

DANESH ANDRE
Form SC 13D/A
May 03, 2010

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

SCHEDULE 13D

OMB APPROVAL
OMB Number: 3235-0145
Expires: February 28, 2009
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hours per response. . 14.5

Estimated average burden hours per response. . 14.5

**Under the Securities Exchange Act of 1934
(Amendment No. 5)***

NeuroMetrix, Inc.

(Name of Issuer)

Par Value \$0.0001

(Title of Class of Securities)

641255104

(CUSIP Number)

**Andre Danesh; Allied Financial Corp.
P.O. Box 1271, Brookline, MA. 02446, 617-734-7771**

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

May 3, 2010

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. o

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Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 641255104

1. Names of Reporting Persons
Andre Danesh
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a) x
(b) o
3. SEC Use Only
4. Source of Funds (See Instructions)
PF
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o
6. Citizenship or Place of Organization
American
7. Sole Voting Power
-0-
8. Shared Voting Power
1,843,928
9. Sole Dispositive Power
1,843,928
10. Shared Dispositive Power
1,843,928
11. Aggregate Amount Beneficially Owned by Each Reporting Person
1,843,928
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o
13. Percent of Class Represented by Amount in Row (11)
8.00%
14. Type of Reporting Person (See Instructions)

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

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CUSIP No. 641255104

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)
Andre Danesh 1997 IRREV Trust
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a) x
(b) o
3. SEC Use Only
4. Source of Funds (See Instructions)
PF
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o
6. Citizenship or Place of Organization
Massachusetts
7. Sole Voting Power
150,000
8. Shared Voting Power
9. Sole Dispositive Power
150,000
10. Shared Dispositive Power
11. Aggregate Amount Beneficially Owned by Each Reporting Person
150,000
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o
13. Percent of Class Represented by Amount in Row (11)
0.65%
14. Type of Reporting Person (See Instructions)

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

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CUSIP No. 641255104

1. Names of Reporting Persons I.R.S. Identification Nos. of above persons (entities only)
E & S Investments
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a) x
(b) o
3. SEC Use Only
4. Source of Funds (See Instructions)
PF
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o
6. Citizenship or Place of Organization
Massachusetts
 7. Sole Voting Power
1,693,928
 8. Shared Voting Power
 9. Sole Dispositive Power
1,693,928
 10. Shared Dispositive Power
11. Aggregate Amount Beneficially Owned by Each Reporting Person
1,713,928
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o
13. Percent of Class Represented by Amount in Row (11)
7.35%
14. Type of Reporting Person (See Instructions)

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

Item 1. Security and Issuer

This Statement constitutes an Amendment to the Schedule 13D previously filed on September 23, 2008, as amended on October 8, 2008, October 31, 2008 and December 29, 2008 and relates to the common stock, par value of \$0.0001 per share (the ACommon Stock@) listed for trading on NASDAQ Stock Market of NeuroMetrix, Inc. (the AIssuer@) which has its principal executive offices at 62 Fourth Avenue, Waltham, MA 02451. The term AGroup member@ shall include either individually or in the aggregate, Andre Danesh, Andre Danesh 1997 IRRV Trust and E&S Investments.

Item 4. Purpose of Transaction

In September, 2009, the Issuer announced that it issued 8,816,521 shares of its Common Stock and warrants to purchase up to 8,375,695 additional shares of its Common Stock in a private transaction (APIPE Transaction@) to a very limited group of existing stockholders and a few new investors. In connection with the PIPE Transaction, the Board of Directors of the Issuer amended its Rights Plan to specify that the sale of the Common Stock and issuance and subsequent exercise of the warrant by Deerfeld Management do not trigger the change of control provision of the Rights Plan.

Immediately prior to the PIPE Transaction, the Group members were the single largest shareholder of the Issuer and beneficially owned 14.9% of the outstanding shares of Common Stock. However, none of the Group members were among the existing stockholders notified of the prospective PIPE Transaction nor offered the opportunity to purchase any of the shares or warrants issued in connection with the PIPE Transaction.

Over the course of the past three months, Andre Danesh, the beneficial owner of 200,000 shares of the Issuer=s common stock until March, 2010, either individually or through his counsel, has corresponded with the Issuer and its counsel on behalf of the Group members, which correspondence is itemized in Item 7 below and incorporated herein by reference.

The Group members have informed the Issuer that, among other things, selling such a significant number of the Issuer=s common stock at such a low price resulting in more than fifty percent (50%) of new shares of common stock being issued significantly dilutes the other existing shareholders and may be inappropriate. The PIPE Transaction involved the issuance and transfer of a potentially controlling interest in the Issuer to a select group of stockholders. According to the Issuer=s 2010 Proxy Statement, the five largest Beneficial Owners of Common Stock (each of whom participated in the PIPE Transaction) may be deemed to own as of January 31, 2010 an aggregate of 82.5% of the Issuer=s Common Stock, inclusive of the warrants to purchase additional shares of Common Stock exercisable within 60 days of January 31, 2010.

The Group members reserve their right to continue to evaluate whether the Issuer has claims against management and the Board of Directors for breach of their duties to the Issuer in connection with the PIPE Transaction and therefore, such continued evaluation may or may not result in derivative litigation being instituted and also seeking to have the PIPE Transaction invalidated.

In addition, the Group members may or may not seek opportunities with larger medical device companies, which could include the sale of all or part of the Issuer and which could benefit all of

the shareholders of the Issuer.

While the Group members have no present plan to do so, Group members may from time to time purchase or sell securities of the Issuer either in private transactions or open market transactions either alone or together with others, and such purchases or sales may be substantial amounts.

Item 5. Interest in Securities of the Issuer

The Group members= ownership of the Issuer=s Common Stock is as follows:

Actual Ownership	Common Stock
Andre Danesh	-0-
A.D. Trust	150,000
E & S	1,693,928

	Beneficial Ownership (1)		Shared	Total	% (1)
	Sole	% (1)			
Andre Danesh	-0-(2)	-0-	1,843,928(3)	1,843,928	8.00
A.D. Trust	150,000	0.65	C	150,000	0.65
E & S	1,693,928	7.35	C	1,693,928	7.35

(1) As reported in the Issuer=s 2010 Proxy Statement, there are 23,038,106 shares of Common Stock outstanding as of March 31, 2010.

(2) Mr. Danesh may be regarded as having shared voting and investment power over the A.D. Trust but otherwise disclaims beneficial ownership.

(3) Mr. Danesh may be regarded as having shared voting and investment power over E & S=s shares but otherwise disclaims beneficial ownership.

The following is a list of all transactions in securities of the Issuer by Group members in the sixty (60) days preceding the date of the event which requires this filing. All transactions were made on the NASDAQ Stock Market or in the third market through registered broker-dealers.

Date (1)	Person	Transactions	Transactions	
			Amount	Price
	E & S	Sold	20,000	\$ 40,850
	Andre Danesh	Sold	200,000	409,042

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(1) All dispositions were made during the period of 3/08/10 to 3/12/10, which aggregates less than 1% of the of the Issuer=s outstanding stock as of March 31, 2010.

Item 7. Material to Be Filed as Exhibits

Exhibit A Letter dated January 23, 2010 from Andre Danesh to Shai N. Gozani, President and CEO of the Issuer

Exhibit B Letter dated February 1, 2010 from Deborah S. Birnbach of Goodwin Procter LLP, counsel to the Issuer to Laurence M. Johnson of Davis, Malm & D=Agostine PC, counsel to Andre Danesh

Exhibit C Letter dated February 5, 2010 from Laurence M. Johnson to Deborah S. Birnbach

Exhibit D Letter dated February 8, 2010 from Deborah S. Birnbach to Laurence M. Johnson

Exhibit E Letter dated February 16, 2010 from Lawrence M. Johnson to Deborah S. Birnbach

Exhibit F Letter dated February 24, 2010 from Deborah S. Birnbach to Laurence M. Johnson

ATTENTION

Intentional misstatements or omissions of fact constitute Federal Criminal Violations (See 18 U.S.C. 1001).

EXHIBIT A

ANDRE DANESH

188 MASON TERRACE

BROOKLINE, MASSACHUSETTS 02466

(617) 734-7771

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED

January 23, 2010

Shai N. Gozani, M.D., Ph.D., President,

Chief Executive Officer and Director

NeuroMetrix, Inc.

2711 Centerville Road

Suite 400

Wilmington, DE 19808

Re: Demand to Examine Books and Records of NeuroMetrix, Inc.
Pursuant to 8 Del. C. § 220.

Dear Dr. Gozani:

I, Andre Danesh, am the beneficial owner of 200,000 shares of common stock (the "Shares") of NeuroMetrix, Inc., a Delaware Corporation (the "Company"). I, Andre Danesh, am also the general partner of E&S Investment Club, a Massachusetts partnership, the record owner of 1,713,928 Shares. The shares are held by my broker in "street name" and the ownership of same is established and documented by the attached letter from UBS Financial Services, Inc. and by my sworn statement confirming same as set forth in this letter.

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As the record holder of the Shares, I hereby demand, pursuant to Section 220 of the Delaware General Corporation Law, during the usual hours for business, to (1) inspect and copy the records and documents of the Company set forth and described with particularity in paragraphs (a) - (i) below (the Books and Records), and (2) to the extent any part of the Books and Records are available on computer disk, tape or other media suitable for use by a computer, (i) to inspect and copy such disk, tape or other media as well as any instructions necessary for the practical use of the same and (ii) pursuant to Section 224 of the Delaware General Corporation Law, the Company is hereby requested to convert to clearly legible paper form such Books and Records and to make them available for inspection and copying.

Unless otherwise specified below, each of these requests applies to Books and Records for the period from January 1, 2009 to the present (hereinafter the Relevant Time Period):

- a. The stock record book;

 - b. The current shareholder list;
-

- c. All records with respect to the PIPE transaction entered into on or about September 10, 2009 (the PIPE Transaction) in which the Company sold 8,816,521 shares and 8,375,694 warrants (or any other quantity of either of the foregoing) to the following shareholders: Deerfield Special Situations Fund, L.P.; Deerfield Special Situations Fund International Limited; Growth Equity Opportunities Fund, LLC; Delphi Ventures VIII, L.P.; Delphi BioInvestments VIII, L.P.; Biomedical Value Fund L.P.; Biomedical Offshore Value Fund, Ltd.; Lagunitas Partners LP; Gruber & McBaine International; Jon D. & Linda W. Gruber Trust; J. Patterson McBaine; Symmetry Parallax Partners L.P.; Daniel & Colette Hagen; Cummings Bay Capital LP; Geneve Corp. and/or to any other purchasers thereof (hereinafter collectively the Participating Shareholders);
- d. Any and all written or electronic communications and all notes or memoranda of any meetings or other oral communications between any employee, officer, Director or agent of the Company and any Participating Shareholder(s) and any other potential investor in the PIPE Transaction or anyone acting on their behalf.
- e. All records of any written or electronic communications and all notes or memoranda of any meetings or oral communications concerning management s decision to offer the opportunity to participate in the PIPE Transaction to the Participating Shareholders, or to any others who were in fact offered the opportunity to participate;
- f. All records of any written or electronic communications and all notes or memoranda of any meetings or oral communications concerning management s decision not to offer the opportunity to participate in the PIPE Transaction to any other shareholders of the Company including, without limitation, myself or to any other potential investors;
- g. All records of any written or electronic communications and all notes or memoranda of any meetings or oral communications concerning the basis for management s decision to offer certain parties the opportunity to participate in the PIPE Transaction but not others;
- h. All records of any written or electronic communications and all notes or memoranda of any meetings or oral communications concerning the purposes, timing, need for, structure and/or potential investors in the PIPE Transaction including, without limitation, any oral or written communications between any employee, officer, director or agent of the Company and any investment banker, financial consultant or other financial advisor and any memorandum, report, analysis or recommendation of any of the foregoing persons or entities.
- i. All records of any written or electronic communications and all notes or memoranda of any meetings or oral communications concerning any consideration of any other means or modality for raising or obtaining debt or equity capital for the Company at any time during the Relevant Time Period and including, without limitation, any oral or written communications between any
-

employee, officer, director or agent of the Company and any investment banker, financial consultant or other financial advisor and any memorandum, report, analysis or recommendation of any of the foregoing persons or entities.

j. All records constituting, evidencing or reflecting any agreement or understanding, whether written or oral, between th