

CHROMAVISION MEDICAL SYSTEMS INC
Form SC 13D/A
August 30, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D
UNDER THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO. 4) (1)

ChromaVision Medical Systems, Inc.

(Name of Issuer)

Common Stock, \$0.01 Par Value Per Share

(Title of Class of Securities)

17111P 10 4

(CUSIP Number)

N. Jeffrey Klauder, Esq.
800 The Safeguard Building, 435 Devon Park Drive
Wayne, PA 19087-1945
(610) 293-0600

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

August 28, 2002

(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 which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box / /.

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.

(continued on following pages)

(1) 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 the 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, as amended (the "Exchange Act") or otherwise subject to the liabilities of that section of the Exchange Act but shall be subject to all other provisions of the Exchange Act.

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1 NAME OF REPORTING PERSON
Safeguard Scientifics, Inc.

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S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
23-1609753

- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) / /
(b) / /
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS
WC
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2(d) OR 2(e) / /
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION
Pennsylvania

| | | |
|------------------------------------------------------------------------|----|----------------------------------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH PERSON WITH | 7 | SOLE VOTING POWER -0- |
| | 8 | SHARED VOTING POWER 18,529,556 |
| | 9 | SOLE DISPOSITIVE POWER -0- |
| | 10 | SHARED DISPOSITIVE POWER 18,529,556 |

- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
18,529,556
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
/ x /
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
56.3%
- 14 TYPE OF REPORTING PERSON
CO

* Excludes an aggregate of 46,915 shares of common stock held by certain executive officers and directors of Safeguard Scientifics, Inc. and 501(c)(3) foundations, trusts and limited partnerships that are either controlled by them or over which they exercise shared voting or dispositive power. Safeguard Scientifics, Inc. disclaims beneficial ownership of such shares.

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- 1 NAME OF REPORTING PERSON
Safeguard Delaware, Inc.
- S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
52-2081181
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) / /
(b) / /
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS
AF

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5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2 (d) OR 2 (e) / /

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

| | | |
|--------------------------------------------------------------------------------|----|----------------------------------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON | 7 | SOLE VOTING POWER -0- |
| | 8 | SHARED VOTING POWER 15,090,835 |
| | 9 | SOLE DISPOSITIVE POWER -0- |
| | 10 | SHARED DISPOSITIVE POWER 15,090,835 |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
15,090,835

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
/ /

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
45.9%

14 TYPE OF REPORTING PERSON
CO

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1 NAME OF REPORTING PERSON
Safeguard Scientifics (Delaware), Inc.

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
51-0291171

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) / /
(b) / /

3 SEC USE ONLY

4 SOURCE OF FUNDS
AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2 (d) OR 2 (e) / /

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

| | | |
|--------------------------------------------------------------------------------|---|----------------------------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON | 7 | SOLE VOTING POWER -0- |
| | 8 | SHARED VOTING POWER 3,438,721 |
| | 9 | SOLE DISPOSITIVE POWER -0- |

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10 SHARED DISPOSITIVE POWER
3,438,721

- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
3,438,721
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
/ /
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
10.5%
- 14 TYPE OF REPORTING PERSON
CO

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The following information supplements and amends the information contained in the Schedule 13D and amendments thereto previously filed by Safeguard Scientifics, Inc. ("Safeguard") relating to the ownership by its subsidiaries of the common stock, \$0.01 par value per share, of ChromaVision Medical Systems, Inc., a Delaware corporation (the "Company"), listed on the cover pages of this amendment.

ITEM 2. IDENTITY AND BACKGROUND

No change except as follows:

(a) - (c) This Schedule 13D is being filed by Safeguard, Safeguard Delaware, Inc. ("SDI") and Safeguard Scientifics (Delaware), Inc. ("SSD") (collectively, the "Reporting Persons" and, individually, a "Reporting Person"). Safeguard is a leader in building and operating technology companies in three principal areas: business and IT services, software, and emerging technologies. SSD and SDI are wholly owned subsidiaries of Safeguard. Set forth in Schedule I annexed hereto are the name, identity and background of each Reporting Person and set forth in Schedules II, III and IV is the information required by Item 2 of Schedule 13D about the identity and background of each Reporting Person's directors, executive officers and controlling persons, if any.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

Add the following to Item 3:

On August 28, 2002, the Company held a special meeting of stockholders, at which time the stockholders approved (i) the issuance to SDI of 362,663 shares of Company common stock at a purchase price of \$1.585 per share, or an aggregate of \$574,821; (ii) the granting to SDI of a warrant to purchase 975,000 additional shares of Company common stock; (iii) a right of first refusal pursuant to which SDI would be able to acquire additional equity securities of the Company, including stock purchase rights to protect SDI against dilution caused by the exercise of options, warrants and other common stock subscription or purchase rights outstanding on June 13, 2002, or granted after that date; and (iv) the issuance of shares of common stock upon conversion of outstanding shares of Series D 5% Cumulative Convertible Preferred Stock ("Series D Stock"), as the payment of dividends thereon, and upon exercise of related warrants.

Pursuant to the Securities Purchase Agreement dated June 13, 2002 among Safeguard, SDI and the Company, on August 28, 2002:

1. SDI purchased 362,663 shares of Company common stock at a purchase price of \$1.585 per share, or an aggregate of \$574,821;

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2. The Company issued to SDI a Warrant to purchase up to 975,000 shares of Company common stock to protect Safeguard against dilution from the exercise of certain outstanding options and warrants held by others that are exercisable to purchase additional shares of Company common stock. Under the terms of the Warrant, SDI is entitled to purchase one share of Company common stock for every share of Company common stock as to which any such other option or warrant is exercised. The exercise price payable by SDI will be equal to the exercise price of any such other option or warrant. The Warrant must be exercised by SDI within nine months of receipt of notice from the Company that any such option or warrant has been exercised, which notices will be given quarterly. Following the expiration of the applicable exercise period, the number of shares subject to the SDI Warrant will be reduced by the number of shares SDI was entitled to purchase during the exercise period, whether or not the shares are so purchased.

3. SDI converted 11,230 shares of Series D Stock, plus accrued, unpaid dividends in the amount of \$90,513.80, into 7,142,280 shares of Company common stock.

4. The Company granted SDI a right of first refusal to purchase its pro-rata share of all equity securities the Company proposes to sell and issue in the future (other than compensatory grants of stock options to directors, officers, employees and consultants) in accordance with the terms described in Amendment No. 2 to Schedule 13D filed by Safeguard on June 24, 2002.

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The funds used in these transactions came from the general working capital of Safeguard.

The Proxies and Voting Agreements described in Amendment No. 2 to Schedule 13D filed by Safeguard on June 24, 2002 expired upon stockholder approval of the matters voted upon at the special meeting of stockholders held on August 28, 2002.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

Replace the disclosure previously contained in Item 5 with the following:

The table below sets forth the aggregate number of shares and percentage of the Company's outstanding shares beneficially owned by each Reporting Person as of August 28, 2002. The information contained in rows 6 through 11 on each of the cover pages hereto is hereby incorporated by reference into this Item 5.

Unless otherwise indicated in Schedule V annexed hereto, no Reporting Person or director or executive officer of a Reporting Person listed on Schedules II through IV annexed hereto has consummated any transaction in the Company's shares during the past sixty days other than as set forth herein.

| | Beneficial Ownership | |
|----------------------------------------|----------------------|----------------------------|
| | Number of Shares | Percentage of Total (1) |
| | ----- | ----- |
| Safeguard Scientifics, Inc. (2) | 18,529,556 | 56.3% |
| Safeguard Delaware, Inc. (3) | 15,090,835 | 45.9% |
| Safeguard Scientifics (Delaware), Inc. | 3,438,721 | 10.5% |

(1) Calculations based upon 32,828,142 shares outstanding.

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- (2) Includes the 15,028,920 directly held shares and warrants to purchase 61,915 shares beneficially owned by Safeguard Delaware, Inc. (SDI) and the 3,438,721 shares beneficially owned by Safeguard Scientifics (Delaware), Inc. (SSD). Safeguard is the sole stockholder of each of SDI and SSD. Safeguard and each of SDI and SSD have reported that Safeguard, together with each of SDI and SSD, respectively, have shared voting and dispositive power with respect to the shares beneficially owned by each of SDI and SSD, respectively. Excludes an aggregate of 46,915 shares of common stock held by certain executive officers and directors of Reporting Persons and 501(c)(3) foundations, trusts and limited partnerships that are either controlled by them or over which they exercise shared voting or dispositive power, of which Safeguard disclaims beneficial ownership.
- (3) Includes warrants to purchase 61,915 shares.

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SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this schedule is true, complete and correct.

Date: August 30, 2002

Safeguard Scientifics, Inc.

By: /s/ N. Jeffrey Klauder

N. Jeffrey Klauder
Managing Director

Date: August 30, 2002

Safeguard Delaware, Inc.

By: /s/ N. Jeffrey Klauder

N. Jeffrey Klauder
Vice President

Date: August 30, 2002

Safeguard Scientifics (Delaware), Inc.

By: /s/ N. Jeffrey Klauder

N. Jeffrey Klauder
Vice President

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SCHEDULE I

1. Safeguard Scientifics, Inc.

Safeguard Scientifics, Inc., a Pennsylvania corporation ("Safeguard"), owns all of the outstanding capital stock of Safeguard Delaware, Inc., a Delaware corporation ("SDI"), and Safeguard Scientifics (Delaware), Inc., a Delaware corporation ("SSD"). Safeguard has an address at 800 The Safeguard Building, 435 Devon Park Drive, Wayne, PA 19087-1945. Safeguard is a leader in building and operating technology companies in three principal areas: business and IT services, software and emerging technologies. See Schedule II with respect to the executive officers and directors of Safeguard as of the date of this amendment to Schedule 13D.

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2. Safeguard Delaware, Inc.

SDI is a wholly owned subsidiary of Safeguard. SDI is a holding company and has an office at 103 Springer Building, 3411 Silverside Road, P.O. Box 7048, Wilmington, DE 19803. SDI is the general partner of Safeguard 98 Capital L.P. ("Safeguard 98"), a Delaware limited partnership. Schedule III provides information about the executive officers and directors of SDI as of the date of this amendment to Schedule 13D.

3. Safeguard Scientifics (Delaware), Inc.

SSD is a wholly owned subsidiary of Safeguard. SSD is a holding company and has an office at 103 Springer Building, 3411 Silverside Road, P.O. Box 7048, Wilmington, DE 19803. Schedule IV provides information about the executive officers and directors of SSD as of the date of this amendment to Schedule 13D.

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SCHEDULE II
EXECUTIVE OFFICERS AND DIRECTORS OF SAFEGUARD SCIENTIFICS, INC.

| Name ---- | Present Principal Employment ----- | Business Address ----- |
|----------------------|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| EXECUTIVE OFFICERS* | | |
| Anthony L. Craig | President, Chief Executive Officer and Director | Safeguard Scientifics, Inc. 800 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087 |
| Michael F. Cola | Managing Director, Corporate Operations | Safeguard Scientifics, Inc. 800 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087 |
| Robert D. Crowley | Managing Director, Software | Safeguard Scientifics, Inc. 800 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087 |
| Christopher J. Davis | Managing Director and Chief Financial Officer | Safeguard Scientifics, Inc. 800 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087 |
| Anthony A. Ibarguen | Managing Director, Business & IT Services | Safeguard Scientifics, Inc. 800 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087 |
| N. Jeffrey Klauder | Managing Director and General Counsel | Safeguard Scientifics, Inc. 800 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087 |
| DIRECTORS* | | |
| Robert E. Keith, Jr. | Managing Director of TL Ventures and President and CEO, Technology Leaders Management, Inc. | TL Ventures 700 Building 435 Devon Park Drive Wayne, PA 19087 |
| Anthony L. Craig | Same as above | Same as above |

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| | | |
|------------------------|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Vincent G. Bell, Jr. | President and Chief Executive Officer, Verus Corporation | Verus Corporation 5 Radnor Corporate Center Suite 520 Radnor, PA 19087 |
| Walter W. Buckley, III | Chairman and CEO, Internet Capital Group, Inc. | Internet Capital Group 435 Devon Park Drive Building 600 Wayne, PA 19087 |
| Robert A. Fox | President, R.A.F. Industries | R.A.F. Industries One Pitcairn Pl, Suite 2100 165 Township Line Road Jenkintown, PA 19046-3593 |
| Jack L. Messman | Chairman, President, CEO, Novell, Inc. | Novell, Inc. 1800 South Novell Place Provo, UT 84606 |
| Russell E. Palmer | Chairman and CEO, The Palmer Group | The Palmer Group 3600 Market Street, Suite 530 Philadelphia, PA 19104 |
| John W. Poduska Sr. | Consultant | 295 Meadowbrook Rd. Weston, MA 02493-2450 |

* All Executive Officers and Directors are U.S. Citizens.

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SCHEDULE III EXECUTIVE OFFICERS AND DIRECTORS OF SAFEGUARD DELAWARE, INC.

| Name ---- | Present Principal Employment ----- | Business Address ----- |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| EXECUTIVE OFFICERS* | | |
| Anthony L. Craig | President, Safeguard Delaware, Inc.; President and CEO, Safeguard Scientifics, Inc. | Safeguard Scientifics, Inc. 800 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087 |
| Christopher J. Davis | Vice President & Treasurer, Safeguard Delaware, Inc.; Managing Director and CFO, Safeguard Scientifics, Inc. | Safeguard Scientifics, Inc. 800 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087 |
| N. Jeffrey Klauder | Vice President & Assistant Secretary, Safeguard Delaware, Inc.; Managing Director and General Counsel, Safeguard Scientifics, Inc. | Safeguard Scientifics, Inc. 800 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087 |
| DIRECTORS* | | |
| Deirdre Blackburn | Manager, Legal Systems & Corporate Secretary, Safeguard Scientifics, Inc. | Safeguard Scientifics, Inc. 800 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087 |
| Joseph R. DeSanto | Director, Safeguard Scientifics, Inc. | Safeguard Scientifics, Inc. 800 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087 |
| Tonya L. Zweier | Director, Safeguard Scientifics, Inc. | Safeguard Scientifics, Inc. 800 The Safeguard Building |

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435 Devon Park Drive
Wayne, PA 19087

* All Executive Officers and Directors are U.S. Citizens.

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SCHEDULE IV
EXECUTIVE OFFICERS AND DIRECTORS OF SAFEGUARD SCIENTIFICS (DELAWARE), INC.

| Name ---- | Present Principal Employment ----- | Business Address ----- |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| EXECUTIVE OFFICERS* | | |
| Anthony L. Craig | President, Safeguard Scientifics (Delaware), Inc.; President and CEO, Safeguard Scientifics, Inc. | Safeguard Scientifics, Inc. 800 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087 |
| Christopher J. Davis | Vice President & Treasurer, Safeguard Scientifics (Delaware), Inc.; Managing Director and CFO, Safeguard Scientifics, Inc. | Safeguard Scientifics, Inc. 800 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087 |
| N. Jeffrey Klauder | Vice President & Assistant Secretary, Safeguard Scientifics (Delaware), Inc.; Managing Director and General Counsel, Safeguard Scientifics, Inc. | Safeguard Scientifics, Inc. 800 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087 |
| DIRECTORS* | | |
| Deirdre Blackburn | Manager, Legal Systems & Corporate Secretary, Safeguard Scientifics, Inc. | Safeguard Scientifics, Inc. 800 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087 |
| Joseph R. DeSanto | Director, Safeguard Scientifics, Inc. | Safeguard Scientifics, Inc. 800 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087 |
| Tonya L. Zweier | Director, Safeguard Scientifics, Inc. | Safeguard Scientifics, Inc. 800 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087 |

* All Executive Officers and Directors are U.S. Citizens.

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SCHEDULE V

All of the following transactions were effected by the executive officers and directors of the Reporting Persons listed below, in brokers' transactions in the Nasdaq National Market.

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| Name ----- | Date ----- | Type of Transaction ----- | Shares ----- | Price Per Share ----- |
|------------------|---------------|------------------------------|-----------------|--------------------------|
| Anthony L. Craig | 8/26/02 | Purchase | 1,000 | \$1.40 |