

CRDENTIA CORP
Form 424B3
July 09, 2007
PROSPECTUS SUPPLEMENT
(To Prospectus Dated April 4, 2007)

Filed Pursuant to Rule 424(b)(3)
Registration File No. 333-131603

1,511,073 Shares

Common Stock

This Prospectus Supplement No. 2 supplements our Prospectus dated April 4, 2007 (which was contained in our Registration Statement on Form S-1 (File No. 333-131603)) with the following attached documents:

- A Current Report on Form 8-K dated May 24, 2007;
- B Current Report on Form 8-K dated June 25, 2007;
- C Current Report on Form 8-K dated June 30, 2007;

The attached information modifies and supersedes, in part, the information in the Prospectus. This Prospectus Supplement No. 2 should be read in conjunction with the Prospectus, as previously supplemented, which is required to be delivered with this Prospectus Supplement.

Our common stock is quoted on the OTC Bulletin Board under the symbol CRDT. On July 6, 2007 the last reported sale price of our common stock on the OTC Bulletin Board was \$0.50 per share.

Investing in our common stock involves risks. See Risk Factors beginning on page 7 of our Annual Report on Form 10-K for the year ended December 31, 2006, which is incorporated by reference into the Prospectus, before deciding to invest in our common stock.

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 No. 2 is July 6, 2007

INDEX TO FILINGS

Annex

Current Report on Form 8-K dated May 24, 2007
Current Report on Form 8-K dated June 25, 2007
Current Report on Form 8-K dated June 30, 2007

A
B
C

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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): **May 24, 2007**

CRDENTIA CORP.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation)

000-31152
(Commission
File Number)
5001 LBJ Freeway, Suite 850

76-0585701
(I.R.S. Employer
Identification Number)

Dallas, Texas 75244

(Address of Principal Executive Offices) (Zip Code)

(972) 850-0780

(Registrant's telephone number, including area code)

(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):

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On May 24, 2007, Crdentia Corp. (the Company) entered into and completed an eighth closing of a private placement pursuant to a Securities Purchase Agreement, as amended (the Securities Purchase Agreement), and Registration Rights Agreement, as amended (the Registration Rights Agreement), for 166,666 shares at a price of \$0.60 per share, with aggregate proceeds of \$100,000. The Securities Purchase Agreement and Registration Rights Agreement were amended as of February 22, 2007 to allow for multiple closings through March 15, 2007, on March 6, 2007 to allow for multiple closings through April 6, 2007, on April 5, 2007 to allow for multiple closings through April 30, 2007 and again on May 3, 2007 to allow for multiple closings through May 25, 2007. The Board of Directors of the Company has authorized the sale of up to \$5,000,000 in common stock in all closings of the private placement. As previously reported on the Current Reports on Form 8-K filed on January 29, 2007, February 8, 2007, March 6, 2007, March 30, 2007, April 18, 2007, April 30, 2007 and May 9, 2007, the initial closing under the Securities Purchase Agreement occurred on January 25, 2007, a second closing occurred on February 7, 2007, a third closing occurred on March 2, 2007, a fourth closing occurred on March 28, 2007, a fifth closing occurred on April 12, 2007, a sixth closing occurred on April 26, 2007 and a seventh closing occurred on May 8, 2007. All shares have been and will be issued in a private placement transaction pursuant to Section 4(2) of the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder. Pursuant to the terms of the Registration Rights Agreement, the Company has agreed to cause a resale registration statement covering the shares to be filed within 30 days of May 25, 2007.

MedCap Partners L.P. invested \$100,000 in the eighth closing of the private placement for 166,666 shares of common stock. C. Fred Toney, Chairman of the Company's Board of Directors, is the Managing Member of MedCap Management & Research LLC, which is the general partner of MedCap Partners L.P. Mr. Toney abstained from the vote of the Company's board of directors in favor of the private placement.

The foregoing descriptions of the transaction documents do not purport to be complete and are qualified in their entirety by the Securities Purchase Agreement and the Registration Rights Agreement filed as Exhibit 10.1 and Exhibit 10.2, respectively, to the Company's Current Report on Form 8-K filed on January 29, 2007, which are incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities

The information set forth under Item 1.01 of this Current Report on Form 8-K is hereby incorporated by reference into this Item 3.02.

SIGNATURES

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.

CRDENTIA CORP.

May 24, 2007

By: */s/ James J. TerBeest*
James J. TerBeest
Chief Financial Officer

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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): **June 25, 2007**

CRDENTIA CORP.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation)

000-31152
(Commission
File Number)

76-0585701
(I.R.S. Employer
Identification Number)

5001 LBJ Freeway, Suite 850

Dallas, Texas 75244

(Address of Principal Executive Offices) (Zip Code)

(972) 850-0780

(Registrant's telephone number, including area code)

(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):

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On June 25, 2007, Crdentia Corp. (the Company) entered into a Services Agreement (the Services Agreement) with AudioStocks, Inc. (AudioStocks) whereby AudioStocks will provide investment services, web based shareholder communications and public relations services for the Company in exchange for (i) \$80,000 (ii) 1,247,500 restricted shares of the Company's common stock and (iii) a Common Stock Purchase Warrant to purchase up to 1,000,000 shares of the Company's common stock at a purchase price of \$0.60 per share (collectively, the Compensation). The terms of the Services Agreement require the Company to register the shares of common stock that make up a part of the Compensation in its next permissible registration statement. The term of the Services Agreement runs through June 24, 2008.

The foregoing descriptions of the documents related to the Services Agreement do not purport to be complete and are qualified in their entirety by the Services Agreement and the Common Stock Purchase Warrant attached as Exhibit 10.1 and Exhibit 10.2, respectively, to this Current Report on Form 8-K, which are incorporated herein by reference.

On June 25, 2007, the Company entered into and completed a ninth closing of a private placement pursuant to a Securities Purchase Agreement, as amended (the Securities Purchase Agreement), and Registration Rights Agreement, as amended (the Registration Rights Agreement), for 500,000 shares at a price of \$0.60 per share, with aggregate proceeds of \$300,000. The Board of Directors of the Company has authorized the sale of up to \$5,000,000 in common stock in all closings of the private placement. As previously reported on the Current Reports on Form 8-K filed on January 29, 2007, February 8, 2007, March 6, 2007, March 30, 2007, April 18, 2007, April 30, 2007, May 9, 2007 and May 25, 2007, the initial closing under the Securities Purchase Agreement occurred on January 25, 2007, a second closing occurred on February 7, 2007, a third closing occurred on March 2, 2007, a fourth closing occurred on March 28, 2007, a fifth closing occurred on April 12, 2007, a sixth closing occurred on April 26, 2007, a seventh closing occurred on May 8, 2007 and an eighth closing occurred on May 24, 2007. All shares have been and will be issued in a private placement transaction pursuant to Section 4(2) of the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder. Pursuant to the terms of the Registration Rights Agreement, the Company has agreed to cause a resale registration statement covering the shares to be filed within 30 days of the final closing of the private placement.

MedCap Partners L.P. invested \$210,000 in the ninth closing of the private placement for 350,000 shares of common stock. MedCap Master Fund L.P. invested \$90,000 in the ninth closing of the private placement for 150,000 shares of common stock. C. Fred Toney, Chairman of the Company's Board of Directors, is the Managing Member of MedCap Management & Research LLC, which is the general partner of MedCap Partners L.P. and MedCap Master Fund L.P. Mr. Toney abstained from the vote of the Company's board of directors in favor of the private placement.

The foregoing descriptions of the private placement documents do not purport to be complete and are qualified in their entirety by the Securities Purchase Agreement and the Registration Rights Agreement filed as Exhibit 10.1 and Exhibit 10.2, respectively, to the Company's Current Report on Form 8-K filed on January 29, 2007, which are incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities

The information set forth under Item 1.01 of this Current Report on Form 8-K is hereby incorporated by reference into this Item 3.02.

Item 9.01 Financial Statements and Exhibits

(d) *Exhibits*

Exhibit	Description
10.1	Services Agreement, by and between the Company and AudioStocks, dated as of June 25, 2007.
10.2	Warrant to Purchase Common Stock of the Company, dated as of June 25, 2007

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SIGNATURES

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.

CRDENTIA CORP.

June 28, 2007

By:

/s/ James J. TerBeest
James J. TerBeest
Chief Financial Officer

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EXHIBIT INDEX

Exhibit	Description
10.1	Services Agreement, by and between the Company and AudioStocks, dated as of June 25, 2007.
10.2	Warrant to Purchase Common Stock of the Company, dated as of June 25, 2007

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AudioStocks, Inc. Agreement

June 25, 2007

SERVICES AGREEMENT

This agreement (the Agreement) is entered into on June 25, 2007 in order to induce AudioStocks, Inc., a Delaware corporation, whose corporate address is 2038 Corte del Nogal, Suite 110, Carlsbad, California 92011 (AudioStocks, Inc.), to perform substantially all of the following services (hereinafter Services) for Crdentia Corp., a Delaware corporation, whose corporate address is 5001 LBJ Freeway, Suite 850, Dallas, Texas 75244 (Participant).

A. Services. During the Term (as defined below) of this Agreement, AudioStocks, Inc. shall endeavor to provide the following services (the Services). AudioStocks, Inc. shall commence performance of services (Commence Performance) by taking any one of the following actions:

- Participant will be introduced to AudioStocks, Inc.'s broker dealer, market maker, investment bank and institutional relationships.
- AudioStocks may contract, manage and coordinate with additional firms in an effort to maximize shareholder development and market awareness and deliver the services through multiple marketing channels.
- An independent Certified Financial Analyst will prepare a research report.
- A feature placement on the www.AudioStocks.com website.
- Interviewing key executives one-on-one by an AudioStocks, Inc. financial reporter. A press release shall be approved and issued by the Participant over the major news and financial newswires directing investors to the Participant's section of the AudioStocks.com website which will list a brief profile, key products and services that Participant offers, and have all of the latest Participant press releases.
- Up to twelve (12) AudioNews interviews.
- Direct e-mail to targeted opt-in interest-based groups.
- Daily access to a personal shareholder communications manager.
- A corporate fact sheet will be distributed via e-mail to AudioStocks.com opt-in users.
- Posting of Participant corporate documents on the AudioStocks website.
- Posting of Participant logo, executive photographs and biographies.
- AudioStocks, Inc. shall provide Participant with a confidential electronic link, enabling Participant to track visitors to the AudioStocks.com website. AudioStocks, Inc. will track the number of people that have visited Participant's company link, the specific titles of and numbers of press releases that have been accessed, and the number of people that have requested information about Participant.

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- We will assign a member of the AudioStocks team to act as the Participant's shareholder communications account executive. The account executive will be in charge of managing the day-to-day aspects of the AudioStocks strategy, including receiving telephone inquiries about Participant and following up with those parties that have made inquiries.

AudioStocks, Inc.

Participant

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B. Consideration. In consideration of AudioStocks, Inc. providing the aforementioned Services, within 5 business days of the execution of this Agreement, Participant shall tender payment(s) (hereinafter referred to as Compensation) as follows:

(1) **Cash Payment.** The Participant shall cause to be delivered to AudioStocks, Inc. \$80,000 in cash payments as follows:

(a) **Cash Payment One.** \$40,000 upon execution of the Agreement.

(b) **Cash Payment Two.** \$40,000 by or before August 25, 2007.

(2) **Restricted Common Stock.** The Participant shall cause to be delivered to AudioStocks, Inc., 1,247,500 shares of the Participant's restricted common stock (the Restricted Stock) as follows:

(a) **Restricted Payment One.** 975,000 shares upon execution of the Agreement.

(b) **Restricted Payment Two.** 272,500 shares by or before August 25, 2007.

(3) **Common Stock Purchase Warrants.** The Participant shall cause to be delivered to AudioStocks, Inc., Common Stock Purchase Warrants (the Warrants attached hereto as **Exhibit A**) to purchase up to 1,000,000 shares of the Participant's common stock at a purchase price of \$0.60 per share.

C. Term of the Agreement. This Agreement shall commence on the date first set forth above and shall terminate 365 days thereafter (the Term). Participant may terminate this Agreement with thirty (30) days notice for any reason. In the event of a material breach of this Agreement by AudioStocks, Inc., Participant shall provide AudioStocks, Inc. with notice of the material breach. AudioStocks, Inc. shall have ten (10) days from such notice to cure the material breach. Participant may terminate this Agreement immediately if such breach remains uncured after the expiration of such ten (10) day period.

D. Compensation Terms. Once Compensation has been issued and tendered (and physically received by AudioStocks, Inc.), such Compensation shall be irrevocable and considered earned, due and payable to AudioStocks, Inc., without any security interests, liens, claims or other encumbrances. AudioStocks, Inc. does not offer any refunds after ten (10) days subsequent to AudioStocks, Inc. commencing performance as defined in this Agreement. Any Compensation, including any securities issued pursuant to this Agreement, shall be freely assignable by AudioStocks, Inc. Any dispute arising in connection with this Agreement shall be resolved by litigation filed in Superior Court in the County of San Diego, State of California. Any such litigation shall be adjudicated in accordance with the laws of the State of California ***in a bench trial before a judge.*** **Both AudioStocks, Inc. and Participant expressly waive their right to a jury trial.**

E. Performance of Services. AudioStocks, Inc. shall, to the best of its ability, render the Services in a timely and professional manner consistent with industry standards and the terms of this Agreement by the completion dates set forth in writing and mutually and reasonably agreed to by the Parties hereof. AudioStocks, Inc. agrees that during the term of this Agreement it will not accept work from a

AudioStocks, Inc.

Participant

direct competitor of Participant. AudioStocks, Inc.'s relationship with the Participant shall be that of an independent contractor and nothing in this Agreement shall be construed to create a partnership, joint venture, agency or employer-employee relationship between the parties. AudioStocks, Inc. is not the agent of Participant and is not authorized and shall not have any authority to make any representation, contract or commitment on behalf of Participant, or otherwise bind Participant in any respect whatsoever. Participant acknowledges and understands that the majority of the services AudioStocks, Inc. will provide pursuant to the Agreement will be performed within the first sixty days of the term of the Agreement.

F. Outside Consultants. From time to time, the Participant may require AudioStocks, Inc. to provide introductions to outside third party consultants, broker dealers, market makers, investment banks and institutional relationships. AudioStocks, Inc. shall provide the Participant with introductions and offer insight; however, Participant acknowledges that the ultimate responsibility of any such relationships shall remain with the Participant and the third parties. Participant acknowledges and understands that AudioStocks, Inc. assumes no responsibility or liability for any actions of a third party consultant for which AudioStocks, Inc. provides an introduction.

G. Investment Representations. AudioStocks, Inc. is an experienced investor in securities of companies in the development stage and acknowledges that it is able to fend for itself, can bear the economic risk of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Participant's shares. AudioStocks, Inc. acknowledges that any investment in the Participant's shares involves a high degree of risk, and represents that it is able, without materially impairing its financial condition, to hold the Participant's shares for an indefinite period of time and to suffer a complete loss of its investment.

AudioStocks, Inc. is an accredited investor within the meaning of United States Securities and Exchange Commission (SEC) Rule 501 of Regulation D, as presently in effect.

AudioStocks, Inc. understands that the Participant shares it is receiving hereunder are characterized as restricted securities under the federal securities laws inasmuch as they are being acquired from the Participant in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the United States Securities Act of 1933, as amended (the Act) only in certain limited circumstances. In this connection, AudioStocks, Inc. represents that it is familiar with SEC Rule 144, as presently in effect, and understands the resale limitations imposed thereby and by the Act. AudioStocks, Inc. understands that the Participant shares it is receiving hereunder have not been registered under the Act and have not been registered or qualified in any state in which they are offered, and thus AudioStocks, Inc. will not be able to resell or otherwise transfer its Participant shares unless they are registered under the Act and registered or qualified under applicable state securities laws, or an exemption from such registration or qualification is available.

It is understood that the certificates evidencing the Participant shares may bear one or all of the following legends:

(a) THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION

AudioStocks, Inc.

Participant

STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE PARTICIPANT THAT SUCH REGISTRATION IS NOT REQUIRED OR UNLESS SOLD PURSUANT TO RULE 144 OF SUCH ACT.

(b) Any legend required by applicable state securities laws.

H. Confidentiality. In the event that Participant discloses material non-public information to AudioStocks, Inc., AudioStocks, Inc. shall keep in confidence and shall not, without the Participant's consent, disclose to any person (except its own counsel and other advisors or as such counsel has advised is required by applicable law) any material non-public information furnished by the Participant to AudioStocks, Inc. AudioStocks, Inc. and its employees shall not buy or sell shares of the Participant's common stock (or derivatives thereof) in the public markets at any time AudioStocks, Inc. or any of its employees is in possession of any material non-public information of the Participant.

I. Compliance with Law. AudioStocks, Inc. shall comply with all applicable federal, state, county, and local laws, ordinances, rules regulations, and codes in the performance of its services hereunder (including the procurement of any necessary permits and licenses) and AudioStocks, Inc. shall indemnify and hold the Participant harmless from any and all liability, expenses or claims arising from the violation by AudioStocks, Inc. of any such laws, ordinances, rules regulations and codes.

J. Registration Rights. All Compensation, including the Restricted Stock and Warrants, tendered to AudioStocks, Inc. or its principals or agents pursuant to this Agreement shall be registered in the next legally permissible registration statement filed by the Participant. Participant shall pay for all costs and fees associated with the registration of any AudioStocks, Inc. Compensation, including the Restricted Stock and Warrants, held by AudioStocks, Inc. or its affiliates, assignees and agents.

K. Necessary Acts. Each party to this Agreement agrees to perform any additional acts that are reasonably necessary to carry out the provisions of this Agreement.

L. Transfer Agent Instructions. Participant shall execute the attached transfer agent instruction letter (attached as *Exhibit B*) instructing the subsequent split of any certificates issued to Audiostocks, Inc. as Compensation under this Agreement.

M. Covenant to Issue Opinion Letter. On demand and at no cost to Audiostocks, Participant hereby agrees to order and deliver to Audiostocks, Inc., any opinion letter related to the sale of restricted stock pursuant to the provisions of Rule 144 of the Securities Act of 1933.

N. Covenant Not to Stop or Delay Transfer. Participant hereby covenants and promises that it shall not issue a stop transfer order on any securities issued pursuant to this Agreement, and that it shall not otherwise impede, delay or commence any action that would delay the transfer or the ultimate sale, resale or delivery of any common shares, including restricted common shares, underlying the Compensation.

O. Costs. Participant agrees to pay to AudioStocks, Inc., in addition to the Compensation described in Section B herein, all costs and expenses incurred in performing services described in this Agreement. Such costs and expenses may include, without limitation, telephone, messenger, delivery,

AudioStocks, Inc.

Participant

postage, computer research, travel related expenses such as parking, airfare, meals, and hotel, photocopying and other such reproduction charges and other similar items. Audiostocks, Inc. shall be obligated to confer with the Participant prior to any expenditure in excess of \$1000.00 in the aggregate.

P. Execution of the Agreement. AudioStocks, Inc. and the party executing this Agreement on behalf of the Participant represent and warrant that they have the requisite corporate power and authority to enter into and carry out the terms and conditions of this Agreement, as well as all transactions contemplated herein. All lawfully required corporate proceedings have been taken and all corporate authorizations and approvals have been secured which are necessary to authorize the execution, delivery and performance by Participant and of this Agreement. This Agreement has been duly and validly executed and delivered by Participant and constitutes the valid and binding obligations of Participant, enforceable in accordance with the aforementioned terms. Upon delivery of this Agreement to AudioStocks, Inc., this Agreement will constitute the valid and binding obligations of Participant, and will be enforceable in accordance with their respective terms. **Participant warrants that it has consulted with an independent attorney of its own choosing, representing Participant's interests, and after such consultation, has executed this Agreement below.**

Q. Miscellaneous.

(1) Modification. This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof. This Agreement may be amended only in writing signed by both Parties.

(2) Notices. Any notice required or permitted to be given hereunder shall be in writing and shall be mailed or otherwise delivered in person to the parties at the following address:

(a) if to the Company to:

Crdentia Corp.

5001 LBJ Freeway, Suite 850
Dallas, Texas 75244
Attn: John Kaiser, CEO
Phone: (972) 850-0780
Fax: (972) 850-3058

and (b) if to the Holder, to:

Audiostocks, Inc.
2038 Corte del Nogal, Suite 110
Carlsbad, California 92011
Phone: (760) 804-8844
Fax: (760) 804-8845

(3) Waiver. Any waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of that provision or of any breach of any other provision of this Agreement. The failure of a party to insist upon strict adherence

AudioStocks, Inc.

Participant

to any term of this Agreement on one or more occasions will not be considered a waiver or deprive that party of the right thereafter to insist upon adherence to that term of any other term of this Consulting Agreement.

(4) Severability. If any provision of this Agreement is invalid, illegal, or unenforceable, the balance of this Agreement shall remain in effect. If any provision is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances.

SIGNATURE PAGE FOLLOWS

AudioStocks, Inc.

Participant

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SIGNATURE PAGE

IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the date first above written.

For AudioStocks, Inc.

Printed Name	/s/ Luis Leung
Title	Luis Leung President

For Crdentia Corp.

Printed Name	/s/ James TerBeest
Title	James TerBeest Chief Financial Officer

A FACSIMILE COPY OF THIS AGREEMENT SHALL HAVE THE SAME LEGAL EFFECT AS AN ORIGINAL OF THE SAME. Please Fax to AudioStocks, Inc. at 760-804-8845.

AudioStocks, Inc.

Participant

EXHIBIT A

Common Stock Purchase Warrant

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EXHIBIT B

U.S. Stock Transfer Corporation
1745 Gardena Ave.
Glendale, California 91204-2991

Re: Transfer of Shares of Crdentia Corp.

Dear Sir or Madam:

Crdentia Corp. (the Company) recently issued certificate no. _____ representing _____ restricted shares (the Certificate) in the name of Audiostocks.com, Inc.

Pursuant to the terms of an agreement between Audiostocks, Inc. and the parties listed below (the Parties) and the attached instruction letter from Audiostocks, Inc., the shares underlying the Certificate should be re-issued as follows:

Name on Certificate	Number of Shares
_____	_____
_____	_____
_____	_____
_____	_____

Pursuant to the instruction letter from Audiostocks, Inc., the re-issued certificates representing the shares shall be sent to the following address:

Audiostocks, Inc.
2038 Corte Del Nogal, Suite 110
Carlsbad, California 92011

These shares shall be validly issued and transferred into the name of the Parties pursuant to the instructions listed above. The shares transferred shall contain a restrictive legend in substantially the same form as now exists on the Certificate.

Sincerely,

Crdentia Corp.

By: John Kaiser
Its: Chief Executive Officer

Dallas, Texas 75244

THIS WARRANT AND THE COMMON STOCK ISSUABLE UPON THE EXERCISE HEREOF (COLLECTIVELY, THE SECURITIES) HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE ACT), AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT UNDER THE ACT WITH RESPECT TO THE SECURITIES OR DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE WITH THE ACT OR UNLESS SOLD IN FULL COMPLIANCE WITH RULE 144 UNDER THE ACT.

WARRANT TO PURCHASE COMMON STOCK

OF

CRDENTIA CORP.

Crdentia Corp., a Delaware corporation (the Company), hereby certifies that, for value received AudioStocks, Inc. (including any successors and assigns, the Holder), is entitled, subject to the terms set forth below, to purchase, in whole or in part, from the Company at any time or from time to time, before 5:00 PM, Pacific time on the first to occur of (i) ten (10) days preceding the closing date of any reorganization, consolidation or merger of the Company, transfer of all or substantially all of the assets of the Company or any simultaneous sale of more than a majority of the then outstanding securities of the Company other than a mere reincorporation transaction, or (ii) the fifth anniversary of the Date of Issuance as defined below (such earlier date being referred to herein as the Expiration Date), 1,000,000 shares of the Company s Common Stock, \$0.001 par value per share (the Warrant Shares) following the occurrence of the Triggering Event, as defined in Section 2 below, subject to adjustment as provided herein. The purchase price per share of such Common Stock upon exercise of this Warrant (the Exercise Price), shall be \$0.60, subject to adjustment as provided herein.

1. Exercise Period. This Warrant may be exercised by the Holder at any time or from time to time after the Date of Issuance, as defined below, but before 5:00 PM, Pacific Time on the Expiration Date (the Exercise Period).

Perquisite, Other Benefit

or Other Item of Compensation (1)

Aggregate Amount of This Perquisite Paid to All Named Executive Officers in 2006

Additional Explanation for

Offering Certain Perquisites

Car allowances

\$66,612 Serves to defray the cost of owning and operating an automobile often used for business purposes; prevents us from having to own and maintain a fleet of automobiles and is a taxable benefit for the Named Executive Officer.

Corporate Car and Driver

\$44,325

Life Insurance Premiums

Dallas, Texas 75244

\$21,420

(1) Perquisites are generally granted as part of our executive recruitment and retention efforts.

Other matters. The Corporate Governance/Nominating Committee and the Compensation Committee and Board of Directors did not engage outside compensation consultants for advice in 2006 but did consider available comparable company data in making compensation related decisions in 2006. The Board of Directors has not established a policy for the adjustment of any compensation award or payment if the relevant performance measures on which they are based are restated or adjusted. The Board has not established any security ownership guidelines for executive officers.

Compensation Committee Interlocks and Insider Participation

During the year ended December 31, 2006, none of our Named Executive Officers served on the board of directors or the Compensation Committee of any other entity that has officers that serve on our Board of Directors or on its Compensation Committee or its Corporate Governance/Nominating Committee, which is the committee of our Board whose responsibilities previously included those relating to compensation. In addition, none of the members of our Compensation Committee and Corporate Governance/Nominating Committee were formerly, or during the year ended December 31, 2006, one of our officers or employed by us.

Compensation Committee Report

The Compensation Committee of the Board of Directors has reviewed and discussed with management the Compensation Discussion and Analysis for the year ended December 31, 2006. Based on such reviews and discussions, the committee recommended to the Board that the Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K and in this proxy statement.

By the committee.

Mark Friedman, Chairperson
Steven Mendelow
Barry Emanuel
F. Peter Cuneo

SUMMARY COMPENSATION TABLE

The following table includes information for 2006 with respect to our Named Executive Officers.

Summary Compensation Table

Name and Principal Position	Year	Salary \$(a)	Bonus \$(b)	Stock Awards \$(c)	Option Awards \$(d)	Non-Equity Incentive Plan Compensation \$(e)	Change in Pension Value and Nonqualified Deferred Compensation on Earnings \$(f)	All Other Compensation \$(g)	Total \$(h)
Neil Cole Chief Executive Officer	Fiscal 2006	\$ 550,000						\$ 65,745 ⁽²⁾	\$ 615,745
David Conn Executive Vice President	Fiscal 2006	\$ 265,486	\$ 50,000					\$ 18,000	\$ 333,486
Warren Clamen Chief Financial Officer	Fiscal 2006	\$ 243,250	\$ 25,000	\$ 16,667				\$ 18,000	\$ 302,917
Andrew Tarshis Senior Vice President	Fiscal 2006	\$ 239,819		\$ 24,999				\$ 18,000	\$ 282,818
Deborah Sorell Stehr Senior Vice President-Business Affairs and Licensing	Fiscal 2006	\$ 220,000		\$ 16,665				\$ 18,000	\$ 249,277
William Sweedler ⁽³⁾ Former Executive Vice President	Fiscal 2006	\$ 580,833			\$ 1,445,341 ⁽⁴⁾				\$ 2,026,174

- (a) Salary includes, as applicable, base salary, pro-rated for changes made to base salary during the year, as defined in the employment agreements.
- (b) Bonuses are discretionary, fixed incentive, and/or percentage incentive, as provided for in the applicable employment agreements. For the year ended December 31, 2006, Mr. Conn and Mr. Clamen each received bonuses, which were determined by the employment agreements and Corporate Governance/Nominating Committee of the Board of Directors.
- (c) The amounts shown in this column represent the dollar amounts recognized as an expense by us for financial statement reporting purposes in the year ended December 31, 2006 with respect to shares of restricted stock as determined pursuant to Financial Accounting Standards Board Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment* (SFAS 123(R)). See Note 13 to the Consolidated Financial Statements included in our Form 10-K for the year ended December 31, 2006 for a discussion of the relevant assumptions used in calculating grant date fair value pursuant to SFAS 123(R).
- (d) Option awards include, as applicable, Company options and equity-based compensation instruments that have option-like features. For the year ended December 31, 2006, Mr. Sweedler received options as part of the terms of his employment.
- (e) Non-equity incentive plan compensation represents the dollar value of all amounts earned during the fiscal year pursuant to non-equity incentive plans. There was no such compensation for the year ended December 31, 2006.

- (f) Change in pension value and non-qualified deferred compensation earnings represents the aggregate increase in actuarial value to the Named Executive Officer of all defined benefit and actuarial plans accrued during the year and earnings on non-qualified deferred compensation. There are no defined benefit plans, actuarial plans, or non-qualified deferred compensation for the year ended December 31, 2006.
- (g) All other compensation includes, as applicable, car allowances, corporate car and driver and life insurance premiums (see the list of perquisites above).
- (h) Total compensation represents all compensation from us earned by the Named Executive Officer for the year.
- (1) Mr. Cole has waived receipt of the bonus for 2006 he would have been entitled to under his employment agreement.
- (2) Represents Company paid premiums on a life insurance policy for the benefit of the beneficiaries of Mr. Cole, as well as corporate car and driver.
- (3) Represents Mr. Sweedler's salary of \$247,500 for 2006 earned through the end of his employment on September 16, 2006, and \$333,333 in consulting fees paid in connection with the acquisition of Ocean Pacific on November 6, 2006.
- (4) Represents the fair value of the warrants vested in connection with the acquisition of Ocean Pacific pursuant to his consulting agreement.

GRANTS OF PLAN-BASED AWARDS

The following table sets forth information for 2006 with respect to grants of awards to the Named Executive Officers under our equity incentive and stock option plans.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Awards: Number of Shares of Stock or Units (#) ⁽²⁾	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise Price of Option Awards (\$/Sh)	Closing Price of Stock on Date of Grant (\$)	Fair Value of Stock and Option Awards
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)					
Neil Cole												
David Conn												
Warren Clamen	10/26/06							10,971		\$ 18.23	\$ 200,000	
Andrew Tarshis	09/22/06							18,461		\$ 16.25	\$ 300,000	
Deborah Sorell Stehr	09/22/06							9,230		\$ 16.25	\$ 150,000	
William Sweedler	09/18/06								400,000 ⁽¹⁾	\$ 8.81	\$ 3,500,000	

- (1) This amount represents the total warrants granted to Mr. Sweedler as part of his consulting agreement in connection with the acquisition of Ocean Pacific.
- (2) Awards reflect restricted stock granted in connection with the renewal of employment agreements with Mr. Clamen, Mr. Tarshis, and Ms. Stehr. These grants are one-time retention grants.

**NARRATIVE TO SUMMARY COMPENSATION TABLE
AND PLAN-BASED AWARDS TABLE**

Employment Agreements

On March 29, 2005, we entered into an employment agreement with Neil Cole, which provides for him to serve as our President and Chief Executive Officer for a term expiring on December 31, 2007, at an annualized base salary of \$500,000 in 2005, \$550,000 in 2006 and \$600,000 in 2007. In addition, Mr. Cole's employment agreement provided for us to pay him additional salary of \$250,000 in four equal installments during 2005, all of which has been paid. Under the employment agreement, for each year in which we meet at least 100% of targeted earnings before interest, taxes, depreciation and amortization of fixed assets and intangible assets, or EBITDA, as determined by our Board of Directors, Mr. Cole is also entitled to a bonus as follows: \$100,000 for 2005, \$150,000 for 2006 and \$200,000 for 2007. Mr. Cole received this bonus for 2005. In addition, Mr. Cole will receive a bonus equal to 5% of the amount, if any, by which our actual EBITDA for a fiscal year exceeds the greater of (a) the targeted EBITDA for that year, and (b) the highest amount of actual EBITDA previously achieved for a fiscal year during the term of his employment agreement, provided that prior negative EBITDA amounts will reduce the actual EBITDA in the year for which the determination is made in determining whether and by how much the amounts set forth in (a) and (b) were exceeded. Mr. Cole is also entitled to customary benefits, including participation in management incentive and benefit plans, reimbursement for automobile expenses, reasonable travel and entertainment expenses and a life insurance policy benefiting his designated beneficiaries in the amount of \$5,000,000. The employment agreement provides that Mr. Cole will receive an amount equal to three times his annual compensation, less \$100, plus accelerated vesting or payment of deferred compensation, options, stock appreciation rights and any other benefits payable to Mr. Cole, in the event that within twelve months of a change in control Mr. Cole is terminated by us without cause or if he terminates his agreement for good reason, as all such terms are defined in the employment agreement. Pursuant to the agreement, Mr. Cole was also granted immediately exercisable ten-year stock options to purchase 800,000 shares of our Common Stock at \$4.62 per share. We have also agreed with Mr. Cole that, if we are sold and immediately thereafter Mr. Cole is no longer employed by us or our successor in the capacity in which he was employed prior to the sale, he will be entitled to a payment equal to 5% of the sale price in the event that sale price is at least \$5.00 per share or the equivalent thereof with respect to an asset sale, and Mr. Cole has agreed not to compete with us for a period of twelve months after any sale resulting in such payment to him.

On April 17, 2004, we entered into an employment agreement, subsequently amended on December 29, 2005, with David Conn, which, as amended, provides for him to serve as our Executive Vice President of until May 18, 2008, subject to earlier termination as provided in the agreement. The amended agreement provides for Mr. Conn to receive an annualized base salary of: (i) \$250,000 during the period December 29, 2005 until May 17, 2006; (ii) \$275,000 during the period May 18, 2006 through May 17, 2007 and (iii) \$300,000 during the period May 18, 2007 through May 17, 2008, as well as a guaranteed bonus of \$25,000 per year, and a car allowance. He was also granted immediately exercisable ten-year stock options to purchase 100,000 shares of our Common Stock at \$10.19 per share. In addition, his employment agreement with us provides that, if, within twelve months of a change in control, Mr. Conn's employment is terminated by us without cause, as such terms are defined in his employment agreement, we are obligated to make a lump-sum severance payment to him equal to \$100 less than three times his annualized includable compensation for the base period (as defined in Section 280G of the Internal Revenue Code of 1986), subject to certain limitations for any excess parachute payment. His agreement with us also contains certain non-compete and non solicitation provisions.

Effective March 9, 2005, we entered into an employment agreement, subsequently amended on October 27, 2006, with Warren Clamen, which, as amended, provides for him to serve as our Chief

Financial Officer until October 27, 2008, subject to earlier termination as specified in the agreement. The employment agreement provides for Mr. Clamen to receive a base salary of \$275,000 per year for the year ending October 27, 2007 and no less than \$300,000 for the year ending October 27, 2008, plus certain fringe benefits. In addition, he is eligible to participate in any executive bonus program that we have in effect during the term of his employment agreement. Pursuant to his employment agreement, in March 2005, we granted Mr. Clamen ten-year stock options to purchase 200,000 shares of our Common Stock at \$5.06 per share, subject to earlier termination under certain conditions if Mr. Clamen ceases to be employed by us, half of which options vested immediately and the other half vested as of June 1, 2005. Pursuant to the amendment in October 2006, we also issued to Mr. Clamen 10,971 shares of our restricted Common Stock, which vest in two equal annual installments commencing on October 27, 2007. The amended agreement provides that Mr. Clamen will receive an amount equal to three times his annual compensation; less \$100, plus accelerated vesting or payment of deferred compensation, options, stock appreciation rights and any other benefits payable to Mr. Clamen, in the event that, within twelve months of a change of control, Mr. Clamen's employment is terminated by us without cause as such terms are defined in the amended agreement. His employment agreement also provides for Mr. Clamen to receive certain severance payments if we terminate the agreement other than for cause as defined in the agreement.

On September 22, 2006, we entered into a new employment agreement with Andrew Tarshis, which provides for him to serve as our Senior Vice President and General Counsel until September 22, 2009 and provides for him to receive an annual base salary of no less than \$275,000 during the first year of the term and \$300,000 during the second and third years of the term. Pursuant to his employment agreement, we also issued to Mr. Tarshis 18,461 shares of our restricted Common Stock, which vest in three equal annual installments commencing on the first year anniversary of the agreement. Under the agreement, Mr. Tarshis is also eligible for a bonus consistent with other executive officers, as well as customary benefits, including participation in management incentive and benefit plans, a monthly car allowance of \$1,500 and reasonable business related travel and entertainment expenses. In addition, his employment agreement with us provides that, if, within twelve months of a change in control, Mr. Tarshis's employment is terminated by us without cause or Mr. Tarshis terminates his employment with us for good reason, as all such terms are defined in his employment agreement, we are obligated to make a lump-sum severance payment to him equal to \$100 less than three times his annualized includable compensation for the base period (as defined in Section 280G of the Internal Revenue Code of 1986), subject to certain limitations for any excess parachute payment plus accelerated vesting of the 18,461 shares of restricted stock issued to him. His agreement with us also contains certain non-compete and non-solicitation provisions.

On October 28, 2005, we entered into an employment agreement, subsequently amended on September 22, 2006, with Deborah Sorell Stehr, which, as amended, provides for her to serve as our Senior Vice President Business Affairs and Licensing until December 31, 2008 and provides for her to receive a base salary for performance based upon a four-day work week, as follows: (a) during the period from January 1, 2006 through December 31, 2006, at the annual rate of not less than \$220,000, (b) during the period from January 1, 2007 through December 31, 2007, at an annual rate of not less than \$230,000, and (c) during the period from January 1, 2008 through December 31, 2008 at the annual rate of not less than \$250,000. Pursuant to her employment agreement, in October 2005, we granted Ms. Stehr immediately exercisable ten-year stock options to purchase 60,000 shares of our Common Stock at \$8.03 per share, and, pursuant to its amendment, in September 2006 we also issued to Ms. Stehr 9,230 shares of our restricted Common Stock, which vest in two equal annual installments commencing on December 31, 2007. Under the amended agreement, Ms. Stehr remains eligible for a bonus consistent with other executive officers, as well as customary benefits, including participation in management incentive and benefit plans, a monthly car allowance of \$1,500 and reasonable travel and entertainment expenses. The agreement provides that Ms. Stehr will receive an amount equal to three times her annual compensation,

less \$100, plus accelerated vesting or payment of deferred compensation, options, stock appreciation rights and any other benefits payable to Ms. Stehr, in the event that, within twelve months of a change of control, Ms. Stehr's employment is terminated by us without cause or Ms. Stehr terminates her employment agreement with us for good reason, as all such terms are defined in the agreement.

We entered into an employment agreement, effective July 22, 2005, with William Sweedler pursuant to which he served as our Executive Vice President. His employment agreement also provided for him to serve as President of our Joe Boxer division until July 22, 2009, subject to earlier termination as specified in the agreement. The employment agreement provided for Mr. Sweedler to receive an annual base salary of \$400,000 and additional salary of \$50,000 for the first year of his employment term, an annual base salary of \$450,000 during the second year of his employment term, \$500,000 for the third year and \$550,000 for the fourth year of his employment term. In addition, the agreement provided for Mr. Sweedler to receive percentage of revenue based royalty bonuses if the annual revenues generated by our Joe Boxer division exceeded certain specified amounts for the periods indicated in his employment agreement. The employment agreement provided that Mr. Sweedler would receive an amount equal to \$100 less than three times his annual compensation in the event that within twelve months of a change of control, as defined in the employment agreement, Mr. Sweedler was terminated by without cause or if Mr. Sweedler terminated his agreement for good reason (with one exception), as such terms were defined in the employment agreement. Pursuant to the employment agreement, Mr. Sweedler was also granted a ten-year option to purchase 1,425,000 shares of our Common Stock at \$8.81 per share, of which 225,000 shares vested immediately and 1.2 million shares were to vest only if the Joe Boxer division met certain revenue goals. On June 8, 2006, we and Mr. Sweedler entered into an agreement (the Sweedler Termination Agreement), which provided for the termination of the employment agreement between us and Mr. Sweedler, the resignation of Mr. Sweedler as our Executive Vice President, President of our Joe Boxer Division and a member of our Board of Directors, and the termination of the approximately 1,200,000 unvested options previously issued to Mr. Sweedler in connection with the employment agreement. Under the Sweedler Termination Agreement, Mr. Sweedler was employed on a part-time basis to assist us during a transition period of ending in September 2006, after which we entered into a consulting agreement with Mr. Sweedler whereby he will perform services for us with respect to finding, negotiating or otherwise advising us regarding potential acquisition opportunities. Under the consulting agreement, we granted to Mr. Sweedler ten-year warrants, with certain registration rights, to purchase 400,000 shares of our Common Stock at an exercise price of \$8.81 per share, vesting at the rate of one-third, one-third, one-third upon the closing of each of the first three Qualified Company Acquisitions (as defined in the consulting agreement) and pay him a fee of approximately \$333,333 upon the closing of each of such Qualified Company Acquisitions.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table sets forth information with respect to outstanding equity-based awards at December 31, 2006 for our Named Executive Officers.

Name	Option Awards					Stock Awards		Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
	Number of Securities Underlying Unexercised Options (#) Exercisable (a)	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Value of Shares or Units of Stock That Have Not Vested (\$)	
Neil Cole	10,000			\$ 3.50	12/11/08			
	650,000			\$ 3.50	10/14/08			
	84,583			\$ 3.50	03/09/08			
	84,583			\$ 3.50	03/09/08			
	84,583			\$ 3.50	03/09/08			
	25,000			\$ 0.97	02/01/10			
	321,625			\$ 1.13	07/18/10			
	260,500			\$ 1.25	08/18/10			
	76,500			\$ 2.30	10/26/11			
	273,500			\$ 2.30	10/26/11			
	600,000			\$ 2.75	04/23/12			
	15,000			\$ 4.41	05/22/12			
	800,000			\$ 4.62	03/29/15			
	200,000			\$ 10.00	12/28/15			
David Conn	25,000			\$ 2.54	05/27/14			
	75,000			\$ 2.54	05/27/14			
	50,000			\$ 4.82	05/24/15			
	50,000			\$ 6.40	06/14/15			
	25,000			\$ 10.00	12/28/15			
	100,000			\$ 10.19	12/28/15			
Warren Clamen	140,000			\$ 5.06	03/09/15	10,971	\$ 212,728	
	50,000			\$ 10.00	12/28/15			
Andrew Tarshis	100,000			\$ 8.81	07/22/15	18,461	\$ 357,959	
Deborah Sorell Stehr	10,000			\$ 3.50	12/07/08	9,230	\$ 178,970	
	10,000			\$ 3.50	12/07/08			
	5,000			\$ 2.66	08/20/14			
	15,000			\$ 2.66	08/20/14			
	15,000			\$ 2.66	08/20/14			
	50,000			\$ 4.82	05/24/15			
	60,000			\$ 8.03	10/28/15			
	50,000			\$ 10.00	12/28/15			
	133,333			\$ 8.81	09/18/16			

William
Sweedler

(a) Grant dates and vesting dates for all outstanding equity awards at December 31, 2006 are as follows:

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Name	Number of Securities		
	Underlying		
	Unexercised Options		
	(#) Exercisable	Grant Date	Vesting Date
Neil Cole	10,000	12/11/98	12/11/98
	650,000	12/11/98	12/11/98
	84,583	12/11/98	12/11/98
	84,583	12/11/98	12/11/98
	84,583	12/11/98	12/11/98
	25,000	02/01/00	02/01/00
	321,625	07/18/00	07/18/00
	260,500	08/18/00	08/18/00
	76,500	10/26/01	10/26/01
	273,500	10/26/01	10/26/01
	600,000	04/23/02	04/23/02
	15,000	05/22/02	05/22/02
	800,000	03/29/05	03/29/05
	200,000	12/28/05	12/28/05
David Conn	25,000	05/28/04	05/28/04
	75,000	05/28/04	12/19/05
	50,000	05/24/05	05/24/05
	50,000	06/14/05	12/19/05
	25,000	12/28/05	12/28/05
	100,000	12/29/05	12/29/05
Warren Clamen	140,000	03/09/05	06/01/05
	50,000	12/28/05	12/28/05
Andrew Tarshis	100,000	07/22/05	07/22/05
Deborah Sorell Stehr	10,000	12/11/98	12/08/99
	10,000	12/11/98	12/08/00
	10,000	12/11/98	12/31/01
	5,000	08/20/04	08/20/04
	15,000	08/20/04	08/20/05
	15,000	08/20/04	12/19/05
	50,000	05/24/05	05/24/05
	60,000	10/28/05	10/28/05
	50,000	12/28/05	12/28/05
William Sweedler	133,333	09/18/06	11/06/06

OPTION EXERCISES AND STOCK VESTED

The following table sets forth certain information regarding exercise of options and vesting of restricted stock held by the Named Executive Officers during the year ended December 31, 2006.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
	(#)	(\$)(a)	(#)	(\$)
Neil Cole	400,000	\$ 5,668,750		
David Conn	100,000	\$ 1,513,188		
Warren Clamen	60,000	\$ 756,713		
Andrew Tarshis	10,000	\$ 88,619		
	30,000	\$ 230,156		
Deborah Sorell Stehr	10,000	\$ 159,719		
	60,000	\$ 949,313		
	5,000	\$ 75,059		
William Sweedler	8,058	\$ 41,821		
	81,673	\$ 500,655		
	135,269	\$ 865,727		

(a) Included in this column is the aggregate dollar amount realized by the Named Executive Officer upon exercise of the options.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

As noted under Narrative to Summary Compensation Table and Plan-Based Awards Table Employment Agreements, we have entered into employment agreements with each of our Named Executive Officers. These agreements provide for certain payments and other benefits if a Named Executive Officer's employment with us is terminated under circumstances specified in his or her respective agreement, including a change in control of the Company. A Named Executive Officer's rights upon the termination of his or her employment will depend upon the circumstances of the termination.

The receipt of the payments and benefits to the Named Executive Officers under their employment agreements are generally conditioned upon their complying with customary non-solicitation, non-competition, confidentiality, non-interference and non-disparagement provisions. By the terms of such agreements, the executives acknowledge that a breach of some or all of the covenants described herein will entitle us to injunctive relief restraining the commission or continuance of any such breach, in addition to any other available remedies.

The following table provides the term of such covenants following the termination of employment as it relates to each Named Executive Officer:

Covenant	Neil Cole	David Conn	Warren Clamen	Deborah Sorell Stehr	Andrew Tarshis
Confidentiality	Infinite duration for trade secrets and two years otherwise	Infinite duration for trade secrets and two years otherwise	Infinite duration	None	Infinite duration
Non-solicitation	Two Years	Two Years	None	None	One Year
Non-competition	Two Years	Two Years	None	None	One Year
Non-interference	Two Years	Two Years	None	None	One Year
Non-disparagement	Infinite duration	None	None	None	None
Termination Payments (without a change in control)					

The table below includes a description and the amount of estimated payments and benefits that would be provided by us (or our successor) to each of the Named Executive Officers under each employment agreement, assuming that a termination circumstance occurred as of December 31, 2006 and a change in control had not occurred:

Type of Payment	Termination Event	Estimated Amount of Termination Payment to:				
		Neil Cole (1)	David Conn	Warren Clamen	Deborah Sorell Stehr	Andrew Tarshis
Payment of accrued but unused vacation time(2)	Termination for Cause, death or disability	None	None	None	None	None
Lump Sum Severance Payment	Termination without Cause or by executive for Good Reason	\$550,000 ⁽³⁾	\$379,653	\$501,111 ⁽⁴⁾	None	\$749,375
Pro rata portion of Bonuses	Varies	None	None	None	None	None
Continued coverage under medical, dental, hospitalization and life insurance plans	Death, termination without Cause, or termination by executive for Good Reason	None	None	None	3 months ⁽⁵⁾	None

(1) Upon Mr. Cole's termination without cause by us or for good reason by Mr. Cole, we are obligated to pay Mr. Cole's indemnity payments and legal fees incurred by him as a result of his termination. Our possible range of payments is not determinable at this time.

(2) Vacation time accrued but not taken for each executive was assumed to have been fully used up at year-end 2006.

(3) Payable in monthly installments, not in a lump sum.

(4) Only payable upon termination by Company without cause.

(5) Three months of continued health and medical benefits upon termination for Cause or upon death or disability.

Change in Control Payments

The employment agreements with Mr. Cole, Ms. Stehr and Mr. Tarshis also provide that, if, within twelve months of a change in control, their employment is terminated by us without cause or they terminate their employment with us for good reason, as all such terms are defined in each employment agreement, we are obligated to make a lump-sum severance payment to each such Named Executive Officer equal to \$100 less than three times the Named Executive Officer's annualized includable compensation for the base period (as defined in Section 280G of the Internal Revenue Code of 1986).

The employment agreements (as amended) with Mr. Clamen and Mr. Conn also provide that, if, within twelve months of a change in control, their employment is terminated by us without cause as all such terms are defined in each employment agreement, we are obligated to make a lump-sum severance payment to each such Named Executive Officer equal to \$100 less than three times the Named Executive Officer's annualized includable compensation for the base period (as defined in Section 280G of the Internal Revenue Code of 1986).

Under the circumstances described above, all of the Named Executive Officers are entitled to an accelerated vesting and payment of stock options and restricted stock awards granted to that Named Executive Officer. However, the sum of any lump sum payments, the value of any accelerated vesting of stock options and restricted stock awards, and the value of any other benefits payable to the Named Executive Officer may not equal or exceed an amount that would constitute an excess parachute payment (as defined in Section 280G of the Internal Revenue Code of 1986).

The following table quantifies the estimated maximum amount of payments and benefits under our employment agreements and agreements relating to awards granted under our equity incentive and stock option plans to which the Named Executive Officers would be entitled upon termination of employment if we terminated their employment without cause within twelve (12) months following a change in control of the Company that (by assumption) occurred on December 31, 2006.

Name	Cash Severance Payment (\$)	Continuation of Medical/Welfare Benefits (Present Value) (\$)	Value of Accelerated Vesting of Equity Awards (\$) ⁽¹⁾	Total Termination Benefits (\$)
Neil Cole	1,647,670	0		1,647,670
David Conn	640,551	0		640,551
Warren Clamen	678,427	0	47,065	725,492
Andrew Tarshis	615,971	0	103,834	719,805
Deborah Sorell Stehr	956,037	0	46,533	1,002,570

(1) This amount represents the unrealized value of the unvested portion of the respective Named Executive Officer's restricted stock based upon the closing price of our Common Stock on December 29, 2006.

**VOTING SECURITY OWNERSHIP OF
CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table presents information regarding beneficial ownership of our Common Stock as of the Record Date by each of our directors and Named Executive Officers, all of our executive officers and directors, as a group, and each person known by us to beneficially hold five percent or more of our Common Stock, based on information obtained from such persons.

Unless indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all securities beneficially owned, subject to community property laws where applicable. The shares beneficially owned by a person are determined in accordance with the definition of beneficial ownership set forth in the regulations of the SEC and, accordingly, shares of our Common Stock underlying options, warrants and convertible securities that are exercisable or convertible within 60 days of the Record Date are deemed to be beneficially owned by the person holding such securities and to be outstanding for purposes of determining such holder's percentage ownership. The same securities may be beneficially owned by more than one person.

Percentage ownership is based on [56,892,995] shares of our Common Stock outstanding as of the Record Date. The address for each beneficial owner, unless otherwise noted, is c/o Iconix Brand Group, Inc. at 1450 Broadway, New York, New York 10018.

Name and Address of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percentage of Company's Outstanding Common Stock Beneficially Owned
Neil Cole	3,521,075(1)	5.9%
David Conn	325,000(2)	*
Warren Clamen	190,000(3)	*
Andrew Tarshis	50,000(4)	*
Deborah Sorell Stehr	125,000(5)	*
William Sweedler	545,333(6)	*
Barry Emanuel	321,673(2)	*
Steven Mendelow	285,988(7)	*
Drew Cohen	101,702(8)	*
F. Peter Cuneo	40,000*	
Mark Friedman	15,684*	
Fred Alger Management, Inc. Fred M. Alger III	3,204,000(9)	5.7%
Fred Alger & Company, Incorporated Alger Associates, Incorporated 111 Fifth Avenue New York, New York 10003		
All directors and executive officers as a group (10 persons)	4,976,122(10)	8.1%

* Less than 1%

(1) Includes 3,485,875 shares of Common Stock issuable upon exercise of options and 20,000 shares of Common Stock owned by Mr. Cole's children. Does not include shares held in Mr. Cole's account under our 401(k) savings plan over which he has no current voting or investment power.

- (2) Represents shares of Common Stock issuable upon exercise of options. Does not include 4,967 restricted shares of Common Stock which vest in two equal installments on October 30, 2007 and April 30, 2008, respectively.
- (3) Represents shares of Common Stock issuable upon exercise of options. Does not include 10,971 restricted shares of Common Stock which vest in two equal annual installments commencing on October 27, 2007 and 4,967 restricted shares of Common Stock which vest in two equal installments on October 30, 2007 and April 30, 2008, respectively.
- (4) Includes 50,000 shares of Common Stock issuable upon exercise of options. Does not include 18,461 restricted shares of Common Stock which vest in three equal annual installments commencing on September 22, 2007 and 4,967 restricted shares of Common Stock which vest in two equal installments on October 30, 2007 and April 30, 2008, respectively.
- (5) Represents shares of Common Stock issuable upon exercise of options. Does not include (i) 9,230 restricted shares of Common Stock which vest in two equal annual installments commencing on December 31, 2007, (ii) 3,725 restricted shares of Common Stock which vest in two equal installments on October 30, 2007 and April 30, 2008, respectively, or (iii) shares held in Ms. Sorell Stehr's account under our 401(k) savings plan over which she has no current voting or investment power.
- (6) Includes 133,333 shares of Common Stock issuable upon exercise of warrants.
- (7) Includes 200,250 shares of Common Stock issuable upon exercise of options and 60,750 shares of Common Stock owned by C&P Associates, with which Mr. Mendelow and his wife are affiliated and over whose securities they exercise shared voting and investment control.
- (8) Includes 95,000 shares of Common Stock issuable upon exercise of options.
- (9) Based on a Schedule 13-D filed by Fred Alger Management, Inc., Fred M. Alger III, Fred Alger & Company Incorporated and Alger Associates, Incorporated on January 10, 2007.
- (10) Includes 4,792,798 shares of Common Stock issuable upon exercise of options. Does not include our non-employee directors restricted shares of Common Stock which shall have not vested within 60 days from the Record Date.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Pursuant to its charter, our Audit Committee must review and approve, where appropriate, all related party transactions.

On May 1, 2003, we granted Kenneth Cole Productions, Inc. the exclusive worldwide license to design, manufacture, sell, distribute and market footwear under the Bongo brand. The chief executive officer and chairman of Kenneth Cole Productions is Kenneth Cole, who is the brother of Neil Cole, our Chief Executive Officer and President. During the fiscal year ended December 31, 2006 and the fiscal year ended December 31, 2005, we received \$1.4 million and \$1.3 million in royalties from Kenneth Cole Productions, respectively.

The Candie's Foundation, a charitable foundation founded by Neil Cole for the purpose of raising national awareness about the consequences of teenage pregnancy, owed us \$297,000 at December 31, 2006. The Candie's Foundation paid-off the entire borrowing from us in February 2007 although additional advances will be made by us to The Candie's Foundation as and when necessary.

AUDIT COMMITTEE REPORT

In January 2007, the Audit Committee met with management and representatives of BDO Seidman, LLP to review and discuss the audit and the procedures and timing of the audit. In February and March 2007, the Audit Committee met with management and representatives of BDO Seidman, LLP to

review and discuss the audited financial statements. The Audit Committee also conducted discussions with our independent auditors, BDO Seidman, LLP, regarding the matters required by the Statement on Auditing Standards No. 61. As required by Independence Standards Board Standard No. 1, Independence Discussion with Audit Committees, the Audit Committee has discussed with and received the required written disclosures and confirming letter from BDO Seidman, LLP regarding its independence and has discussed with BDO Seidman, LLP its independence. Based upon the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2006.

The Audit Committee
Steven Mendelow
Drew Cohen
F. Peter Cuneo

PROPOSAL I

APPROVAL TO ADOPT THE AMENDMENT TO ICONIX S CERTIFICATE OF INCORPORATION TO INCREASE OUR AUTHORIZED COMMON STOCK

The Board of Directors has adopted, subject to stockholder approval, an amendment to our Certificate of Incorporation to increase the number of shares of Common Stock that Iconix has authority to issue from 75,000,000 to 150,000,000 shares and, consequently, increase the total number of shares of all classes of capital stock that Iconix has authority to issue from 80,000,000 to 155,000,000 shares.

Reasons for the Increase in Authorized Shares of Common Stock

Of the 75,000,000 shares of Common Stock currently authorized, as of May 31, 2007, 56,892,995 shares have been issued and are outstanding, approximately 13,200,000 shares are issuable upon exercise of outstanding options, warrants and other convertible securities, and approximately 1,905,000 shares are available for issuance upon exercise of options or awards available for grant under our existing stock option and incentive stock plans. We, therefore, only have approximately 3,002,000 unreserved shares of Common Stock available for future issuance.

If our stockholders approve the proposed amendment to our Certificate of Incorporation, the additional authorized shares would be available for issuance for any proper corporate purpose. The Board of Directors considers the increase in authorized shares of Common Stock necessary in order to provide flexibility for potential acquisitions, capital raising and future capital requirements and for use in current and future equity compensation plans. Iconix intends to seek to continue to expand its operations which will require additional capital. Such expansion may be accomplished through acquisitions for which Iconix may choose to issue equity securities as all or a portion of the purchase price of the acquisition. In addition, Iconix may seek to raise additional capital in the future through the issuance of equity securities, such as Common Stock or securities convertible into Common Stock. Although Iconix continuously evaluates potential acquisition candidates, Iconix does not, at this time, have any immediate plans, commitments or understandings with respect to any acquisitions. Other than shares that may be issued under our existing stock option and incentive stock plans or pursuant to outstanding convertible securities, Iconix has no immediate plans, commitments or understandings with respect to the issuance of additional shares of Common Stock for any purpose. Approval by the stockholders of the increase in authorized shares of Common Stock at the annual meeting will avoid the need to call and hold additional special meetings for this purpose, thereby enabling Iconix to act quickly when potential acquisition or financing transactions arise.

Once authorized, the additional shares of Iconix Common Stock may be issued with approval of the Board of Directors but without further approval of the stockholders unless stockholder approval is required by applicable law, rule or regulation. Accordingly, this solicitation may be the only opportunity for Iconix stockholders to approve these financings, acquisitions, benefit plans and other corporate transactions.

This proposal could, under certain circumstances, have an anti-takeover effect. For example, if Iconix were the subject of a hostile takeover attempt, it could try to impede the takeover by issuing shares of Common Stock, thereby diluting the voting power of the other outstanding shares and increasing the potential cost of the takeover. The Iconix Board of Directors is not aware of any attempt or plan to acquire control of Iconix.

Recommendation

The Board of Directors recommends that you vote FOR approval of Proposal I and the Amendment to our Certificate of Incorporation.

PROPOSAL II

RATIFICATION OF THE

APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

BDO Seidman, LLP has audited and reported upon our financial statements for the fiscal year ended December 31, 2006. The Audit Committee of the Board of Directors has re-appointed BDO Seidman, LLP as our independent registered public accountants for the fiscal year ending December 31, 2007. Although stockholder approval of the appointment of BDO Seidman, LLP is not required by law, the Audit Committee and the Board of Directors believe that it is advisable to give stockholders an opportunity to ratify this appointment. Furthermore, although the appointment of BDO Seidman, LLP is being submitted for stockholder ratification, the Audit Committee reserves the right, even after ratification by stockholders, to change the appointment of BDO Seidman, LLP our independent registered public accountants, at any time during the 2007 fiscal year, if it deems such change to be in our best interest. A representative of BDO Seidman, LLP is expected to be present at the Annual Meeting with the opportunity to make a statement if he or she desires to do so and is expected to be available to respond to appropriate questions.

In addition to retaining BDO Seidman, LLP to audit our financial statements, we engage BDO Seidman, LLP from time to time to perform other services.

Audit Fees. The aggregate fees billed by BDO Seidman, LLP for professional services rendered for the audit of our annual financial statements, internal controls over financial reporting, reviews of the financial statements included in our Forms 10-Q, and consents related to SEC registration statements for fiscal 2006 and fiscal 2005 and comfort letter and other capital raising activities for fiscal 2006, totaled approximately \$990,000, and \$394,000 for fiscal 2006 and fiscal 2005, respectively.

Audit-Related Fees. There were approximately \$105,000 and \$168,700 aggregate fees billed by BDO Seidman, LLP for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements for fiscal 2006 and fiscal 2005, respectively, and that are

not disclosed in the paragraph captions **Audit Fees** above. The majority of the audit-related fees were related to the audit of the financial statements of our subsidiary, IP Holdings, LLC and The Candie s Foundation.

Tax Fees. The aggregate fees billed by BDO Seidman, LLP for professional services rendered for tax compliance, for fiscal 2006 and fiscal 2005, were approximately \$35,000, and \$62,000, respectively. The aggregate fees billed by BDO Seidman, LLP for professional services rendered for tax advice and tax planning, for fiscal 2006 and fiscal 2005, were \$0 and \$3,000, respectively.

All Other Fees. There were no fees billed by BDO Seidman, LLP for products and services, other than the services described in the paragraphs captions **Audit Fees** , **Audit-Related Fees** , and **Tax Fees** above for fiscal 2006 and fiscal 2005.

The Audit Committee has established its pre-approval policies and procedures, pursuant to which the Audit Committee approved the foregoing audit services provided by BDO Seidman, LLP in fiscal 2005. Consistent with the Audit Committee s responsibility for engaging our independent auditors, all audit and permitted non-audit services require pre-approval by the Audit Committee. The full Audit Committee approves proposed services and fee estimates for these services. The Audit Committee chairperson or their designee has been designated by the Audit Committee to approve any services arising during the year that were not pre-approved by the Audit Committee. Services approved by the Audit Committee chairperson are communicated to the full Audit Committee at its next regular meeting and the Audit Committee reviews services and fees for the fiscal year at each such meeting. Pursuant to these procedures, the Audit Committee approved all the foregoing audit services and permissible non-audit services provided by BDO Seidman, LLP

Recommendation

The Board of Directors recommends that you vote for approval of Proposal II and the ratification of the appointment of BDO Seidman, LLP as our independent registered public accountants for the fiscal year ending December 31, 2007.

STOCKHOLDER PROPOSALS FOR 2008 ANNUAL MEETING

Stockholders who wish to present proposals appropriate for consideration at our annual meeting of stockholders to be held in the year 2008 must submit the proposal in proper form consistent with our By-Laws to us at our address set forth on the first page of this proxy statement and in accordance with applicable regulations under Rule 14a-8 of the Exchange Act not later than March __, 2008 in order for the proposition to be considered for inclusion in our proxy statement and form of proxy relating to such annual meeting. Any such proposals, should contain the name and record address of the stockholder, the class and number of shares of our Common Stock beneficially owned as of the record date established for the meeting, a description of, and reasons for, the proposal and all information that would be require to be included in the proxy statement file with the SEC if such stockholder was a participant in the solicitation subject to Section 14 of the Exchange Act. The proposal and as well as any questions related thereto, should be directed to the Company s Secretary.

If a stockholder submits a proposal after the March __, 2008 deadline required under Rule 14a-8 of the Exchange Act but still wishes to present the proposal at our Annual Meeting of Stockholders (but not in our proxy statement) for the fiscal year ending December 31, 2007, the proposal, which must be presented in a manner consistent with our By-Laws and applicable law, must be submitted to the Secretary of the Company in proper form at the address set forth above so that it is received by the Company s Secretary not less than 50 nor more than 75 days prior to the meeting unless less than 65 days notice or prior public disclosure of the date of the meeting is given or made to stockholders, in which case, no less than the close of business on the tenth day following the date on which the notice of the date of the meeting was mailed or other public disclosure was made.

We did not receive notice of any proposed matter to be submitted by stockholders for a vote at this Annual Meeting and, therefore, in accordance with Exchange Act Rule 14a-4 (c) any proxies held by persons designated as proxies by our Board of Directors and received in respect of this Annual Meeting will be voted in the discretion of our management on such other matter which may properly come before the Annual Meeting.

OTHER INFORMATION

Proxies for the Annual Meeting will be solicited by mail and through brokerage institutions and all expenses involved, including printing and postage, will be paid by us.

A copy of our 2006 Annual Report to Stockholders (which includes a copy of our Annual Report on Form 10-K for the year ended December 31, 2006 as filed with the SEC) is being mailed with this Proxy Statement to each stockholder of record as of the close of business on July 5, 2007. A stockholder may also request an additional copy of our Annual Report on Form 10-K for the year ended December 31, 2006, without charge except for exhibits to the report, by writing to Iconix Brand Group, Inc., 1450 Broadway, New York, New York 10018, Attention: Deborah Sorell Stehr. Exhibits will be provided upon written request and payment of a reasonable fee.

The Board of Directors is aware of no other matters, except for those incident to the conduct of the Annual Meeting, that are to be presented to stockholders for formal action at the Annual Meeting. If, however, any other matters properly come before the Annual Meeting or any adjournments thereof, it is the intention of the persons named in the proxy to vote the proxy in accordance with their judgment.

By order of the Board of Directors,

Neil Cole,
Chairman of the Board,
President and Chief Executive Officer

July __, 2007

ICONIX BRAND GROUP, INC.

1450 BROADWAY

NEW YORK, NEW YORK 10018

PROXY FOR ANNUAL MEETING OF STOCKHOLDERS TO BE HELD AUGUST 16, 2007.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints NEIL COLE and WARREN CLAMEN, and each of them, Proxies, with full power of substitution in each of them, in the name, place and stead of the undersigned, to vote at the Annual Meeting of Stockholders of Iconix Brand Group, Inc. (the Company) on Thursday, August 16, 2007, at the offices of the Company, 1450 Broadway, New York, NY 10018 or at any adjournment or adjournments thereof, according to the number of votes that the undersigned would be entitled to vote if personally present, upon the following matters:

(Continued and to be dated and signed on reverse side)

PROXY

THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE INSTRUCTIONS GIVEN ABOVE. IF NO INSTRUCTIONS ARE GIVEN, THIS PROXY WILL BE VOTED FOR THOSE NOMINEES AND THE PROPOSALS LISTED BELOW.

Please mark
your votes
like this

X

FOR AGAINST ABSTAIN

FOR all nominees
listed below (except as
indicated to the contrary)

..

WITHHOLD AUTHORITY
to vote for all nominees
listed below

..

2. To approve an amendment
to the Company's Certificate
of Incorporation to increase
its authorized common
stock

..

..

..

FOR AGAINST ABSTAIN

Neil Cole, Barry Emanuel, Steven Mendelow, Drew Cohen, F. Peter Cuneo and
Mark Friedman

3. Ratification of the
appointment
of BDO Seidman, LLC as
the Company's independent
registered public
accountants for the
fiscal year ending
December 31, 2007.

..

..

..

(INSTRUCTION: To withhold authority to vote for any individual nominee,
write that nominee's name in the space below)

4. In their discretion, the
Proxies are authorized to
vote upon such other
business as may properly
come before the meeting.

COMPANY ID:

PROXY NUMBER:

ACCOUNT NUMBER:

Edgar Filing: CRDENTIA CORP - Form 424B3

Signature

Signature if held jointly

Dated _____ 2007

Please sign exactly as name appears hereon. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person.