

Cardo Medical, Inc.
Form 10-K/A
March 17, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A
AMENDMENT NO. 2

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 2008

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 0-21419

CARDO MEDICAL, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

23-2753988

(State or Other Jurisdiction of
Incorporation or Organization)

(IRS Employer
Identification No.)

8899 Beverly Boulevard
Suite 619
Los Angeles, California

90048

(Address of Principal Executive Offices)

(Zip Code)

Registrant's Telephone Number, Including Area Code **(310) 274-2036**

Securities registered under Section 12(b) of the Exchange Act: None

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Securities registered under Section 12(g) of the Exchange Act: Common Stock, par value \$0.001 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes

No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes

No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes

No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes

No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter.

\$11,023,368

The Registrant had 203,360,222 shares of common stock, par value \$.001, outstanding as of September 19, 2008.

EXPLANATORY NOTE

Cardo Medical, Inc. (the "Company," "we," "us," "our" or "Cardo") is filing this Amendment No. 2 to its Annual Report on Form 10-K for the year ended June 30, 2008, filed with the Securities and Exchange Commission (the

"SEC") on September 29, 2008 (the "Original Filing") and amended by Amendment No. 1 on Form 10-K filed with the SEC on February 2, 2009, to respond to a comment letter issued by the Staff of the SEC. This Form 10-K/A continues to speak as of the date of the Original Filing, September 29, 2008. As reported herein, clickNsettle.com, Inc. merged with Cardo on August 29, 2008. Our post-merger officers and directors are filing and certifying this Amendment.

Item 9A(T). CONTROLS AND PROCEDURES.

Evaluation of disclosure controls and procedures.

Disclosure controls and procedures mean the methods designed to ensure that information that the Company is required to disclose in the reports that it files with the Securities and Exchange Commission is recorded, processed, summarized and reported within the time periods required. Our controls and procedures are designed to ensure that all information required to be disclosed is accumulated and communicated to our management to allow timely decisions regarding disclosure.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as of June 30, 2008. Based upon this evaluation and solely because of our failure to file the required Management's Annual Report on Internal Control over Financial Reporting ("Report of Management") in our Annual Report on Form 10-K when it was originally filed on September 29, 2008, management concluded that the Company's disclosure controls and procedures were not effective in timely alerting management to material information related to the Company that is required to be included in our periodic filings and the Securities and Exchange Commission.

We have remedied this failure in the effectiveness of our disclosure controls and procedures by filing the required Report of Management in this amendment to our Annual Report on Form 10-K.

Management's report on internal control over financial reporting.

Our controls and procedures are designed to provide reasonable assurance of the reliability of our financial reporting and accurate recording of our financial transactions. Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision and with the participation of our management, including the principal executive officer and the principal financial officer, our management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of June 30, 2008 as required by the Securities Exchange Act of 1934 Rule 13a-15(c). Our management assessed the risks associated with the reliability of our financial reporting by identifying the risks that could result in a misstatement in our financial statements. In making this assessment, our management used the criteria set forth in the framework in "Internal Control-Integrated framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. No material weaknesses in our internal control over financial reporting were identified, and our principal executive officer and principal financial officer concluded that the Company has controls in place that address our financial reporting risks and that such controls operated effectively as of June 30, 2008.

This Annual Report on Form 10-K does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

Changes in internal control over financial reporting.

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Based on an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, there has been no change in our internal control over financial reporting during our last fiscal quarter identified in connection with that evaluation that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

A control system, however well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. There are inherent limitations in all control systems, and no evaluation of controls can provide absolute assurance that all control gaps or instances of fraud have been detected. These inherent limitations include the realities that the judgments in decision-making can be faulty, and that simple errors or mistakes can occur.

Cardo Medical's pre-merger disclosure controls and procedures and internal control over financial reporting.

Prior to the merger of CKST and Cardo, Cardo identified material weaknesses in its disclosure controls and procedures and its internal control over financial reporting as of December 31, 2007 and, accordingly, concluded that its disclosure controls and procedures and internal control over

financial reporting were not effective as of that date. Cardo has reported these weaknesses and its efforts to mitigate and remediate these weaknesses in its filings with the SEC.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Exhibit No.	Document
2.1 ⁽¹⁾	Merger Agreement and Plan of Reorganization, dated as of June 18, 2008, by and among clickNsettle.com, Inc., Cardo Medical, LLC and Cardo Acquisition, LLC
2.2 ⁽²⁾	First Amendment to Merger Agreement and Plan of Reorganization, dated as of August 29, 2008, by and among clickNsettle.com, Inc., Cardo Medical, LLC and Cardo Acquisition, LLC
3.1 ⁽³⁾	Amended and Restated Certificate of Incorporation
3.2 ⁽⁴⁾	Amended and Restated Bylaws
10.6 ⁽⁵⁾	Stock Purchase Agreement, dated as of December 19, 2007, by and among clickNsettle.com, Inc., Frost Gamma Investments Trust, Dr. Jane Hsiao, Steven D. Rubin and Subbarao Uppaluri
10.7 ⁽⁴⁾	First Amendment to Stock Purchase Agreement, dated as of January 31, 2008, by and among clickNsettle.com, Inc., Frost Gamma Investments Trust, Dr. Jane Hsiao, Steven D. Rubin and Subbarao Uppaluri
21.1 ⁽²⁾	Subsidiaries of clickNsettle.com, Inc.
31.1	Certification of Chief Executive Officer
31.2	Certification of Chief Financial Officer
32	Certification Pursuant to Rule 13a-14(b) and Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Title 18, United States Code)

(1) Previously filed as an exhibit to the Current Report on Form 8-K filed by us on June 23, 2008.

(2) Previously filed as an exhibit to the Current Report on Form 8-K filed by us on September 9, 2008.

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- (3) Previously filed as an exhibit to the Current Report on Form 8-K filed by us on March 18, 2008.
- (4) Previously filed as an exhibit to the Current Report on Form 8-K filed by us on February 1, 2008.
- (5) Previously filed as an exhibit to the Current Report on Form 8-K filed by us on December 21, 2007.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Amendment on Form 10-K/A to be signed on its behalf by the undersigned, thereunto duly authorized.

	CARDO MEDICAL, INC.
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Dated: March 16, 2009

/s/ Andrew Brooks

Andrew Brooks

Chief Executive Officer

Dated: March 16, 2009

/s/ Derrick Romine

Derrick Romine

Chief Financial Officer