral compression fracture, poor bone quality, and spinal stenosis markets. Our principal product offerings are focused on the market for orthopedic spinal disorder solution products, which is estimated in the United States to be approximately \$8.5 billion in revenue in 2009 and is expected to grow between 10%-12% over the next year. Our surgeons culture emphasizes collaboration with spinal surgeons to conceptualize, design and co-develop a broad range of products. We have a state-of-the-art, in-house manufacturing facility that provides us with a unique competitive advantage, and enables us to rapidly deliver solutions to meet surgeons and patients critical needs. Our products and systems are made of titanium, titanium alloy, stainless steel and a strong, heat resistant, radiolucent, biocompatible plastic called polyetheretherketone, or PEEK. We also sell products made of allograft, a precision-milled and processed human bone that surgeons can use in place of metal and synthetic materials. We also sell bone-grafting products that are comprised of both tissue-based and synthetic materials. We believe that our products and systems have enhanced features and benefits that make them attractive to surgeons and that our broad portfolio of products and systems provide a comprehensive solution for the safe and successful surgical treatment of spine disorders. All of our implants that are sold in the United States that require United States Food and Drug Administration, or FDA, clearance have been cleared by the FDA and these products have been used in over 12,900 and 10,700 spine disorder surgeries in 2009 and 2008, respectively. In addition to selling our products in the United States, we also sell our products in Japan, the European Union, South America and Hong Kong.

Recent Developments

On March 26, 2010, we completed our acquisition of Scient x S.A., or Scient x, a global medical device company based in France that designs, develops and manufacturers surgical implants to treat disorders of the spine. The transaction, which we refer to as the Share Purchase, was structured as an all stock transaction such that 100% of outstanding Scient x stock was exchanged pursuant to a fixed ratio for 24,000,000 shares of our common stock. The consideration paid for 100% of the outstanding Scient x stock was 23,730,644 shares of our common stock, which reflected a reduction in the 24,000,000 shares calculated at the closing in exchange for our payment of certain fees and expenses incurred by HealthpointCapital Partners, L.P. and HealthpointCapital Partners II, L.P. in connection with the Share Purchase. Alphatec shareholders who owned shares of our capital stock prior to the Share Purchase now own approximately 69% of the combined company and approximately 31% is owned by former Scient x shareholders. Following the Share Purchase, HealthpointCapital Partners, L.P. and HealthpointCapital Partners II, L.P., together with their affiliates, beneficially own approximately 55.4% of our common stock based on our shares outstanding as of April 1, 2010.

Corporate Information

We were incorporated in Delaware in March 2005. Our common stock is listed on The NASDAQ Global Market under the ticker symbol ATEC. Our principal executive office is located at 5818 El Camino Real, Carlsbad, California 92008 and our telephone number is (760) 431-9286. Our web site is [www.alphatecspine.com](http://www.alphatecspine.com). We have not incorporated by reference into this prospectus the information on our website, and you should not consider it to be a part of this document. Our web site address is included in this document as an inactive textual reference only. The Alphatec name and logo and the names of products and services offered by Alphatec and Alphatec Spine, Inc. are trademarks, registered trademarks, service marks or registered service marks of Alphatec.

Offerings Under This Prospectus

We may offer and sell, from time to time, shares of our common stock and preferred stock, various series of debt securities, and warrants, either individually or in units, with a total value of up to \$100,000,000 under this prospectus at prices and on terms to be determined by market conditions at the time of offering. In addition, the selling stockholders

**Table of Contents**

may offer and sell, from time to time, up to an aggregate of 20,031,646 shares of common stock under this prospectus. This prospectus provides you with a general description of the securities we or the selling stockholders may offer. Each time we offer a type or series of securities, we will provide a prospectus supplement that will describe the specific amounts, prices and other important terms of the securities, including, to the extent applicable:

designation or classification;

aggregate principal amount or aggregate offering price;

maturity, if applicable;

original issue discount, if any;

ranking;

restrictive covenants, if any;

rates and times of payment of interest or dividends, if any;

redemption, conversion or sinking fund terms, if any;

voting or other rights, if any;

conversion or exercise prices, if any; and

important United States federal income tax considerations.

The prospectus supplement also may add, update or change information contained in this prospectus or in documents we have incorporated by reference into this prospectus.

We may sell the securities directly to investors or to or through agents, underwriters or dealers. We, and our agents or underwriters, reserve the right to accept or reject all or part of any proposed purchase of securities. If we offer securities through agents or underwriters, we will include in the applicable prospectus supplement:

the names of those agents or underwriters;

applicable fees, discounts and commissions to be paid to them;

details regarding over-allotment options, if any; and

the net proceeds to us.

**THIS PROSPECTUS MAY NOT BE USED BY US TO OFFER OR SELL ANY SECURITIES UNLESS IT IS ACCOMPANIED BY A PROSPECTUS SUPPLEMENT.**

**Table of Contents**

**Risk Factors**

Except for the historical information contained in this prospectus or incorporated by reference, this prospectus (and the information incorporated by reference in this prospectus) contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed here or incorporated by reference. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section entitled **Risk Factors** contained in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q filed with the SEC, as well as any amendments thereto reflected in subsequent filings with the SEC, which are incorporated herein by reference in their entirety. We refer to these risks, collectively, as the Alphatec Risk Factors.

Investment in our securities involves risks. Prior to making a decision about investing in our securities, you should consider carefully the Alphatec Risk Factors, together with all of the other information contained or incorporated by reference in this prospectus and any prospectus supplement, including any additional specific risks described in any prospectus supplement. Each of these risk factors could adversely affect our business, operating results and financial condition, which may result in the loss of all or part of your investment.

Keep these risk factors in mind when you read forward-looking statements contained elsewhere or incorporated by reference in this prospectus and any accompanying prospectus supplement. These statements relate to our expectations about future events. Discussions containing forward-looking statements may be found, among other places, in **Business and Management's Discussion and Analysis of Financial Condition and Results of Operations** incorporated by reference from our most recent Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q, as well as any amendments thereto reflected in subsequent filings with the SEC. These forward-looking statements are based largely on our expectations and projections about future events and future trends affecting our business, and so are subject to risks and uncertainties, including the risks and uncertainties described below under **Forward-Looking Information**, that could cause actual results to differ materially from those anticipated in the forward-looking statements.

---

**Table of Contents**

**Forward-Looking Statements**

This prospectus and the documents that we incorporate by reference in the prospectus contain statements that are considered forward-looking statements within the meaning of the United States securities laws. In addition, Alphatec and its management may make other written or oral communications from time to time that contain forward-looking statements. Forward-looking statements, including statements about industry trends and other matters that do not relate strictly to historical facts, are based on management's expectations and assumptions, and are often identified by such forward-looking terminology as expect, look, believe, anticipate, estimate, seek, may, will, trend, target, and statements or variations of such terms. Forward-looking statements may include, among other things, statements regarding: projections of revenue, margins, expenses, earnings from operations, cash flows, synergies or other financial items; plans, strategies and objectives of management for future operations, including statements relating to potential acquisitions; developments or performance of our products; future economic conditions or performance; the outcome of outstanding claims or legal proceedings; assumptions underlying any of the foregoing; and any other statements that address activities, events or developments that Alphatec intends, expects, projects, believes or anticipates will or may occur in the future.

Forward-looking statements are subject to various risks and uncertainties, which change over time, are based on management's expectations and assumptions at the time the statements are made, and are not guarantees of future results. Our management's expectations and assumptions, and the continued validity of the forward-looking statements, are subject to change due to a broad range of factors affecting the national and global economies, the equity, debt, currency and other financial markets, as well as factors specific to Alphatec and its subsidiaries, as discussed under the heading Risk Factors in our latest Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the SEC, as well as any amendments thereto reflected in subsequent filings with the SEC, and incorporated into this prospectus by reference. Factors that could cause changes in the expectations or assumptions on which forward-looking statements are based include, but are not limited to the following:

our ability to market, commercialize and achieve market acceptance of any of our products or any product candidates that we are developing or may develop in the future;

our ability to successfully achieve and maintain regulatory clearance or approval for our products in applicable jurisdictions;

our estimates of market sizes and anticipated uses of our products, including without limitation the market size of the aging spine market and our ability to successfully penetrate such market;

our business strategy and our underlying assumptions about market data, demographic trends, reimbursement trends, pricing trends, and trends relating to customer collections;

trends related to the treatment of spine disorders, including without limitation the aging spine market;

our estimates regarding anticipated operating losses, future revenue, expenses, capital requirements, and liquidity;

our ability to control our costs, achieve profitability, and the potential need to raise additional funding;

our ability to maintain an adequate sales network for our products, including to attract and retain independent distributors;

our ability to enhance our international sales networks and product penetration;

## Edgar Filing: Alphatec Holdings, Inc. - Form 424B5

our ability to attract and retain a qualified management team, as well as other qualified personnel and advisors;

our ability to enter into licensing and business combination agreements with third parties and to successfully integrate the acquired technology and/or businesses;

our management team's ability to accommodate growth and manage a larger organization;

our ability to protect our intellectual property, and to not infringe upon the intellectual property of third parties;

our ability to meet the financial covenants under our and Scientix's credit facility;

our ability to conclude that we have effective disclosure controls and procedures;

our ability to establish the industry standard in clinical and legal compliance and corporate governance programs;

loss of key personnel;

**Table of Contents**

liability resulting from litigation;

failure to realize benefits from our acquisition of Scient x;

failure to successfully integrate us and Scient x;

liability resulting from a governmental review of our or Scient x s business practices; and

other factors discussed elsewhere in this prospectus, any prospectus supplement or any document incorporated by reference. Therefore, actual outcomes and results may differ materially from what is expressed in our forward-looking statements and from our historical financial results due to the factors discussed above and elsewhere in this prospectus or in our other SEC filings. Forward-looking statements should not be relied upon as representing our expectations or beliefs as of any time subsequent to the time this prospectus is filed with the SEC. Unless specifically required by law, we undertake no obligation to revise the forward-looking statements contained in this prospectus to reflect events after the time it is filed with the SEC. The factors discussed above are not intended to be a complete summary of all risks and uncertainties that may affect our businesses. Though we strive to monitor and mitigate risk, we cannot anticipate all potential economic, operational and financial developments that may adversely affect our operations and our financial results.

Forward-looking statements should not be viewed as predictions, and should not be the primary basis upon which investors evaluate Alphatec. Any investor in Alphatec should consider all risks and uncertainties disclosed in our SEC filings, described in this prospectus or in any accompanying prospectus supplement under the section entitled Where You Can Find More Information, all of which are accessible on the SEC s website at <http://www.sec.gov>. We note that all website addresses given in this prospectus are for information only and are not intended to be an active link or to incorporate any website information into this document.

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

The following table sets forth, for each of the periods presented, the historical ratio of earnings to fixed charges. The historical ratios are prepared on a consolidated basis.

The ratio of earnings to fixed charges for each of the periods presented is determined by dividing earnings by fixed charges. Earnings consist of income (loss) from operations before income taxes and fixed charges. Fixed charges consist of interest incurred, amortization of debt discount and debt issuance costs, and an estimate of the interest portion of rent expense. This table is qualified by the more detailed information appearing in the computation table found in Exhibit 12.1 to the registration statement of which this prospectus is a part. We have not included a ratio of combined fixed charges and preferred stock dividends to earnings because we have not declared any dividends on our currently outstanding preferred stock.

(dollars in thousands)

	Successor	Successor	Successor	Successor	Combined	Successor	Predecessor
	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	March 18, 2005	January 1, 2005
	December 31,	December 31,	December 31,	December 31,	December 31,	to Dec 31,	to
	2009	2008	2007	2006	2005	2005	March 17,
							2005
Ratio of earnings to fixed charges	*	*	*	*	*	*	*
Coverage deficiency	\$ (13,046)	\$ (28,820)	\$ (19,612)	\$ (25,546)	\$ (17,091)	\$ (15,904)	\$ (1,187)

\* The earnings were inadequate to cover total fixed charges.

The earnings and fixed charges in the above ratios are calculated using the definitions set forth by Regulation S-K under the Securities Act of 1933, as amended, or the Securities Act. These definitions differ from the financial covenants in our credit agreement with our lenders.



**Table of Contents**

Use of Proceeds

Except as described in any prospectus supplement, we intend to use the net proceeds from the sale of the securities offered by us for general corporate purposes and working capital, including to obtain the right to use products or intellectual property that are complementary to our business; to acquire businesses, products or intellectual property that are complementary to our business; to support our research and development efforts; and to fund the clearance or approval and subsequent commercialization of our near-term product candidates. We have not determined the amounts we plan to spend on any of the areas listed above or the timing of these expenditures. As a result, our management will have broad discretion to allocate the net proceeds of an offering by us for any purpose. Pending application of the net proceeds as described above, we may initially invest the net proceeds in short-term, investment-grade, interest-bearing securities or apply them to the reduction of short-term indebtedness.

We will not receive any of the proceeds from sales of common stock by the selling stockholders, if any.

**Table of Contents**

Description of Securities to be Offered

The descriptions of the securities contained in this prospectus, together with the applicable prospectus supplements, summarize the material terms and provisions of the various types of securities that we or the selling stockholders may offer. We will describe in the applicable prospectus supplement relating to any securities the particular terms of the securities offered by that prospectus supplement. If we so indicate in the applicable prospectus supplement, the terms of the securities may differ from the terms we have summarized below. We will also include in the prospectus supplement information, where applicable, about material U.S. federal income tax considerations relating to the securities, and the securities exchange, if any, on which the securities will be listed.

We may offer and sell from time to time, in one or more primary offerings, our common stock, preferred stock, debt securities, warrants or units, or any combination of the foregoing. The selling stockholders may offer and sell from time to time up to 20,031,646 shares of our common stock in one or more secondary offerings.

In this prospectus, we refer to the common stock, preferred stock, debt securities, warrants or units, or any combination of the foregoing securities to be sold by us in a primary offering collectively as securities. The total dollar amount of all securities that we may issue under this prospectus, not including the total dollar amount of our common stock that may be offered by selling stockholders, will not exceed \$100,000,000.

This prospectus may not be used by us to consummate a sale of securities unless it is accompanied by a prospectus supplement.

## Table of Contents

### Description of Capital Stock

The following description of our common stock and preferred stock, together with the additional information we include in any applicable prospectus supplements, summarizes the material terms and provisions of the common stock and preferred stock that we may offer under this prospectus. It may not contain all the information that is important to you. For the complete terms of our common stock and preferred stock, please refer to our amended and restated certificate of incorporation and restated bylaws, which are incorporated by reference into the registration statement which includes this prospectus. The Delaware General Corporation Law may also affect the terms of these securities. While the terms we have summarized below will apply generally to any future common stock and preferred stock that we may offer, we will describe the particular terms of any series of these securities in more detail in the applicable prospectus supplement. If we so indicate in a prospectus supplement, the terms of any security we offer under that prospectus supplement may differ from the terms we describe below.

#### Common Stock

Under our amended and restated certificate of incorporation, we have authority to issue 200,000,000 shares of our common stock, par value \$0.0001 per share. As of April 1, 2010, 78,081,049 shares of our common stock were issued and outstanding. When we issue shares of our common stock under this prospectus, the shares will be fully paid and nonassessable and, unless specified in the applicable prospectus supplement, will not have or be subject to any rights of first refusal or similar rights.

*Voting.* For all matters submitted to a vote of stockholders, each holder of our common stock is entitled to one vote for each share registered in his or her name. Except as may be required by law and in connection with some significant actions, such as mergers, consolidations, or amendments to our amended and restated certificate of incorporation that affect the rights of stockholders, holders of our common stock vote together as a single class. There is no cumulative voting in the election of our directors, which means that, subject to any rights to elect directors that are granted to the holders of any class or series of preferred stock, a plurality of the votes cast at a meeting of stockholders at which a quorum is present is sufficient to elect a director.

*Dividends.* Subject to preferential dividend rights of any other class or series of stock, the holders of shares of our common stock are entitled to receive dividends, including dividends of our stock, as and when declared by our board of directors, subject to any limitations applicable by law and to the rights of the holders, if any, of our preferred stock.

*Liquidation.* In the event we are liquidated, dissolved or our affairs are wound up, after we pay or make adequate provision for all of our known debts and liabilities, each holder of our common stock will be entitled to share ratably in all assets that remain, subject to any rights that are granted to the holders of any class or series of preferred stock.

*Other Rights and Restrictions.* Subject to the preferential rights of any other class or series of stock, all shares of our common stock have equal dividend, distribution, liquidation and other rights, and have no preference, appraisal or exchange rights, except for any appraisal rights provided by Delaware law. Furthermore, holders of our common stock have no conversion, sinking fund or redemption rights, or preemptive rights to subscribe for any of our securities. Our restated certificate of incorporation and restated bylaws do not restrict the ability of a holder of our common stock to transfer his or her shares of our common stock.

The rights, powers, preferences and privileges of holders of our common stock are subject to, and may be adversely affected by, the rights of holders of shares of any series of preferred stock which we may designate and issue in the future.

*Listing.* Our common stock is listed on The NASDAQ Global Market under the symbol ATEC.

*Transfer Agent and Registrar.* The transfer agent for our common stock is BNY Mellon Investor Services.

#### Preferred Stock

Under our amended and restated certificate of incorporation, we have authority, subject to any limitations prescribed by law and without further stockholder approval, to issue from time to time up to 20,000,000 shares of preferred stock, par value \$0.0001 per share, in one or more series and to fix the rights, preferences, privileges, qualifications and restrictions granted to or imposed upon the preferred stock, including dividend rights, conversion rights, voting rights, rights and



**Table of Contents**

terms of redemption, liquidation preference and sinking fund terms, any or all of which may be greater than the rights of the common stock. To date, our board of directors has designated 15,000,000 of the 20,000,000 authorized shares of preferred stock as new redeemable preferred stock.

As of April 1, 2010, 3,319,219 shares of preferred stock were issued and outstanding, all of which were new redeemable preferred stock. The new redeemable preferred stock is not convertible into common stock but is redeemable at \$9.00 per share (i) upon Alphatec's liquidation, dissolution or winding up, or the occurrence of certain mergers, consolidations or sales of all or substantially all of our assets, before any payment to the holders of our common stock, or (ii) at Alphatec's option at any time. Holders of new redeemable preferred stock are generally not entitled to vote on matters submitted to the stockholders, except with respect to certain matters that will affect them adversely as class, and are not entitled to receive dividends.

The issuance of preferred stock could adversely affect the voting power of holders of common stock and reduce the likelihood that common stockholders will receive dividend payments and payments upon liquidation. The issuance could have the effect of decreasing the market price of our common stock. The issuance of preferred stock also could have the effect of delaying, deterring or preventing a change in control of our company.

Our board of directors will fix the rights, preferences, privileges, qualifications and restrictions of the preferred stock of each series that we sell under this prospectus and applicable prospectus supplements in the certificate of designation relating to that series. We will incorporate by reference into the registration statement of which this prospectus is a part the form of any certificate of designation that describes the terms of the series of preferred stock we are offering before the issuance of the related series of preferred stock. This description will include:

the title and stated value;

the number of shares we are offering;

the liquidation preference per share;

the purchase price per share;

the dividend rate per share, dividend period and payment dates and method of calculation for dividends;

whether dividends will be cumulative or non-cumulative and, if cumulative, the date from which dividends will accumulate;

our right, if any, to defer payment of dividends and the maximum length of any such deferral period;

the procedures for any auction and remarketing, if any;

the provisions for a sinking fund, if any;

the provisions for redemption or repurchase, if applicable, and any restrictions on our ability to exercise those redemption and repurchase rights;

## Edgar Filing: Alphatec Holdings, Inc. - Form 424B5

any listing of the preferred stock on any securities exchange or market;

whether the preferred stock will be convertible into our common stock or other securities of ours, including depositary shares and warrants, and, if applicable, the conversion period and the conversion price or how the conversion price will be calculated, and under what circumstances it may be adjusted;

whether the preferred stock will be exchangeable into debt securities, and, if applicable, the exchange period and the exchange price or how the exchange price will be calculated, and under what circumstances it may be adjusted;

voting rights, if any, of the preferred stock;

preemption rights, if any;

restrictions on transfer, sale or other assignment, if any;

whether interests in the preferred stock will be represented by depositary shares;

a discussion of any material or special U.S. federal income tax considerations applicable to the preferred stock;

the relative ranking and preferences of the preferred stock as to dividend rights and rights if we liquidate, dissolve or wind up our affairs;

any limitations on issuances of any class or series of preferred stock ranking senior to or on a parity with the series of preferred stock being issued as to dividend rights and rights if we liquidate, dissolve or wind up our affairs; and

any other specific terms, rights, preferences, privileges, qualifications or restrictions of the preferred stock.

## **Table of Contents**

When we issue shares of our preferred stock under this prospectus, the shares will be fully paid and nonassessable and, unless specified in the applicable prospectus supplement, will not have or be subject to any rights of first refusal or similar rights.

The General Corporation Law of the State of Delaware, the state of our incorporation, provides that the holders of preferred stock will have the right to vote separately as a class on any proposal involving fundamental changes in the rights of holders of that preferred stock. This right is in addition to any voting rights that may be provided for in the applicable certificate of designation.

### Corporate Governance Agreement

In connection with the Share Purchase with Scient x, we entered into a corporate governance agreement with HealthpointCapital Partners, L.P. and HealthpointCapital Partners II, L.P., which we otherwise refer to collectively as HealthpointCapital or the selling stockholders herein, pursuant to which HealthpointCapital has agreed generally not to, directly or indirectly, and subject to certain exceptions, effect, seek, offer or propose to effect or participate in any arrangement or scheme to acquire any of our securities, to join any group regarding any transaction to acquire our securities, or to make any public announcement with respect to, or submit an unsolicited proposal for or offer of (with or without condition), any extraordinary transaction involving us or our securities or assets. However, HealthpointCapital may make a proposal to an independent committee of our board of directors with respect to certain of these transactions, so long as any such proposal is not publicly disclosed. HealthpointCapital has further agreed that if it becomes aware that it beneficially owns more than a permitted number of our shares set forth in the agreement, then it shall promptly take all action necessary to reduce the number of beneficially owned shares in the aggregate to a permitted number of shares.

HealthpointCapital has also agreed that it will not transfer or permit any of its affiliates or associates to transfer any of its shares, except for transfers where no transferee would beneficially own more than the number of shares beneficially owned by HealthpointCapital as of the date of the agreement, transfers to its controlled affiliates, provided that such affiliate becomes a signatory to the agreement, transfers pursuant to a tender or exchange offer, merger or other business combination approved by the board of directors, transfers approved by an independent committee of the board of directors, or transfers to its limited or general partners, if, as a result, no transferee would beneficially own more than the number of shares held by HealthpointCapital as of the date of the corporate governance agreement.

### Registration Rights

#### **Earlier Registration Rights Agreements**

Pursuant to a stockholders' agreement dated as of March 17, 2005, a copy of which has been filed as an exhibit to the registration statement to which this prospectus is a part, holders of 13,815,700 shares of our common stock (or shares issuable upon exercise of stock options) as of April 1, 2010, including HealthpointCapital and its affiliates, have piggyback registration rights that entitle them to cause us to register those shares under the Securities Act. If we propose to register any of our common stock under the Securities Act, the holders of these registrable securities are entitled to include their common stock in the registration, subject to the certain conditions and limitations. These registration rights are subject to the terms and conditions of the stockholders' agreement, including the right of the underwriters of an offering to limit the number of shares included in any such registration under certain circumstances. We are generally required to pay all expenses of each such registration, including the fees and disbursements of one legal counsel for the holders of registrable securities, but excluding underwriters' discounts and commissions. We have agreed to indemnify holders whose shares are registered pursuant to such registration rights against liabilities under the Securities Act.

Pursuant to the subscription agreement, we have also agreed to use commercially reasonable efforts to prepare and file a registration statement on Form S-3 covering the resale of 3,937,007 shares of our common stock sold to HealthpointCapital Partners II, L.P. in June 2009.

In connection with the registration rights agreement entered into in connection with the Share Purchase, HealthpointCapital has agreed to waive all of its registration rights set forth in the stockholders' agreement and the June 2009 subscription agreement, provided that such registration rights agreement is in effect.

---

**Table of Contents**

**Registration Rights Agreement with Scient x Shareholders**

In connection with the closing of the Share Purchase, we entered into a registration rights agreement with HealthpointCapital and the other Scient x shareholders, which we refer to collectively as the Registration Rights Holders, pursuant to which the Registration Rights Holders have registration rights with respect to the shares issued in the Share Purchase and any other of our shares held by such stockholders that constitute restricted securities under Rule 144 of the Securities Act, which we refer to as the Registrable Shares.

Pursuant to the registration rights agreement, a copy of which has been filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on March 31, 2010, the Registration Rights Holders have demand and piggy-back registration rights with respect to the Registrable Shares. At any time after June 24, 2010, HealthpointCapital may demand that we register all or a portion of the Registrable Shares for sale under the Securities Act, so long as the market value of such securities on the date of such request is at least \$10 million or represent 3% of the total outstanding shares of our common stock. We will effect the registration as requested, unless disinterested members of our board of directors determine that such registration would materially interfere with any pending or contemplated acquisition, divestiture, financing, registered primary offering or other transaction, or would be materially detrimental to us and our stockholders, in which case we will have the right to defer such registration for a period of up to 60 days.

In addition, if at any time we register any shares of our capital stock, other than in connection with (i) a registration pursuant to an exercise of demand rights described above, (ii) a registration relating solely to a business combination or merger involving us, (iii) a registration relating solely to our employee benefit plans, (iv) a registration relating to our reorganization or other transaction under Rule 145 of the Securities Act, or (v) any registration on any form that does not include substantially the same information as would be required to be included in a registration covering the sale of Registrable Securities, the Registration Rights Holders are entitled to notice of the registration and to include all or a portion of their Registrable Shares in the registration.

A holder's right to demand or include Registrable Shares in a registration is subject to the right of the underwriters to limit the number of shares included in the offering.

Subject to certain exceptions and provided our officers and directors enter into similar agreements, in connection with a piggy-back registration, the Registration Rights Holders have agreed that they will not effect any public sale or distribution of our common stock, enter into a transaction which would have the same effect, or enter into any swap, hedge, or other arrangement that transfers, in whole or in part, any economic consequences of ownership of such securities, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, during the 10 days prior to and the 90 days after the effective time of any underwritten piggy-back registration in which any of such Registration Rights Holder's Registrable Shares are included.

The registration rights agreement contains customary provisions allocating rights and responsibilities and obligating us and the Registration Rights Holders to indemnify each other against certain liabilities arising from any registration of securities.

The Registration Rights Holders have waived their right to include their Registrable Shares in the registration statement to which this prospectus forms a part.

**Certain Effects of Authorized but Unissued Stock**

We have shares of common stock and preferred stock available for future issuance without stockholder approval. We may issue these additional shares for a variety of corporate purposes, including future public offerings to raise additional capital or facilitate corporate acquisitions or for payment as a dividend on our capital stock. The existence of unissued and unreserved common stock and preferred stock may enable our board of directors to issue shares to persons friendly to current management or to issue preferred stock with terms that could render more difficult or discourage a third-party attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise, thereby protecting the continuity of our management. In addition, if we issue preferred stock, the issuance could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation.



## Table of Contents

Delaware Law and Amended and Restated Certificate of Incorporation and By-laws Provisions

*Board of Directors.* Our restated by-laws provide that:

subject to the rights of the holders of any class or series of preferred stock then outstanding, our directors may be removed only by the affirmative vote of the holders of at least a majority of the voting power of all of the then outstanding shares then entitled to vote at an election of directors voting together as a single class, unless otherwise specified by law or by the amended and restated certificate of incorporation; and

any vacancy on our board of directors, however occurring, including a vacancy resulting from an enlargement of the board, may only be filled by vote of a majority of the directors then in office, even if less than a quorum, or by a sole remaining director, and not by the stockholders.

These provisions could discourage, delay or prevent a change in control of our company or an acquisition of our company at a price which many stockholders may find attractive. The existence of these provisions could limit the price that investors might be willing to pay in the future for shares of our common stock. These provisions may also have the effect of discouraging a third party from initiating a proxy contest, making a tender offer or attempting to change the composition or policies of our board of directors.

*Stockholder Action; Special Meeting of Stockholders.* Our amended and restated certificate of incorporation and by-laws also provide that:

stockholder action may be taken only at a duly called and convened annual or special meeting of stockholders and then only if properly brought before the meeting;

stockholder action may not be taken by written action in lieu of a meeting;

special meetings of stockholders may be called only by our board of directors pursuant to a resolution adopted by a majority of the total number of directors; and

in order for any matter to be considered properly brought before a meeting, a stockholder must comply with requirements regarding specified information and advance notice to us.

These provisions could delay, until the next stockholders meeting, actions which are favored by the holders of a majority of our outstanding voting securities. These provisions may also discourage another person or entity from making a tender offer for our common stock, because a person or entity, even if it acquired a majority of our outstanding voting securities, would be able to take action as a stockholder only at a duly called stockholders meeting, and not by written consent.

*Indemnification.* Our amended and restated certificate of incorporation provides that no director of our company shall be personally liable for any monetary damages for any breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the company or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which the director derived an improper personal benefit. Our amended and restated certificate of incorporation also provides that if the General Corporation Law of the State of Delaware is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of our company shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended. The amended and restated certificate of incorporation further provides that no amendment to or repeal of these provisions shall apply to or have any effect on the liability or alleged liability of any director for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal. Our amended and restated certificate of incorporation further provides for the indemnification of our directors and officers to the fullest extent permitted by Section 145 of the Delaware General Corporation Law, including circumstances in which indemnification is otherwise discretionary.



---

**Table of Contents**

**Description of Debt Securities**

The following description, together with the additional information we include in any applicable prospectus supplements, summarizes the material terms and provisions of the debt securities that we may offer under this prospectus. While the terms we have summarized below will apply generally to any future debt securities we may offer pursuant to this prospectus, we will describe the particular terms of any debt securities that we may offer in more detail in the applicable prospectus supplement. If we indicate in a prospectus supplement, the terms of any debt securities we offer under that prospectus supplement may differ from the terms we describe below.

We may sell from time to time, in one or more offerings under this prospectus, debt securities, which may be senior or subordinated. We will issue any such senior debt securities under a senior indenture that we will enter into with a trustee to be named in the senior indenture. We will issue any such subordinated debt securities under a subordinated indenture, which we will enter into with a trustee to be named in the subordinated indenture. We have filed forms of these documents as exhibits to the registration statement, which includes this prospectus. We use the term "indentures" to refer to both the senior indenture and the subordinated indenture. The indentures will be qualified under the Trust Indenture Act of 1939, as amended, or the Trust Indenture Act. We use the term "debenture trustee" to refer to either the trustee under the senior indenture or the trustee under the subordinated indenture, as applicable.

The following summaries of material provisions of the senior debt securities, the subordinated debt securities and the indentures are subject to, and qualified in their entirety by reference to, all the provisions of the indenture applicable to a particular series of debt securities.

We conduct some of our operations through our subsidiaries. Our rights and the rights of our creditors, including holders of debt securities, to the assets of any subsidiary of ours upon that subsidiary's liquidation or reorganization or otherwise would be subject to the prior claims of that subsidiary's creditors, except to the extent that we may be a creditor with recognized claims against the subsidiary. Our subsidiaries' creditors would include trade creditors, debt holders, secured creditors and taxing authorities. Except as we may provide in a prospectus supplement, neither the debt securities nor the indentures restrict us or any of our subsidiaries from incurring indebtedness or from imposing restrictions on the ability of our subsidiaries to pay dividends to us or others. Under this caption, the phrase "the Company" refers solely to Alphatec Holdings, Inc.

**General**

Each indenture provides that debt securities may be issued from time to time in one or more series and may be payable in currency of the United States or in foreign currencies or units based on or relating to foreign currencies. Neither indenture limits the amount of debt securities that may be issued thereunder, and each indenture provides that the specific terms of any series of debt securities shall be set forth in, or determined pursuant to, an authorizing resolution and/or a supplemental indenture, if any, relating to such series.

We will describe in each prospectus supplement the following terms relating to a series of debt securities:

the title;

the aggregate principal amount and any limit on the amount that may be issued;

the currency or units based on or relating to currencies in which debt securities of such series are denominated and the currency or units in which principal or interest or both will or may be payable;

whether we will issue the series of debt securities in global form, the terms of any global securities and who the depository will be;

the maturity date and the date or dates on which principal will be payable;

## Edgar Filing: Alphatec Holdings, Inc. - Form 424B5

the interest rate, which may be fixed or variable, or the method for determining the rate and the date interest will begin to accrue, the date or dates interest will be payable and the record dates for interest payment dates or the method for determining such dates;

the terms of the subordination of any series of subordinated debt;

the place or places where payments will be payable;

## Table of Contents

our right, if any, to extend the period of payment of interest and the maximum length of any such extension;

the date, if any, after which, and the price at which, we may, at our option, redeem debt securities of the series pursuant to any optional redemption provisions;

the date, if any, on which, and the price at which we are obligated, pursuant to any mandatory sinking fund provisions or otherwise, to redeem, or at the holder's option to purchase, debt securities of the series;

a discussion on any material or special United States federal income tax considerations applicable to a series of debt securities;

the denominations in which we will issue the series of debt securities, if other than denominations of \$1,000 and any integral multiple thereof; and

any other specific terms, preferences, rights or limitations of, or restrictions on, the debt securities.

We may issue debt securities that provide for an amount less than their stated principal amount to be due and payable upon declaration of acceleration of their maturity pursuant to the terms of the indenture. We will provide you with information on the United States federal income tax considerations and other special considerations applicable to any of these debt securities in the applicable prospectus supplement.

### Conversion or Exchange Rights

We will set forth in the prospectus supplement the terms, if any, on which a series of debt securities may be convertible into or exchangeable for our common stock or other securities of ours. We will describe whether conversion or exchange is mandatory, at the option of the holder or at our option. We may include provisions pursuant to which the number of shares of our common stock or other securities of ours that the holders of the series of debt securities receive would be subject to adjustment.

### Consolidation, Merger or Sale; No Protection in Event of a Change of Control or Highly Leveraged Transaction

The indentures do not contain any covenant that restricts our ability to merge or consolidate, or sell, convey, transfer or otherwise dispose of all or substantially all of our assets. However, if we are not the surviving entity in any such transaction, our successor or the acquirer of such assets must assume all of our obligations under the indentures or the debt securities, as appropriate.

Unless we state otherwise in the applicable prospectus supplement, the debt securities will not contain any provisions that may afford holders of the debt securities protection in the event we have a change of control or in the event of a highly leveraged transaction (whether or not such transaction results in a change of control), which could adversely affect holders of debt securities.

### Events of Default Under the Indenture

We will set forth in the applicable prospectus supplement the events of default under the indentures with respect to any series of debt securities that we may issue.

No event of default with respect to a particular series of debt securities necessarily constitutes an event of default with respect to any other series of debt securities. The occurrence of an event of default may constitute an event of default under any bank credit agreements we may have in existence from time to time. In addition, the occurrence of certain events of default or an acceleration under the indenture may constitute an event of default under certain of our other indebtedness outstanding from time to time.

If an event of default with respect to debt securities of any series at the time outstanding occurs and is continuing, then, if so specified in the applicable prospectus supplement, the trustee or the holders of not less than a majority in principal amount of the outstanding debt securities of that series may, by a notice in writing to us (and to the debenture trustee if given by the holders), declare to be due and payable immediately the principal (or, if the debt securities of that series are discount securities, that portion of the principal amount as may be specified in the terms of

Edgar Filing: Alphatec Holdings, Inc. - Form 424B5

that series) of and premium and accrued and unpaid interest, if any, on all debt securities of that series. Before a judgment or decree for payment of

## Table of Contents

the money due has been obtained with respect to debt securities of any series, the holders of a majority in principal amount of the outstanding debt securities of that series may rescind and annul the acceleration if all events of default, other than the non-payment of accelerated principal, premium, if any, and interest, if any, with respect to debt securities of that series, have been remedied or waived as provided in the applicable indenture (including payments or deposits in respect of principal, premium or interest that had become due other than as a result of such acceleration). We refer you to the prospectus supplement relating to any series of debt securities that are discount securities for the particular provisions relating to acceleration of a portion of the principal amount of such discount securities upon the occurrence of an event of default.

Subject to the terms of the indentures, if an event of default under an indenture shall occur and be continuing, the debenture trustee will be under no obligation to exercise any of its rights or powers under such indenture at the request or direction of any of the holders of the applicable series of debt securities, unless such holders have offered the debenture trustee reasonable security or indemnity. The holders of a majority in principal amount of the outstanding debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the debenture trustee, or exercising any trust or power conferred on the debenture trustee, with respect to the debt securities of that series, provided that:

the direction so given by the holder is not in conflict with any law or the applicable indenture; and

subject to its duties under the Trust Indenture Act, the debenture trustee need not take any action that might involve it in personal liability or might be unduly prejudicial to the holders not involved in the proceeding.

A holder of the debt securities of any series will only have the right to institute a proceeding under the indentures or to appoint a receiver or trustee, or to seek other remedies if:

the holder previously has given written notice to the debenture trustee of a continuing event of default with respect to that series;

the holders of at least a majority in aggregate principal amount of the outstanding debt securities of that series have made written request, and such holders have offered reasonable indemnity to the debenture trustee to institute the proceeding as trustee; and

the debenture trustee does not institute the proceeding, and does not receive from the holders of a majority in aggregate principal amount of the outstanding debt securities of that series other conflicting directions within 60 days after the notice, request and offer. These limitations do not apply to a suit instituted by a holder of debt securities if we default in the payment of the principal, premium, if any, or interest on, the debt securities.

### Modification of Indenture; Waiver

The debenture trustee and we may change the applicable indenture without the consent of any holders with respect to specific matters, including:

to fix any ambiguity, defect or inconsistency in the indenture; and

to change anything that does not materially adversely affect the interests of any holder of debt securities of any series issued pursuant to such indenture.

In addition, under the indentures, the rights of holders of a series of debt securities may be changed by us and the debenture trustee with the written consent of the holders of at least a majority in aggregate principal amount of the outstanding debt securities of each series that is affected. However, the debenture trustee and we may make the following changes only with the consent of each holder of any outstanding debt securities affected:

extending the fixed maturity of the debt securities of a series;

reducing the principal amount, reducing the rate of interest, or reducing any premium payable upon the redemption of any debt securities; or

reducing the percentage of debt securities, the holders of which are required to consent to any amendment or waiver.



## Table of Contents

Except for certain specified provisions, the holders of at least a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all debt securities of that series waive our compliance with provisions of the indenture. The holders of a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all the debt securities of such series waive any past default under the indenture with respect to that series and its consequences, except a default in the payment of the principal of, premium or any interest on any debt security of that series or in respect of a covenant or provision, which cannot be modified or amended without the consent of the holder of each outstanding debt security of the series affected; *provided, however*, that the holders of a majority in principal amount of the outstanding debt securities of any series may rescind an acceleration and its consequences, including any related payment default that resulted from the acceleration.

### Discharge

Each indenture provides that we can elect to be discharged from our obligations with respect to one or more series of debt securities, except for obligations to:

register the transfer or exchange of debt securities of the series;

replace stolen, lost or mutilated debt securities of the series;

maintain paying agencies;

hold monies for payment in trust;

compensate and indemnify the trustee; and

appoint any successor trustee.

In order to exercise our rights to be discharged with respect to a series, we must deposit with the trustee money or government obligations sufficient to pay all the principal of, any premium, if any, and interest on, the debt securities of the series on the dates payments are due.

### Form, Exchange and Transfer

We will issue the debt securities of each series only in fully registered form and, unless we otherwise specify in the applicable prospectus supplement, in denominations of \$1,000 and any integral multiple thereof. The indentures provide that we may issue debt securities of a series in temporary or permanent global form and as book-entry securities that will be deposited with, or on behalf of, The Depository Trust Company or another depository named by us and identified in a prospectus supplement with respect to that series.

At the option of the holder, subject to the terms of the indentures and the limitations applicable to global securities described in the applicable prospectus supplement, the holder of the debt securities of any series can exchange the debt securities for other debt securities of the same series, in any authorized denomination and of like tenor and aggregate principal amount.

Subject to the terms of the indentures and the limitations applicable to global securities set forth in the applicable prospectus supplement, holders of the debt securities may present the debt securities for exchange or for registration of transfer, accompanied by a written instrument of transfer if so required by us or the security registrar, at the office of the security registrar designated by us for this purpose. Unless otherwise provided in the debt securities that the holder presents for transfer or exchange or in the applicable indenture, we will make no service charge for any registration of transfer or exchange, but we may require payment of any taxes or other governmental charges.

We will name in the applicable prospectus supplement the security registrar that we initially designate for any debt securities.

## Edgar Filing: Alphatec Holdings, Inc. - Form 424B5

If we elect to redeem the debt securities of any series, we will not be required to:

issue, register the transfer of, or exchange any debt securities of that series during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of any debt securities that may be selected for redemption and ending at the close of business on the day of the mailing; or

register the transfer of or exchange any debt securities so selected for redemption, in whole or in part, except the unredeemed portion of any debt securities we are redeeming in part.

## **Table of Contents**

### Information Concerning the Debenture Trustee

The debenture trustee, other than during the occurrence and continuance of an event of default under the applicable indenture, undertakes to perform only those duties as are specifically set forth in the applicable indenture. Upon an event of default under an indenture, the debenture trustee under such indenture must use the same degree of care as a prudent person would exercise or use in the conduct of his or her own affairs. Subject to this provision, the debenture trustee is under no obligation to exercise any of the powers given it by the indentures at the request of any holder of debt securities unless it is offered reasonable security and indemnity against the costs, expenses and liabilities that it might incur.

### Payment and Paying Agents

Unless we otherwise indicate in the applicable prospectus supplement, we will make payment of the interest on any debt securities on any interest payment date to the person in whose name the debt securities, or one or more predecessor securities, are registered at the close of business on the regular record date for the interest.

We will pay principal of and any premium and interest on the debt securities of a particular series presented at the office or agency designated by us, except that unless we otherwise indicate in the applicable prospectus supplement, we will make interest payments by check which we will mail to the holder. We will name in the applicable prospectus supplement the office or agency that we initially designate for the debt securities of a particular series. We will maintain an office or agency in each place of payment for the debt securities of a particular series.

All money we pay to a paying agent or the debenture trustee for the payment of the principal of or any premium or interest on any debt securities which remains unclaimed at the end of two years after such principal, premium or interest has become due and payable will be repaid to us, and the holder of the security thereafter may look only to us for payment thereof.

### Governing Law

The indentures and the debt securities will be governed by and construed in accordance with the laws of the State of New York, except to the extent that the Trust Indenture Act is applicable.

### Subordination of Subordinated Debt Securities

The obligations of the Company pursuant to any subordinated debt securities will be subordinate and junior in priority of payment to certain of our other indebtedness to the extent described in a prospectus supplement. The subordinated indenture does not limit the amount of senior indebtedness we may incur. It also does not limit us from issuing any other secured or unsecured debt.

## Table of Contents

### Description of Warrants

The following description, together with the additional information we may include in any applicable prospectus supplements, summarizes the material terms and provisions of the warrants that we may offer in a primary offering under this prospectus and the related warrant agreements and warrant certificates. While the terms summarized below will apply generally to any warrants that we may offer, we will describe the particular terms of any series of warrants in more detail in the applicable prospectus supplement. If we so indicate in the prospectus supplement, the terms of any warrants offered under that prospectus supplement may differ from the terms described below. Specific warrant agreements will contain additional important terms and provisions and will be incorporated by reference as an exhibit to the registration statement that includes this prospectus.

#### General

We may issue warrants for the purchase of common stock, preferred stock or debt securities in one or more series. We may issue warrants independently or together with common stock, preferred stock and debt securities, and the warrants may be attached to or separate from these securities.

We will evidence each series of warrants by warrant certificates that we will issue under a separate agreement. We may enter into the warrant agreement with a warrant agent. We will indicate the name and address and other information regarding the warrant agent in the applicable prospectus supplement relating to a particular series of warrants.

If we decide to issue warrants pursuant to this prospectus, we will specify in a prospectus supplement the terms of the series of warrants, including, if applicable, the following:

the offering price and aggregate number of warrants offered;

the currency for which the warrants may be purchased;

if applicable, the designation and terms of the securities with which the warrants are issued and the number of warrants issued with each such security or each principal amount of such security;

if applicable, the date on and after which the warrants and the related securities will be separately transferable;

in the case of warrants to purchase debt securities, the principal amount of debt securities purchasable upon exercise of one warrant and the price at, and currency in which, this principal amount of debt securities may be purchased upon such exercise;

in the case of warrants to purchase common stock or preferred stock, the number of shares of common stock or preferred stock, as the case may be, purchasable upon the exercise of one warrant and the price at which these shares may be purchased upon such exercise;

the effect of any merger, consolidation, sale or other disposition of our business on the warrant agreements and the warrants;

the terms of any rights to redeem or call the warrants;

any provisions for changes to or adjustments in the exercise price or number of securities issuable upon exercise of the warrants;

the dates on which the right to exercise the warrants will commence and expire;

the manner in which the warrant agreements and warrants may be modified;

U.S. federal income tax consequences of holding or exercising the warrants;

the terms of the securities issuable upon exercise of the warrants; and

any other specific terms, preferences, rights or limitations of or restrictions on the warrants.

Before exercising their warrants, holders of warrants will not have any of the rights of holders of the securities purchasable upon such exercise, including:

in the case of warrants to purchase debt securities, the right to receive payments of principal of, or premium, if any, or interest on, the debt securities purchasable upon exercise or to enforce covenants in the applicable indenture; or

in the case of warrants to purchase common stock or preferred stock, the right to receive dividends, if any, or, payments upon our liquidation, dissolution or winding up or to exercise voting rights, if any.

**Table of Contents**

Exercise of Warrants

Each warrant will entitle the holder to purchase the securities that we specify in the applicable prospectus supplement at the exercise price that we describe in the applicable prospectus supplement. Unless we otherwise specify in the applicable prospectus supplement, holders of the warrants may exercise the warrants at any time up to the specified time on the expiration date that we set forth in the applicable prospectus supplement. After the close of business on the expiration date, unexercised warrants will become void.

Holders of the warrants may exercise the warrants by delivering the warrant certificate representing the warrants to be exercised together with specified information, and paying the required amount to the warrant agent in immediately available funds, as provided in the applicable prospectus supplement. We will set forth on the reverse side of the warrant certificate and in the applicable prospectus supplement the information that the holder of the warrant will be required to deliver to the warrant agent.

Upon receipt of the required payment and the warrant certificate properly completed and duly executed at the corporate trust office of the warrant agent or any other office indicated in the applicable prospectus supplement, we will issue and deliver the securities purchasable upon such exercise. If fewer than all of the warrants represented by the warrant certificate are exercised, then we will issue a new warrant certificate for the remaining amount of warrants. If we so indicate in the applicable prospectus supplement, holders of the warrants may surrender securities as all or part of the exercise price for warrants.

Enforceability of Rights by Holders of Warrants

Each warrant agent will act solely as our agent under the applicable warrant agreement and will not assume any obligation or relationship of agency or trust with any holder of any warrant. A single bank or trust company may act as warrant agent for more than one issue of warrants. A warrant agent will have no duty or responsibility in case of any default by us under the applicable warrant agreement or warrant, including any duty or responsibility to initiate any proceedings at law or otherwise, or to make any demand upon us. Any holder of a warrant may, without the consent of the related warrant agent or the holder of any other warrant, enforce by appropriate legal action its right to exercise, and receive the securities purchasable upon exercise of, its warrants.

Outstanding Warrants

As of April 1, 2010, there were no outstanding warrants to purchase shares of our common stock.

## Table of Contents

### Description of Units

The following description, together with the additional information that we include in any applicable prospectus supplements summarizes the material terms and provisions of the units that we may offer under this prospectus. While the terms we have summarized below will apply generally to any units that we may offer under this prospectus, we will describe the particular terms of any series of units in more detail in the applicable prospectus supplement. The terms of any units offered under a prospectus supplement may differ from the terms described below.

We will file as exhibits to the registration statement of which this prospectus is a part, or will incorporate by reference from reports that we file with the SEC, the form of unit agreement that describes the terms of the series of units we are offering, and any supplemental agreements, before the issuance of the related series of units. The following summaries of material terms and provisions of the units are subject to, and qualified in their entirety by reference to, all the provisions of the unit agreement and any supplemental agreements applicable to a particular series of units. We urge you to read the applicable prospectus supplements related to the particular series of units that we may offer under this prospectus, as well as any related free writing prospectuses and the complete unit agreement and any supplemental agreements that contain the terms of the units.

#### General

We may issue units consisting of common stock, preferred stock, one or more debt securities or warrants in one or more series in any combination. Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included security. The unit agreement under which a unit is issued may provide that the securities included in the unit may not be held or transferred separately, at any time or at any time before a specified date.

We will describe in the applicable prospectus supplement the terms of the series of units being offered, including:

the designation and terms of the units and of the securities comprising the units, including whether and under what circumstances those securities may be held or transferred separately

any provisions of the governing unit agreement that differ from those described below; and

any provisions for the issuance, payment, settlement, transfer or exchange of the units or of the securities comprising the units.

The provisions described in this section, as well as those described under Description of Capital Stock, Description of Debt Securities, and Description of Warrants, as applicable, will apply to each unit and to any common stock, preferred stock, debt security or warrant included in each unit, as applicable.

#### Unit Agent

The name and address of the unit agent for any units we offer will be set forth in the applicable prospectus supplement.

#### Issuance in Series

We may issue units in such amounts and in such numerous distinct series as we determine.

#### Enforceability of Rights by Holders of Units

Each unit agent will act solely as our agent under the applicable unit agreement and will not assume any obligation or relationship of agency or trust with any holder of any unit. A single bank or trust company may act as unit agent for more than one series of units. A unit agent will have no duty or responsibility in case of any default by us under the applicable unit agreement or unit, including any duty or responsibility to initiate any proceedings at law or otherwise, or to make any demand upon us. Any holder of a unit may, without the consent of the related unit agent or the holder of any other unit, enforce by appropriate legal action its rights as holder under any security included in the unit.





## Table of Contents

### Legal Ownership of Securities

We can issue securities in registered form or in the form of one or more global securities. We describe global securities in greater detail below. We refer to those persons who have securities registered in their own names on the books that we or any applicable trustee maintain for this purpose as the holders of those securities. These persons are the legal holders of the securities. We refer to those persons who, indirectly through others, own beneficial interests in securities that are not registered in their own names, as indirect holders of those securities. As we discuss below, indirect holders are not legal holders, and investors in securities issued in book-entry form or in street name will be indirect holders.

#### Book-Entry Holders

We may issue securities in book-entry form only, as we will specify in the applicable prospectus supplement. This means securities may be represented by one or more global securities registered in the name of a financial institution that holds them as depository on behalf of other financial institutions that participate in the depository's book-entry system. These participating institutions, which are referred to as participants, in turn, hold beneficial interests in the securities on behalf of themselves or their customers.

Only the person in whose name a security is registered is recognized as the holder of that security. Securities issued in global form will be registered in the name of the depository or its nominee. Consequently, for securities issued in global form, we will recognize only the depository as the holder of the securities, and we will make all payments on the securities to the depository. The depository passes along the payments it receives to its participants, which in turn pass the payments along to their customers who are the beneficial owners. The depository and its participants do so under agreements they have made with one another or with their customers; they are not obligated to do so under the terms of the securities.

As a result, investors in a book-entry security will not own securities directly. Instead, they will own beneficial interests in a global security, through a bank, broker or other financial institution that participates in the depository's book-entry system or holds an interest through a participant. As long as the securities are issued in global form, investors will be indirect holders, and not holders, of the securities.

#### Street Name Holders

We may terminate a global security or issue securities in non-global form. In these cases, investors may choose to hold their securities in their own names or in street name. Securities held by an investor in street name would be registered in the name of a bank, broker or other financial institution that the investor chooses, and the investor would hold only a beneficial interest in those securities through an account he or she maintains at that institution.

For securities held in street name, we will recognize only the intermediary banks, brokers and other financial institutions in whose names the securities are registered as the holders of those securities, and we will make all payments on those securities to them. These institutions pass along the payments they receive to their customers who are the beneficial owners, but only because they agree to do so in their customer agreements or because they are legally required to do so. Investors who hold securities in street name will be indirect holders, not holders, of those securities.

#### Legal Holders

Our obligations, as well as the obligations of any applicable trustee and of any third parties employed by us or a trustee, run only to the legal holders of the securities. We do not have obligations to investors who hold beneficial interests in global securities, in street name or by any other indirect means. This will be the case whether an investor chooses to be an indirect holder of a security or has no choice because we are issuing the securities only in global form.

For example, once we make a payment or give a notice to the holder, we have no further responsibility for the payment or notice even if that holder is required, under agreements with depository participants or customers or by law, to pass it along to the indirect holders but does not do so. Similarly, we may want to obtain the approval of the holders to amend an indenture, to relieve us of the consequences of a default or of our obligation to comply with a particular provision of the indenture or for other purposes. In such an event, we would seek approval only from the holders, and not the indirect holders, of the securities. Whether and how the holders contact the indirect holders is up to the holders.

## **Table of Contents**

### Special Considerations for Indirect Holders

If you hold securities through a bank, broker or other financial institution, either in book-entry form or in street name, you should check with your own institution to find out:

how it handles securities payments and notices;

whether it imposes fees or charges;

how it would handle a request for the holders' consent, if ever required;

whether and how you can instruct it to send you securities registered in your own name so you can be a holder, if that is permitted in the future;

how it would exercise rights under the securities if there were a default or other event triggering the need for holders to act to protect their interests; and

if the securities are in book-entry form, how the depositary's rules and procedures will affect these matters.

### Global Securities

A global security is a security held by a depositary that represents one or any other number of individual securities. Generally, all securities represented by the same global securities will have the same terms.

Each security issued in book-entry form will be represented by a global security that we deposit with and register in the name of a financial institution or its nominee that we select. The financial institution that we select for this purpose is called the depositary. Unless we specify otherwise in the applicable prospectus supplement, DTC will be the depositary for all securities issued in book-entry form.

A global security may not be transferred to or registered in the name of anyone other than the depositary, its nominee or a successor depositary, unless special termination situations arise. We describe those situations below under "Special Situations When a Global Security Will Be Terminated." As a result of these arrangements, the depositary, or its nominee, will be the sole registered owner and holder of all securities represented by a global security, and investors will be permitted to own only beneficial interests in a global security. Beneficial interests must be held by means of an account with a broker, bank or other financial institution that in turn has an account with the depositary or with another institution that does. Thus, an investor whose security is represented by a global security will not be a holder of the security, but only an indirect holder of a beneficial interest in the global security.

If the prospectus supplement for a particular security indicates that the security will be issued in global form only, then the security will be represented by a global security at all times unless and until the global security is terminated. If termination occurs, we may issue the securities through another book-entry clearing system or decide that the securities may no longer be held through any book-entry clearing system.

### Special Considerations for Global Securities

As an indirect holder, an investor's rights relating to a global security will be governed by the account rules of the investor's financial institution and of the depositary, as well as general laws relating to securities transfers. We do not recognize an indirect holder as a holder of securities and instead deal only with the depositary that holds the global security.

If securities are issued only in the form of a global security, an investor should be aware of the following:

an investor cannot cause the securities to be registered in his or her name, and cannot obtain non-global certificates for his or her interest in the securities, except in the special situations we describe below;

an investor will be an indirect holder and must look to his or her own bank or broker for payments on the securities and protection of his or her legal rights relating to the securities, as we describe under [Legal Holders](#) above;

an investor may not be able to sell interests in the securities to some insurance companies and to other institutions that are required by law to own their securities in non-book-entry form;

## **Table of Contents**

an investor may not be able to pledge his or her interest in a global security in circumstances where certificates representing the securities must be delivered to the lender or other beneficiary of the pledge in order for the pledge to be effective;

the depositary's policies, which may change from time to time, will govern payments, transfers, exchanges and other matters relating to an investor's interest in a global security. We and any applicable trustee have no responsibility for any aspect of the depositary's actions or for its records of ownership interests in a global security. We and the trustee also do not supervise the depositary in any way;

the depositary may, and we understand that DTC will, require that those who purchase and sell interests in a global security within its book-entry system use immediately available funds, and your broker or bank may require you to do so as well; and

financial institutions that participate in the depositary's book-entry system, and through which an investor holds its interest in a global security, may also have their own policies affecting payments, notices and other matters relating to the securities. There may be more than one financial intermediary in the chain of ownership for an investor. We do not monitor and are not responsible for the actions of any of those intermediaries.

### **Special Situations When A Global Security Will Be Terminated**

In a few special situations described below, the global security will terminate and interests in it will be exchanged for physical certificates representing those interests. After that exchange, the choice of whether to hold securities directly or in street name will be up to the investor. Investors must consult their own banks or brokers to find out how to have their interests in securities transferred to their own name, so that they will be direct holders. We have described the rights of holders and street name investors above.

The global security will terminate when the following special situations occur:

if the depositary notifies us that it is unwilling, unable or no longer qualified to continue as depositary for that global security and we do not appoint another institution to act as depositary within 90 days;

if we notify any applicable trustee that we wish to terminate that global security; or

if an event of default has occurred with regard to securities represented by that global security and has not been cured or waived. The prospectus supplement may also list additional situations for terminating a global security that would apply only to the particular series of securities covered by the prospectus supplement. When a global security terminates, the depositary, and not we or any applicable trustee, is responsible for deciding the names of the institutions that will be the initial direct holders.

**Table of Contents****Selling Stockholders**

We are registering an aggregate of 20,031,646 shares of common stock to permit HealthpointCapital Partners, L.P. and HealthpointCapital Partners II, L.P., which we refer to collectively as HealthpointCapital or the selling stockholders herein, and their permitted assigns that receive their shares after the date of this prospectus, to resell the shares in the manner contemplated under Plan of Distribution.

The table below presents information regarding the beneficial ownership of outstanding shares of common stock by the selling stockholders and the shares that they may sell or otherwise dispose of from time to time under this prospectus. Information concerning the selling stockholders may change from time to time, and any changed information will be presented in a prospectus supplement if and when necessary and required. The shares set forth below may also be sold by certain transferees or successors-in-interest of the selling stockholders.

The number of shares of common stock in the column Number of Shares Offered Hereby represents all of the shares of common stock that the selling stockholders may offer under this prospectus. In addition, the table assumes that the selling stockholders will sell all of such shares. However, because the selling stockholders may offer from time to time all or some of their shares under this prospectus, or in another permitted manner, we cannot assure you as to the actual number of shares that will be sold or otherwise disposed of by the selling stockholders or that will be held by the selling stockholders after completion of such sales. We do not know how long the selling stockholders will hold the shares before selling them.

We have determined beneficial ownership in accordance with the rules of the SEC. Except as indicated in the footnotes to the following table, the selling stockholders have sole voting and investment power with respect to the shares set forth below. The percentage of beneficial ownership is based on 78,081,049 shares of common stock outstanding on April 1, 2010.

Name of Stockholder	Shares Beneficially Owned		Number of Shares Offered Hereby	Shares Beneficially Owned After Sale of Shares Offered Hereby	
	Number <sup>(1)</sup>	Percentage		Number	Percentage
HealthpointCapital Partners, L.P.	20,077,173	25.7%	13,344,639	6,732,534	8.6%
HealthpointCapital Partners II, L.P.	22,454,744 <sup>(2)</sup>	28.8%	6,687,007	15,767,737	20.2%
<b>Total</b>	<b>42,531,917</b>	<b>54.5%</b>	<b>20,031,646</b>	<b>22,500,271</b>	<b>28.8%</b>

(1) Based upon information provided by the selling stockholders and public documents filed with the SEC, as of the date of this prospectus the selling stockholders are the owners of 42,531,917 shares of common stock. This includes 20,077,173 shares owned by HealthpointCapital Partners, L.P. and 22,454,744 shares owned by HealthpointCapital Partners II, L.P. Mortimer Berkowitz III and John H. Foster, who are directors of Alphatec, are managing members of HGP, LLC, which is the general partner of HealthpointCapital Partners, L.P. Messrs. Berkowitz and Foster are also managing members of HGP II, LLC, which is the general partner of HealthpointCapital Partners II, L.P. Messrs. Berkowitz and Foster disclaim beneficial ownership of such shares except as to the extent of his pecuniary interest in such shares.

(2) Includes 1,344,000 shares of common stock owned by HCPII Co-Invest Vehicle II, LP. HealthpointCapital acquired the shares included in the table above as follows:

## Edgar Filing: Alphatec Holdings, Inc. - Form 424B5

In March 2005, HealthpointCapital Partners, L.P. purchased 3,258,664 shares of our Series B common stock and 4,000,000 shares of our Series B preferred stock for an aggregate purchase price of \$40,000,000. In connection with our initial public offering in June 2006, we completed a reorganization transaction pursuant to which holders of shares of Series B common stock received dividends consisting of a combination of shares of our common stock, shares of our new redeemable preferred stock, and cash. Each share of Series B common stock was subsequently converted into 3.57 shares of our common stock. Additionally, shares of Series B preferred stock were redeemed for a combination of shares of our common stock, shares of our new redeemable preferred stock and cash. In connection with the reorganization transaction, HealthpointCapital Partners, L.P. received an aggregate of 13,344,639 shares of our common stock. These

## Table of Contents

shares are being offered by HealthpointCapital Partners, L.P. under this prospectus and are included in the above table under the caption Number of Shares Offered Hereby.

In connection with our September 2007 public offering of 10,000,000 shares of common stock, HealthpointCapital Partners II, L.P. purchased 2,750,000 shares of our common stock at the public offering price of \$3.45 per share, for an aggregate purchase price of \$9,487,500.

In June 2009, HealthpointCapital Partners II, L.P. purchased 3,937,007 shares of our common stock at a price of \$2.54 per share in a private placement for an aggregate purchase price of approximately \$10.0 million. These shares, together with the 2,750,000 shares acquired in September 2007, are being offered by HealthpointCapital Partners II, L.P. under this prospectus and are included in the above table under the caption Number of Shares Offered Hereby.

On March 26, 2010, we completed the Share Purchase. The transaction was structured as an all stock transaction such that 100% of outstanding Scient x stock was exchanged pursuant to a fixed ratio for 24,000,000 shares of our common stock. The consideration paid for 100% of the outstanding Scient x stock was 23,730,644 shares of our common stock, which reflected a reduction in the 24,000,000 shares calculated at the closing in exchange for our payment of certain fees and expenses incurred by HealthpointCapital in connection with the Share Purchase. Alphatec shareholders who owned shares of our capital stock prior to the Share Purchase own approximately 69% of the combined company and approximately 31% is owned by former Scient x shareholders.

As of February 1, 2010, HealthpointCapital and its affiliates in the aggregate held approximately 39.5% of the shares of our common stock and approximately 94.8% of the shares of Scient x. Accordingly, they received shares of our common stock in connection with the Share Purchase proportional to their ownership interests in Scient x. At the closing on March 26, 2010, HealthpointCapital Partners I, L.P. received 6,732,534 shares of our common stock and HealthpointCapital Partners II, L.P. received 15,767,737 shares of our common stock in consideration of their shares in Scient x, after reduction for our payment of certain fees and expenses incurred by them in connection with the Share Purchase. These shares are not being offered under this prospectus.

Five of our directors, Mortimer Berkowitz III, John H. Foster, R. Ian Molson, Stephen E. O Neil and Stephen J. Hochschuler, M.D., are beneficial owners of or affiliated with HealthpointCapital, LLC, which is the ultimate parent of HealthpointCapital, and Messrs. Berkowitz, Foster and Molson are also directors of either Scient x or an affiliate of Scient x. Following the Share Purchase, HealthpointCapital, together with its affiliates, beneficially owns approximately 55.4% of our common stock based on shares outstanding as of April 1, 2010.

In connection with the Share Purchase, we entered into a corporate governance agreement with HealthpointCapital. See Description of Capital Stock Corporate Governance Agreement. In addition, in connection with the closing of the Share Purchase, we entered into a registration rights agreement with HealthpointCapital, and we have previously entered into agreements with HealthpointCapital in which we have granted registration rights. See Description of Capital Stock Registration Rights.

**Table of Contents**

**Plan of Distribution**

We or the selling stockholders may offer securities under this prospectus from time to time pursuant to underwritten public offerings, negotiated transactions, block trades or a combination of these methods. We or the selling stockholders may sell securities:

through underwriters;

through dealers;

through agents;

in at the market offerings, within the meaning of Rule 415(a)(4) of the Securities Act, to or through a market maker or into an existing trading market, on an exchange or otherwise;

directly to purchasers; or

through a combination of any of these methods of sale.

We or the selling stockholders may directly solicit offers to purchase securities, or agents may be designated to solicit such offers. We will, in the prospectus supplement relating to such offering, name any agent that could be viewed as an underwriter under the Securities Act and describe any commissions that we must pay. Any such agent will be acting on a best efforts basis for the period of its appointment or, if indicated in the applicable prospectus supplement, on a firm commitment basis. Agents, dealers and underwriters may be customers of, engage in transactions with, or perform services for us in the ordinary course of business.

The distribution of the securities may be effected from time to time in one or more transactions:

at a fixed price, or prices, which may be changed from time to time;

at market prices prevailing at the time of sale;

at prices related to such prevailing market prices; or

at negotiated prices.

Each prospectus supplement will describe the method of distribution of the securities and any applicable restrictions.

The prospectus supplement with respect to the securities of a particular series will describe the terms of the offering of the securities, including the following:

the name of the agent or any underwriters;



the public offering or purchase price;

any discounts and commissions to be allowed or paid to the agent or underwriters;

all other items constituting underwriting compensation;

any discounts and commissions to be allowed or paid to dealers; and

any exchanges on which the securities will be listed.

If any underwriters or agents are utilized in the sale of the securities in respect of which this prospectus is delivered, we or the selling stockholders will enter into an underwriting agreement or other agreement with them at the time of sale to them, and we or the selling stockholders will set forth in the prospectus supplement relating to such offering the names of the underwriters or agents and the terms of the related agreement with them.

If a dealer is utilized in the sale of the securities in respect of which the prospectus is delivered, we or the selling stockholders will sell such securities to the dealer, as principal. The dealer may then resell such securities to the public at varying prices to be determined by such dealer at the time of resale.

Remarketing firms, agents, underwriters and dealers may be entitled under agreements which they may enter into with us or the selling stockholders to indemnification by us or the selling stockholders against certain civil liabilities, including liabilities under the Securities Act, and may be customers of, engage in transactions with or perform services for us in the ordinary course of business.

**Table of Contents**

The selling stockholders may also use any one or more of the following methods when selling shares of common stock:

on The NASDAQ Global Market (or any other exchange on which the shares may be listed);

on the over-the-counter market;

ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;

block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;

purchases by a broker-dealer as principal and resale by the broker-dealer for its account;

an exchange distribution in accordance with the rules of the applicable exchange;

privately negotiated transactions;

short sales;

through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;

broker-dealers may agree with the selling stockholders to sell a specified number of such shares at a stipulated price per share;

a combination of any such methods of sale; and

any other method permitted pursuant to applicable law.

In connection with the sale of our common stock or interests therein, the selling stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the common stock in the course of hedging the positions they assume. The selling stockholders may also sell shares of our common stock short and deliver these securities to close out its short positions, or loan or pledge the common stock to broker-dealers that in turn may sell these securities. The selling stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities that require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The aggregate proceeds to the selling stockholders from the sale of the common stock offered by them will be the purchase price of the common stock less discounts or commissions, if any. The selling stockholders reserve the right to accept and, together with their agents from time to time, to reject, in whole or in part, any proposed purchase of common stock to be made directly or through agents. We will not receive any of the proceeds from the offering by the selling stockholders.

## Edgar Filing: Alphatec Holdings, Inc. - Form 424B5

The selling stockholders also may resell all or a portion of the shares in open market transactions in reliance upon Rule 144 under the Securities Act, provided that such transactions meet the criteria and conform to the requirements of that rule.

The selling stockholders and any underwriters, broker-dealers or agents that participate in the sale of the common stock or interests therein may be underwriters within the meaning of Section 2(11) of the Securities Act. Any discounts, commissions, concessions or profit they earn on any resale of the shares may be underwriting discounts and commissions under the Securities Act. If a selling stockholder is an underwriter within the meaning of Section 2(11) of the Securities Act, it will be subject to the prospectus delivery requirements of the Securities Act.

We have agreed to indemnify the selling stockholders and each of their officers, directors, partners and controlling persons against certain liabilities, including liabilities under the Securities Act and Exchange Act, relating to the registration of the shares offered by this prospectus.

If so indicated in the applicable prospectus supplement, we and/or the selling stockholders will authorize underwriters or other persons acting as our agents to solicit offers by certain institutions to purchase securities from us pursuant to delayed delivery contracts providing for payment and delivery on the date stated in the prospectus supplement. Each contract will be for an amount not less than, and the aggregate amount of securities sold pursuant to such contracts shall not be less nor more than, the respective amounts stated in the prospectus supplement. Institutions with whom the

**Table of Contents**

contracts, when authorized, may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and other institutions, but shall in all cases be subject to our approval. Delayed delivery contracts will not be subject to any conditions except that:

the purchase by an institution of the securities covered under that contract shall not at the time of delivery be prohibited under the laws of the jurisdiction to which that institution is subject; and

if the securities are also being sold to underwriters acting as principals for their own account, the underwriters shall have purchased such securities not sold for delayed delivery. The underwriters and other persons acting as our agents will not have any responsibility in respect of the validity or performance of delayed delivery contracts.

We may provide agents and underwriters with indemnification against civil liabilities related to an offering, including liabilities under the Securities Act, or contribution with respect to payments that the agents or underwriters may make with respect to these liabilities. Certain of the underwriters and their associates and affiliates may be customers of, have borrowing relationships with, engage in other transactions with, and/or perform services, including investment banking services, for us, the selling stockholders or one or more of our respective affiliates in the ordinary course of business.

In order to facilitate the offering of the securities, any underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the securities or any other securities the prices of which may be used to determine payments on such securities. Specifically, any underwriters may overallocate in connection with the offering, creating a short position for their own accounts. In addition, to cover overallocations or to stabilize the price of the securities or of any such other securities, the underwriters may bid for, and purchase, the securities or any such other securities in the open market. Finally, in any offering of the securities through a syndicate of underwriters, the underwriting syndicate may reclaim selling concessions allowed to an underwriter or a dealer for distributing the securities in the offering if the syndicate repurchases previously distributed securities in transactions to cover syndicate short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the securities above independent market levels. Any such underwriters are not required to engage in these activities and may end any of these activities at any time.

The securities may be new issues of securities and may have no established trading market. The securities may or may not be listed on a national securities exchange. We can make no assurance as to the liquidity of or the existence of trading markets for any of the securities.

## Table of Contents

### Legal Matters

Certain legal matters with respect to the validity of the issuance of the securities offered us in this offering will be passed upon for us by Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts. As of the date of this prospectus supplements, a member of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. owns 16.25 common units in HealthpointCapital, LLC, which has an ownership interest in HGP, LLC and HGP II, LLC, which are general partners of HealthpointCapital Partners, L.P. and HealthpointCapital Partners II, L.P., respectively. HealthpointCapital, LLC and its affiliates hold approximately 55.4% of our voting shares.

### Experts

The consolidated financial statements of Alphatec Holdings, Inc. appearing in Alphatec Holdings, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2009 (including the schedule appearing therein), and the effectiveness of Alphatec Holdings, Inc.'s internal control over financial reporting as of December 31, 2009, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The financial statements of Scient x S.A. as of and for the years ended December 31, 2009 and 2008 incorporated in this registration statement by reference have been audited by Deloitte & Associates, independent registered public accounting firm, as stated in their reports which are incorporated herein by reference. Such financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

### Where You Can Find More Information

We are a reporting company and file annual, quarterly and current reports, proxy statements and other information with the SEC. We have filed with the SEC a registration statement on Form S-3 under the Securities Act with respect to the securities offered under this prospectus. This prospectus does not contain all of the information set forth in the registration statement and the exhibits to the registration statement. For further information with respect to us and the securities offered under this prospectus, we refer you to the registration statement and the exhibits and schedules filed as a part of the registration statement. You may read and copy the registration statement, as well as our reports, proxy statements and other information filed 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 more information about the operation of the public reference room. Our SEC filings are also available at the SEC's Web site at <http://www.sec.gov>.

**Table of Contents**

**Incorporation by Reference**

The SEC allows us to incorporate by reference information that we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. Information in this prospectus supersedes information incorporated by reference that we filed with the SEC prior to the date of this prospectus, while information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference into this registration statement and prospectus 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 Exchange Act after the date of the initial registration statement but prior to effectiveness of the registration statement and after the date of this prospectus but prior to the termination of the offering of the securities covered by this prospectus (other than current reports or portions thereof furnished under Item 2.02 or Item 7.01 of Form 8-K or portions of other documents not deemed to be filed):

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, as filed on March 2, 2010 and amended on April 2, 2010 and April 8, 2010 (File No. 000-52024);

Our Current Reports on Form 8-K filed on February 10, 2010, February 10, 2010, March 22, 2010, March 31, 2010 and April 1, 2010 (File No. 000-52024);

The description of our common stock contained in our Registration Statement on Form 8-A filed pursuant to Section 12(b) of the Exchange Act as filed with SEC on May 26, 2006, including any subsequent amendments or reports filed for the purpose of updating such description.

We will provide to each person, including any beneficial owner, to whom a prospectus is delivered, without charge upon written or oral request, a copy of any or all of the documents that are incorporated by reference into this prospectus but not delivered with the prospectus, including exhibits that are specifically incorporated by reference into such documents. Requests should be directed to:

Alphatec Holdings, Inc.

5818 El Camino Real

Carlsbad, California 92008

(760) 431-9286

Attn: Corporate Secretary