SALESFORCE COM INC
Form 4
December 10, 2010

FORM 4

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

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Harris Parker

(Last) (First) (Middle)

THE LANDMARK @ ONE MARKET STREET, SUITE 300

(Street)

SAN FRANCISCO, CA 94105

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
SALESFORCE COM INC [CRM]

3. Date of Earliest Transaction (Month/Day/Year)
12/10/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
EVP, Technology

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	12/10/2010 (1)		S		467	D	$ 148.6	233,982	I	By HJ Family Trust (2)
Common Stock								3,246	D	
Common Stock								77,118	I	By GP Family Trust (3)
Common Stock								77,118	I	By Holly Familytrust (4)

Common Stock	43,440	I	GPH Exempt GST (5)
Common Stock	43,440	I	HJ Exempt GST (6)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Harris Parker THE LANDMARK @ ONE MARKET STREET SUITE 300 SAN FRANCISCO, CA 94105			EVP, Technology	

Signatures

/s/ David Schellhase, Attorney-in-fact for: G. Parker Harris	12/10/2010
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Acquisition/Disposition of Derivative and/or Non-Derivative securities is pursuant to a 10b5-1 Plan.

(2) Shares held in The G. Parker Harris III & Holly L. Johnson Family Trust.

(3) Shares held in The G. Parker Harris III Family Trust under the G. Parker Harris, III Grantor Retained Annuity Trust, dated December 19, 2003.

(4) Shares held in The Holly L. Johnson Family Trust under the Holly L. Johnson Grantor Retained Annuity Trust, dated December 19, 2003.

(5) Shares held in The G. Parker Harris III Exempt GST Family Trust.

(6) Shares held in The Holly L. Johnson Exempt GST Family Trust.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. **>Results of Operations:**

Three Months Ended September 30, 2008 Compared to Three Months Ended September 30, 2007

Net revenues. Revenues for the quarter ended September 30, 2008 were $2,080,607 compared with $2,317,607 in the three months ended September 30, 2007. The decrease is primarily due to eliminating subsidiaries less profitable sales territories.

Costs of revenues. The costs of revenues for the three months ended September 30, 2008 were $1,151,337, compared with $1,193,179 for the three months ended September 30, 2007. These costs consist of product purchases and other direct costs such as salaries, commissions, and distribution charges. The decrease is primarily due to eliminating subsidiaries less profitable sales territories, which is expected to improve the Company s gross profit margin in the future. The Company s gross profit margin was 44.7% for the quarter ended September 30, 2008, and 48.5% in the three month period ended September 30, 2007.

General and administrative salaries and wages. During the three months ended September 30, 2008, the Company incurred general and administrative salaries and wages expenses of $686,466 (33.0% of net revenues), compared with general and administrative salaries and wages expenses of $691,488 (29.8% of net revenues) during the same quarter of 2007.

Share-based compensation. During the three months ended September 30, 2008, the Company incurred $142,941 (6.9% of net revenue) in compensation expense related to share-based payment awards, compared with $238,199 (10.3% of net revenue) in share-based payment awards during the same quarter of 2007. The share-based compensation expense was less during the three months ended September 30, 2008 due to the number of options fully vested in prior years.

General and administrative expenses. During the three months ended September 30, 2008, the Company incurred operating expenses, excluding compensation, of $824,891 (39.6% of net revenues), compared with operating expenses, excluding compensation, of $772,973 (33.4% of net revenue) during the same period of 2007. The increase is primarily due to intangible asset amortization expense from acquired companies in the quarter ended September 30, 2008, which represents 3.3% of net revenues. In addition to depreciation and amortization, operating expenses are comprised primarily of professional fees, rent, and insurance.

Interest expense. During the three months ended September 30, 2008, the Company incurred interest expenses of $378,017, primarily related to the Series D and Series E Preferred Stock issued during 2008. During the same period in 2007, interest expense totaled $35,946, primarily due to interest on the Company s credit facility with TD Banknorth.

Provision for income taxes. During the three months ended September 30, 2008 and September 30, 2007, the Company had income tax benefit for state income and franchise taxes of $7,428 and provision of $3, respectively. The state tax benefit is due to refunds received during the three month period ended September 30, 2008. No federal income tax benefit has been provided due to the uncertainty in the utilization of losses incurred. Net operating losses may be carried forward for up to 20 years.

Other income/expenses - net. During the three months ended September 30, 2008 the Company incurred $17,282 in Other Income, primarily from miscellaneous income. Other Expense for the three months ended September 30, 2007 totaled $2,165,742 and was primarily attributable to legal settlement and penalties associated with the delayed effectiveness of the Company s registration statement.

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Net loss. Net loss for the three months ended September 30, 2008 was $1,076,350, or ($0.03) per share, primarily reflecting the Company s operating loss of $725,020 and $378,017 of interest expense. Net loss for the three months ended September 30, 2007 was $2,766,811 or ($.09) per share, reflecting primarily the $2,000,000 in Other Expenses for the legal settlement, $165,742 in non-cash penalties as the Registration Statement on Form SB-2 has not yet been deemed effective, plus the effects of share based compensation, and the impact of costs incurred to execute our business strategy.

Nine months Ended September 30, 2008 Compared to Nine months Ended September 30, 2007

Net revenues. As noted previously, we completed the acquisition of our first two operating companies in May 2007. Revenues for the nine months ended September 30, 2008 were $6,379,683, compared with $3,922,973 in the period from May 4, 2007 to September 30, 2007. The increase is primarily due to the inclusion of acquired companies for the entire nine months ended September 30, 2008.

Costs of revenues. The costs of revenues for the nine months ended September 30, 2008 were $3,435,000, compared with $1,999,009 during the same period of 2007. The increase is primarily due to the inclusion of acquired companies for the entire nine months ended September 30, 2008. These costs consist of product purchases and other direct costs such as salaries, commissions, and distribution charges, and for 2007, include only the post-acquisition period. The Company s gross profit margin was 46.1% during nine months ended September 30, 2008, compared with 49.0% in the period from May 4, 2007 to September 30, 2007.

General and administrative salaries and wages. During the nine months ended September 30, 2008, the Company incurred general and administrative salaries and wages expenses of $2,031,147 (31.8% of net revenues), compared with general and administrative salaries and wages expenses of $1,414,000 (36.0% of net revenues) during the same period of 2007. The increase is primarily due to the inclusion of acquired companies for the entire nine months ended September 30, 2008.

Share-based compensation. During the nine months ended September 30, 2008, the Company incurred $384,923 (6.0% of net revenue) in compensation expense related to share-based payment awards, compared with $1,108,793 (28.3% of net revenue) in share-based payment awards during the same period of 2007. The share-based compensation expense was less during the nine months ended September 30, 2008 due to the increased number of full vested options outstanding.

General and administrative expenses. During the nine months ended September 30, 2008, the Company incurred operating expenses, excluding compensation, of $2,648,005 (41.5% of net revenues), compared with operating expenses, excluding compensation, of $1,567,557 (40.0% of net revenue) during the same period of 2007. The increase is primarily due to the inclusion of acquired companies for the entire nine months ended September 30, 2008. Operating expenses are comprised primarily of professional fees, rent, depreciation and amortization and insurance.

Interest expense. During the nine months ended September 30, 2008, the Company incurred interest expenses of $722,373, primarily consisting of $670,575 related to the Series D and Series E Preferred Stock issued during 2008, and $26,097 related to the Company s credit facility with TD Banknorth. During the same period in 2007, interest expense totaled $125,892, of which $57,724 was related to the Company s credit facility with TD Banknorth and $47,488 was related to the bridge offering promissory notes issued in October 2006.

Provision for income taxes. During the nine months ended September 30, 2008 and September 30, 2007, the Company had income tax provisions for state income and franchise taxes of $4,842 and $19,064, respectively. No federal income tax benefit has been provided due to the uncertainty in the utilization of losses incurred. Net operating losses may be carried forward for up to 20 years.

Other expenses net. During the nine months ended September 30, 2008 the Company incurred $2,196,444 in Other Expenses, primarily consisting of $2,218,228 accrued for the cost of stock to be issued due to the delayed filing of a registration statement on Form S-1. Other Expenses for the nine months ended September 30, 2007 totaled $2,165,742 and was primarily attributable to legal settlement and penalties associated with the delayed effectiveness of the Company s registration statement.

Net loss. Net loss for the nine months ended September 30, 2008 was $5,037,086, or ($0.14) per share, primarily reflecting the Company s operating loss of $2,119,392, $2,207,484 in accrued non-cash penalties for the delayed filing of a registration statement on Form S-1, and $722,373 of interest expense. Net loss for the nine months ended September 30, 2007 was $4,400,848 or ($.16) per share, reflecting primarily $2,000,000 in Other Expenses accrual

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for the legal settlement, $165,742 in non-cash penalties as the Registration statement SEC Form S-1 has not yet been declared effective, plus the effects of share based compensation, and the impact of costs incurred to execute our business strategy.   On November 4, 2008, the Company withdrew its registration statement from the SEC, in view of the Company s pending acquisition by MSMT and the resulting complexity in complying with SEC disclosure requirements.

Material Changes in Financial Condition, Liquidity and Capital Resources

As of September 30, 2008, the Company had cash of $670,570, an increase of $110,195 from the balance of $560,375 at December 31, 2007, primarily a result of the Company s issuing preferred stock for $3,000,000 offset by payment in full of the Company s bank line of credit obligation of $1,604,758, and its net cash used in operations during the nine months ended September 30, 2008. There was a working capital deficit of $35,940 at September 30, 2008, reflecting the replacement financing received during the period and assets of the acquired companies (primarily accounts receivable and inventories), offset by accounts payable and accrued expenses. As of December 31, 2007, the Company s working capital was $474,460, reflecting the amounts due on the Company s Credit Agreement and accrued expenses.

Net cash used in operating activities was $1,404,681 for the nine months ended September 30, 2008, primarily attributable to the net loss adjusted for non-cash expenses ($2,218,228 in penalties for late registration to be settled in warrants, stock based compensation expense of $384,923, depreciation and amortization of $389,072, and $578,084 accrued interest and fees related to discounted financing obligations), as well as increases in accounts receivable of $188,197, in inventory of $74,406, and in prepaid expenses and other assets of $41,177. This was offset, in part, by increased accounts payable and accrued expenses of $354,838. For the nine months ended September 30, 2007, net cash used in operating activities was $1,598,569, primarily attributable to the net loss adjusted for non-cash expenses (stock based compensation expense of $1,108,793 and depreciation and amortization of $117,833), a decrease in accounts payable and accrued expenses of $1,572,493 primarily resulting from decreased accounts payable from acquired companies of $332,058, offset by $2,000,000 in Other Expenses accrued for the legal settlement, and $165,742 in non-cash penalties as the Registration Statement on Form SB-2 has not yet been deemed effective. However, the majority of the settlement is expected to be payable as non-cash expenses, primarily as stock transactions.

Net cash provided from investing activities during the nine months ended September 30, 2008 was $267,270, primarily consisting of $275,231 from adjustments to the acquisitions of the two subsidiary companies, offset by $7,961 for capital expenditures. During the same period in 2007, investing activities used $3,526,054, primarily reflective of the Company s two acquisitions in May 2007, and the acquired companies capital expenditures of $178,221.

Net cash provided by financing activities during the nine months ended September 30, 2008 was $1,247,606, consisting primarily of $3,000,000 proceeds from the issuance of preferred stock. The Company used the proceeds from this financing to pay the approximately $1.6 million outstanding balance due TD Banknorth on April 1, 2008, and also paid a $100,000 note in full. During the same period of 2007, net cash provided by financing activities was $3,923,481, primarily representing proceeds from the issuance of preferred stock net of offering costs, offset by net payments in acquired company debt.

In addition, the Company needs additional capital to cover ongoing operating expenses. We estimate that we may require up to $75,000 per month through the first six months of 2009. These factors raise substantial doubt about our ability to execute our business plan. The Company s future liquidity and cash requirements will depend on a wide range of factors, including the acquisition of operating businesses. In particular, the Company expects to raise capital or seek additional financing. While there can be no assurance that such capital or additional financing would be available in amounts and on terms acceptable to the Company, management believes that such financing would likely be available on acceptable terms.

If we are to fully implement our business plan, we anticipate that our use of cash will be substantial for the foreseeable future, and will exceed our cash flow from operations during the next 12 months and thereafter, absent a significant increase in sales. To fully implement our business plan, over the next 12 months we anticipate that we will require investment capital for completing acquisitions we have identified. There can be no assurance that such capital or additional financing would be available in amounts and on terms acceptable to us, management believes that such financing would likely be available on acceptable terms. See Note 9 Subsequent Events for information concerning the Company s proposed acquisition by Medical Solutions Management Inc.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The Company is a smaller reporting company and is not required to provide the information required by this item.

Item 4T. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain a system of disclosure controls and procedures that is designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. In our evaluation of disclosure controls and procedures as of December 31, 2007, our Chief Executive Officer and Chief Financial Officer concluded the Company s disclosure controls and procedures were not effective as of December 31, 2007 due to an inadvertent failure to include Management s Annual Report on Internal Control Over Financial Reporting required by Item 308T of Regulation S-K in the Company s original Form 10-K filed on March 25, 2008. We have, since that time, taken the following steps to address this issue:

1. Before each report is filed, management of the company reviews the SEC s website, www.sec.gov , to determine what, if any, recent changes have occurred in the rules impacting the Company s disclosure requirements; and

2. During the report preparation process, management of the Company discusses with its independent consultants who assist in the preparation of the reports and related financial statements whether they are aware of recent changes that have occurred in the rules impacting the Company s disclosure requirements

As of September 30, 2008, our management, including our Chief Executive Officer and Chief Financial Officer, had evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) pursuant to Rule 13a-15(b) under the Exchange Act. Based upon and as of the date of the evaluation, our Chief Executive Officer and Chief Financial Officer concluded that information required to be disclosed is recorded, processed, summarized and reported within the specified periods and is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow for timely decisions regarding required disclosure of material information required to be included in our periodic SEC reports. Based on the foregoing, our management determined that our disclosure controls and procedures were effective as of September 30, 2008.

Changes in Internal Control over Financial Reporting

There were no changes (including corrective actions with regard to significant deficiencies or material weaknesses) in our internal controls over financial reporting that occurred during the period ended September 30, 2008 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Other than as set forth below, the Company is not a party to any legal proceedings other than in the ordinary course of business which are not material its operations. A complaint was filed on October 29, 2007, with the U.S. Department of Labor (OSHA Complaint Number 2-2600-08-003), by a former employee of Ortho-Medical Products, Inc. who alleged his employment was terminated because he filed a safety complaint with OSHA in October 2007. The Company submitted a statement of position to the DOL on December 5, 2007 denying the material allegations of the complaint. The DOL has not issued a determination.

Item 1A. Risk Factors

The Company is a smaller reporting company and is not required to provide the information required by this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

All issuances of restricted securities by the Company during the six-month period ended September 30, 2008, were previously reported on Form 8-K.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

No matters were submitted to a vote of our stockholders during the first quarter of fiscal 2008.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibits.

Set forth below is a list of the exhibits to this quarterly report on Form 10-Q.

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Exhibit Number	Description
31.1	Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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, thereunto duly authorized.

Dated: November 14 , 2008

Andover Medical, Inc.

By: /s/ Edwin A. Reilly
Edwin A. Reilly, Chief Executive Officer
(Principal Executive Officer)

Dated: November 14 , 2008

Andover Medical, Inc.

By: /s/ James A. Shanahan
James A. Shanahan, Chief Financial Officer
(Principal Financial Officer)

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Andover Medical, Inc.

Quarterly Report on Form 10-Q

Quarter Ended September 30, 2008

EXHIBIT INDEX

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