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Form 8-K

CardioGenics Holdings Inc. - CGNH

Filed: March 16, 2010 (period: March 15, 2010)

Report of unscheduled material events or corporate changes.

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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the**

Securities Exchange Act of 1934

Date of report (Date of earliest event reported): March 16, 2010 (March 15, 2010)

CardioGenics Holdings Inc.

(Exact Name of Registrant as Specified in its Charter)

Nevada

000-28761

88-0380546

(State or other jurisdiction of
incorporation)

(Commission File Number)

(I.R.S. Employer Identification)

6295 Northam Drive, Unit 8, Mississauga, Ontario, L4V 1W8
(Address of Principal Executive Offices)(Zip Code)
Registrant's telephone number, including area code: 905.673.8501

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 – Entry Into Material Definitive Agreement

On March 15, 2010, Dr. Yahia Gawad, the Company’s Chief Executive Officer and a member of the Company’s board of directors (“ Dr. Gawad ”), CardioGenics Holdings Inc., a Nevada corporation (the “ Company ”), CardioGenics ExchangeCo Inc., an Ontario, Canada corporation and subsidiary of the Company (“ExchangeCo”) and WeirFoulds LLP, as “trustee” under that certain Voting and Exchange Trust Agreement dated July 6, 2009 among the Company, ExchangeCo and Weirfoulds LPP, entered into a lock-up agreement (the “ Lock-Up Agreement ”) pursuant to which Dr. Gawad agreed to lock-up, until March 15, 2014, 150,000,000 shares of the Company’s common stock (the “ Common Shares ”) owned indirectly by Dr. Gawad through his “Exchangeable Shares” in ExchangeCo. The lock-up of Dr. Gawad’s “Exchangeable Shares” (and the 150,000,000 Common Shares into which the Exchangeable Shares are exchangeable) pursuant to the Lock-Up Agreement leaves Dr. Gawad with direct and/or indirect ownership of 31,446,523 Common Shares that are not subject to the Lock-Up Agreement.

The Lock-Up Agreement permits Dr. Gawad to (x) pledge the securities that are subject to the Lock-Up Agreement (the “ Restricted Securities ”) as collateral to secure any loan taken by him in an arms length loan transaction and/or (y) transfer all or any portion of the Restricted Securities to an immediate family member so long as such family member agrees, in a writing acceptable to the Company, to be bound by the terms and conditions of the Lock-Up Agreement.

In addition, in the event of a “Change-in-Control” of the Company during the lock-up period, the Lock-Up Agreement (and the lock-up restrictions thereunder) shall terminate and become of no further force and effect immediately upon the effectiveness of such “Change-in-Control.” For purposes of the Lock-Up Agreement, “Change-in-Control” means (i) any acquisition of more than 50% of the outstanding capital stock of the Company by any unrelated third party (“**Third Party**“); (ii) any merger of the Company into any Third Party; or (iii) any acquisition of substantially all of the assets of the Company by any Third Party.

The foregoing description of the Lock-Up Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Lock-Up Agreement filed as Exhibit 10.1 hereto, which is incorporated herein by reference.

A press release issued by the Company in connection with the Lock-Up Agreement is also included as Exhibit 99.1 hereto.

Item 9.01 Exhibits.

Index to Exhibits

- 10.1 Lock-Up Agreement dated March 15, 2010 among Yahia Gawad, CardioGenics Holdings Inc., CardioGenics ExchangeCo Inc. and Weirfoulds LLP.

- 99.1 Press Release dated March 16, 2010.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CARDIOGENICS HOLDINGS INC.

By: /s/ Yahia Gawad
Name: Yahia Gawad
Title: Chief Executive Officer

Dated: March 16, 2010

LOCK-UP AGREEMENT

THIS LOCK-UP AGREEMENT (this “**Agreement**”) is entered into as of March 15, 2010 among Yahia Gawad (the “**Gawad**”), **CARDIOGENICS HOLDINGS INC.**, a Nevada corporation (the “**Company**”), CardioGenics ExchangeCo Inc., an Ontario corporation (“**ExchangeCo**”) and WeirFoulds LLP, as “trustee”, under the “Trust Agreement described below.

WHEREAS, Gawad holds common stock of CardioGenics ExchangeCo Inc., an Ontario corporation (“**ExchangeCo**”), which is indirectly wholly-owned by the Company, which shares of common stock are exchangeable at any time into shares of the Company’s common stock, par value \$0.00001 (the “**Company Common Stock**”) on a one-for-one basis in accordance with the terms of that certain Voting and Exchange Trust Agreement (the “**Trust Agreement**”) dated July 6, 2009 among JAG Media Holdings, Inc., ExchangeCo and Weirfoulds LPP and that certain Support Agreement (the “**Support Agreement**”) dated July 6, 2009 between JAG Media Holdings, Inc. and ExchangeCo (the “**Exchangeable Shares**”);

WHEREAS, the Company believes it is in the best interests of its stockholders to establish an orderly trading market for shares of the Company Common Stock; and

WHEREAS, the Company and Gawad desire that Gawad refrain from (a) exchanging such number of Exchangeable Shares held by Gawad as are exchangeable into 150,000,000 shares of Company Common Stock (the “**Restricted Exchangeable Shares**”) (the Restricted Exchangeable Shares and the 150,000,000 shares of Company Common Stock into which they are exchangeable are referred to collectively as the “**Restricted Securities**”) and (b) selling the Restricted Securities in order to encourage orderly trading in shares of the Company Common Stock;

NOW THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement, the parties agree as follows:

1. Lock-Up of Securities.

(a) Gawad agrees that he will not (i) exchange any of the Restricted Exchangeable Shares (an “**Exchange**”) prior to March 15, 2014 or (ii) offer to sell, contract to sell, or otherwise sell, dispose of, loan, pledge or grant any rights with respect to (collectively, a “**Disposition**”) the Restricted Securities prior to March 15, 2014; *provided, however*, that nothing herein shall prevent Gawad from (x) pledging the Restricted Securities as collateral to secure any loan taken by Gawad in an arms length loan transaction or (y) transferring all or any portion of the Restricted Securities to an immediate family member so long as such family member agrees, in a writing acceptable to the Company, to be bound by the terms and conditions of this Agreement.

(b) The foregoing restriction is expressly intended to preclude Gawad from engaging in any hedging or other transaction which is designed to or reasonably expected to lead to or result in an Exchange or Disposition of Restricted Securities during the lock-up period, even if the Restricted Securities would be disposed of by someone other than Gawad. Such prohibited hedging or other transactions include any short sale or any purchase, sale or grant of any right with respect to any Restricted Securities or with respect to any security that includes, relates to or derives any significant part or its value from the Restricted Securities.

(c) Notwithstanding anything to the contrary in the Trust Agreement or the Support Agreement, Gawad hereby authorizes ExchangeCo and Weirfoulds to take all action deemed by them, in their sole discretion, to be necessary or appropriate to enforce the lock-up provisions of this Agreement and agree and consent to (i) the entry of stop transfer instructions with the Company's transfer agent and registrar against the exchange or transfer of the Restricted Securities except in compliance with this Section 1 (Lock-Up of Securities) and (b) instructions being given to the appropriate officer or agent of ExchangeCo and the "trustee" under the Trust Agreement prohibiting them from effectuating any Exchange except in compliance with this Section 1 (Lock-Up of Securities).

(d) In the event of a "Change-in-Control" of the Company during the lock-up period, this Agreement and the lock-up restrictions hereunder shall terminate and become of no further force and effect immediately upon the effectiveness of such "Change-in-Control." For purposes of this Agreement, "Change-in-Control" shall mean (i) any acquisition of more than 50% of the outstanding capital stock of the Company by any unrelated third party ("**Third Party**"); (ii) any merger of the Company into any Third Party; or (iii) any acquisition of substantially all of the assets of the Company by any Third Party.

2. Actions by ExchangeCo and Weirfoulds.

(a) Notwithstanding anything to the contrary in the Trust Agreement, WeirFoulds agrees that it will not take any actions, as trustee under the Trust Agreement, to effectuate an Exchange or Disposition of the Restricted Securities except in compliance with this Section 1 (Lock-Up of Securities).

(a) Notwithstanding anything to the contrary in the Trust Agreement or the Support Agreement, ExchangeCo agrees that it will not take any actions to effectuate an Exchange or Disposition of the Restricted Securities except in compliance with this Section 1 (Lock-Up of Securities).

3. Attorney's Fees.

If any action at law or in equity (including arbitration) is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled as determined by such court, equity or arbitration proceeding.

4. General.

4.1 **Governing Law.** This Agreement will be construed in accordance with and governed by the laws of the Province of Ontario, Canada, without giving effect to the conflict of law principles of such province.

4.2 Successors and Assigns. Except as otherwise expressly provided in this Agreement, this Agreement will be binding on, and will inure to the benefit of, the successors and permitted assigns of the parties to this Agreement. Nothing in this Agreement is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights or obligations under or by reason of this Agreement, except as expressly provided in this Agreement.

4.3 Notices. All notices and other communications required or permitted hereunder will be in writing and will be delivered by hand or sent by overnight courier, fax or e-mail to:

if to the Company:

CardioGenics Holdings Inc.
6295 Northam Drive
Mississauga, Ontario L4V 1W8
Fax: 1.905.673.9865
E-Mail: ygawad@cardiogenics.com
Attention: Dr. Yahia Gawad, CE

if to ExchangeCo:

CardioGenics ExchangeCo Inc.
6295 Northam Drive
Mississauga, Ontario L4V 1W8
Fax: 1.905.673.9865
E-Mail: lsterling@cardiogenics.com
Attention: Linda J. Sterling, Corporate Secretary

if to WeirFoulds:

WeirFoulds LLP
1600-130 King Street West
The Exchange Tower
Toronto, Ontario M5X 1J5
Fax: 1.416.365.1876
E-Mail: bv@weirfoulds.com
Attention: Binh Vu, Partner

if to Gawad:

c/o CardioGenics Inc.
6295 Northam Drive
Mississauga, Ontario L4V 1W8
Fax: 1.905.673.9865
E-Mail: ygawad@cardiogenics.com
Attention: Dr. Yahia Gawad

Each party may furnish an address substituting for the address given above by giving notice to the other parties in the manner prescribed by this Section 3.3 . All notices and other communications will be deemed to have been given upon actual receipt by (or tender to and rejection by) the intended recipient or any other person at the specified address of the intended recipient.

4.4 Severability. In the event that any provision of this Agreement is held to be unenforceable under applicable law, this Agreement will continue in full force and effect without such provision and will be enforceable in accordance with its terms.

4.5 Construction. The titles of the sections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless the context of this Agreement clearly requires otherwise: (a) references to the plural include the singular, the singular the plural, and the part the whole, (b) references to one gender include all genders, (c) “or” has the inclusive meaning frequently identified with the phrase “and/or,” (d) “including” has the inclusive meaning frequently identified with the phrase “including but not limited to” or “including without limitation,” and (e) references to “hereunder,” “herein” or “hereof” relate to this Agreement as a whole. Any reference in this Agreement to any statute, rule, regulation or agreement, including this Agreement, shall be deemed to include such statute, rule, regulation or agreement as it may be modified, varied, amended or supplemented from time to time.

4.6 Entire Agreement. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter of this Agreement and supersedes all prior or contemporaneous agreements and understandings other than this Agreement relating to the subject matter hereof.

4.7 Amendment and Waiver. This Agreement may be amended only by a written agreement executed by the parties hereto. No provision of this Agreement may be waived except by a written document executed by the party entitled to the benefits of the provision. No waiver of a provision will be deemed to be or will constitute a waiver of any other provision of this Agreement. A waiver will be effective only in the specific instance and for the purpose for which it was given, and will not constitute a continuing waiver.

4.8 Counterparts. This Agreement may be in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one instrument.

CardioGenics Announces Lock-Up Agreement with Dr. Yahia Gawad

Chief Executive Officer of CardioGenics Locks-Up 150,000,000 shares until March 15, 2014

Mississauga, Ontario – March 16, 2010 — CardioGenics Holdings Inc. (OTC BB: CGNH), a developer of technology and products targeting the Point-Of-Care (POC) segment of the IVD market announced today that the Company has entered into a lock-up agreement with its chief executive officer, Dr. Yahia Gawad, pursuant to which Dr. Gawad has agreed to lock-up 150,000,000 million shares of the Company’s common stock held indirectly by Dr. Gawad through “Exchangeable Shares“ in the Company’s wholly-owned Ontario, Canada subsidiary, CardioGenics ExchangeCo Inc. (“ExchangeCo”). ExchangeCo and WeirFoulds LLP, as “trustee” under that certain Voting and Exchange Trust Agreement dated July 6, 2009 among the Company, ExchangeCo and Weirfoulds LPP, are also parties to the lock-up agreement.

Pursuant to the terms of the lock-up agreement, the Exchangeable Shares (which are exchangeable into 150,000,000 shares of common stock) and the underlying 150,000,000 shares of common stock, may not be exchanged or sold by Dr. Gawad prior to March 15, 2014 (the “Restricted Securities”).

Notwithstanding the lock-up provisions, Dr. Gawad is permitted under the lock-up agreement to (1) pledge the Restricted Securities as collateral in a loan transaction involving Dr. Gawad and (2) transfer the Restricted Securities to a member of Dr. Gawad’s immediate family, provided such family member agrees, in writing, to be bound by the terms of the lock-up agreement.

In addition, in the event of a “Change-in-Control” of the Company during the lock-up period, the lock-up agreement shall terminate and become of no further force and effect immediately upon the effectiveness of such “Change-in-Control.” For purposes of the lock-up agreement, “Change-in-Control” means (i) any acquisition of more than 50% of the outstanding capital stock of the Company by any unrelated third party (“Third Party “); (ii) any merger of the Company into any Third Party; or (iii) any acquisition of substantially all of the assets of the Company by any Third Party.

Dr. Yahia Gawad, CEO of CardioGenics Holdings Inc., stated “Given the significant progress we have made towards commercialization of our proprietary paramagnetic beads and our QL Care Analyzer and Troponin I cardiovascular test, I felt that this would be a good time to send a clear message to our stockholders and potential investors as to how optimistic I am about the Company’s long-term and short-term prospects. In this regard, I don’t think that there is a better way of sending such a message than the lock-up agreement which I proposed to, and entered into with, the Company.”

The Company will also be filing a Current Report on Form 8-K with further details regarding Dr. Gawad's lock-up agreement.

About CardioGenics Holdings Inc.

Through its CardioGenics subsidiaries, the Company develops technology and products targeting the immunoassay segment of the In-Vitro Diagnostic testing market. It has developed the QL Care Analyzer, a proprietary Point Of Care immuno-analyzer, which will run a number of diagnostic tests under development, the first of which will be a series of cardiovascular diagnostic tests. As part of its core proprietary technology, the Company has also developed a proprietary method for silver coating paramagnetic microspheres (a fundamental platform component of immunoassay equipment), which improve instrument sensitivity to light. The Company's principal offices are located in Mississauga, Ontario, Canada (web address at www.cardiogenics.com).

Safe Harbor Statement - Certain statements made herein that are not historical are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995 and may contain forward-looking statements, with words such as "Anticipate," "believe," "expect," "future," "may," "will," "should," "plan," "projected," "intend," and similar expressions to identify forward-looking statements. These statements are based on the Company's beliefs and the assumptions it made using information currently available to it. Because these statements reflect the Company's current views concerning future events, these statements involve risks, uncertainties and assumptions. The actual results could differ materially from the results discussed in the forward-looking statements. In any event, undue reliance should not be placed on any forward-looking statements, which apply only as of the date of this press release. Accordingly, reference should be made to the Company's periodic filings with the Securities and Exchange Commission.

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