

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

VASO Corp

Form: 8-K/A

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Corporate Issuer CIK: 839087

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

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report: January 24, 2012
(Date of earliest event reported)

VASOMEDICAL, INC.

(Exact name of registrant as specified in its charter)

Delaware	0-18105	11-2871434
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
180 Linden Avenue, Westbury, New York		11590
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code:

(516) 997-4600

(Former name or former address, if changed since last report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement to communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02 Departure of Directors or Certain Officers; Election of Directors;
Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(a)(1) As stated in this current report, William Dempsey, who resides in Dublin, Ireland, resigned as a director and each other position held in the Company or any subsidiaries, during a meeting of the Board of Directors held on January 24, 2012. The Company received written confirmation regarding that resignation in a letter dated January 27, 2012 and received today, which is attached as an exhibit.

That letter raises a number of issues on which the Company makes the following comments.

Mr. Dempsey alleges that insufficient information regarding Board meetings and minutes reflecting those meetings had been circulated to the Directors prior to Board meetings. In fact, as a policy and in reality, draft minutes of the prior Board Meeting and an agenda are circulated to the members of the Board in advance of the Board meeting for review and comment. Prior minutes are presented to the Board for approval at the onset of each meeting. Mr. Dempsey actually joined the unanimous vote of the Board on January 24, 2012 in approving the last minutes prior to submitting his resignation. He also has approved all prior minutes during his tenure.

As to allegations of potential financial reporting irregularities, the question raised was promptly put before the independent Audit Committee. Their preliminary determination that all reporting had been in accordance with all applicable rules and regulations was delivered to the Board at the January 24 meeting only after discussions with the Independent Auditor for the Company. Notwithstanding that preliminary determination, the Audit Committee confirmed at the meeting to all directors including Mr. Dempsey that they would complete a full review of the issue and provide a written presentation for the Board.

It also should be noted that Mr. Dempsey tendered his resignation and left the Board meeting during the discussion and prior to any vote regarding the board of the Company's wholly-owned subsidiary, Vaso Diagnostics, Inc. d/b/a Vaso Healthcare. His decision to resign and remove himself from the Board and in all other positions with the Company was made at a time that alternate proposals, including maintaining a subsidiary board with Mr. Dempsey remaining as chairman, were being considered.

By letter dated February 1, 2012, Mr. Dempsey provided his comments on the information disclosed. It should be noted that the positions taken by Mr. Dempsey with respect to the elements of this current report are contrary to the facts as disclosed. He (i) joined in the unanimous approval of the prior minutes, (ii) was advised by the Audit Committee Chairman that the independent auditors of the Company had approved the financial disclosure position, and (iii) tendered his resignation and left the Board Meeting during discussions prior to any action being taken with respect to the Board of Directors of our subsidiary.

Item 8.01 Other Events

On January 24, 2012, the Board of Directors approved the appointment of an Executive Committee to function, as necessary, when the Board of Directors was not in session. The Committee consists of a minimum of three regular members of the Board. The Committee shall act only on the affirmative vote of a majority of its members at a meeting or by unanimous written consent. During the intervals between meetings of the Board, the Committee shall have and may exercise the powers of the Board except as may be limited by Delaware statute. The initial members of the Committee are its Vice Chairman – David Lieberman, the Chairman of its Audit Committee – Peter C. Castle and the Chairman of the Compensation Committee – Behnam Movaseghi.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits
17 Letters of William Dempsey.

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.

Date: February 3, 2012

VASOMEDICAL, INC.

By: /s/ Jun Ma

Jun Ma

President and Chief Executive Officer

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27 West 72nd Street
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52 Park Avenue
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January 27th, 2012

By E-Mail and Courier

Mr. Simon Srybnik
Chairman
Vasomedical, Inc.
180 Linden Avenue
Westbury, NY 11550
USA

Re: Letter of Resignation

Dear Mr. Srybnik:

For the reasons set forth below, I hereby confirm my resignation from the Board of Vasomedical, Inc. (the "Board") delivered orally to the Board at its meeting on Tuesday, January 24, 2012.

At that meeting, I brought to the attention of the Board the concerns of management of Vase Diagnostics, Inc. also known as VasoHealthcare ("VHC") that there has been inconsistent and perhaps inaccurate recognition and reporting of commissions earned by VHC.

The Board then terminated my position as chair of VHC by voting over my objection to disband the Board of VHC and to establish an executive committee of the Board of Vasomedical to run VHC.

Also in the past I have requested David Lieberman, Vice Chairman of Vasomedical, Inc. to have the minutes accurately reflect discussions held by the Board; this, he said was a matter for him to decide. Moreover, Directors are not provided with timely information in advance of the meetings to enable all Directors to be properly prepared or to contribute, which in my view is not how a board should function.

Sincerely yours,

/s/ William Dempsey
WILLIAM DEMPSEY

Email: billdempsey39@gmail.com

cc: Mr. Jun Ma
Chief Executive Officer
Vasomedical, Inc.

David H. Lieberman
Vice Chairman
Vasomedical, Inc.

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1st February 2012

By E-Mail and Courier

Mr. Jun Ma
Chief Executive Officer
Vasomedical, Inc.
180 Linden Avenue
Westbury, NY 11550
USA

Dear Mr. Ma:

For the reasons set forth below, I disagree with substantial portions of the Vasomedical, Inc. January 30, 2012 Form 8-K, specifically as to my January 27, 2012 letter of resignation.

1. Inconsistent Revenue Recognition and Reporting

At the January 24, 2012 Vasomedical board meeting and at the executive session of the board, I made it very clear I was concerned about the inconsistent recognition of revenue and specifically requested an independent external audit (from an audit firm other than the company auditors). I was told there was no need for an external review and that the matter had already been reviewed by the "independent Audit Committee" consisting of directors Castle and Movaseghi. Moreover, at the board meeting there was no reference made to a previous external auditor review of these potential financial reporting irregularities.

2. Elimination of VasoHealthcare Board

I resigned from Vasomedical after the board at the Executive Session voted to disband the board of the Vasomedical wholly-owned subsidiary VasoHealthcare and to terminate my position as Chair of VasoHealthcare. Upon a roll call vote conducted by counsel present at the Executive Session of the board meeting, I voted "no" and expressed my opinion that disbanding the board of VasoHealthcare was a strategic mistake and would have a serious negative effect on the VasoHealthcare team. The minutes of the executive session should accurately reflect this sequence of events as they were recorded by company counsel.

3. Board Meetings and Minutes

I did not vote to approve minutes of the Vasomedical board meeting presented to the January 24, 2012 board meeting.

Moreover, the minutes do not accurately reflect what happened during the meetings, e.g. when I questioned the strategy and logic behind the Chinese acquisition, because I believed it could cause conflict and future problems for VasoHealthcare, it was not recorded. I remind you that I brought this matter to the board on a number of occasions.

With regard to the agenda, my resignation letter speaks for itself.

Sincerely yours,

/s/ William Dempsey
WILLIAM DEMPSEY

Email: billdempsey39@gmail.com

Cc: Simon Srybnik
Chairman

David Lieberman
Vice Chairman