

SEAWRIGHT HOLDINGS INC
Form SB-2/A
November 16, 2006

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON NOVEMBER 16, 2006
REGISTRATION NO. 333-135810

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

AMENDMENT NO. 4 to
FORM SB-2/A

REGISTRATION STATEMENT
UNDER THE
SECURITIES ACT OF 1933

SEAWRIGHT HOLDINGS, INC.

(Name of small business issuer in its charter)

Delaware
(State of other jurisdiction
of incorporation)

2086
(Primary Standard
Industrial
Classification Code Number)

54-1965220
(IRS Employer
Identification Number)

600 Cameron Street
Alexandria, Virginia 22314
(703) 340-1629
(Address and telephone number of principal executive offices)

600 Cameron Street
Alexandria, Virginia 22314
(703) 340-1629
(Address of principal place of business or intended principal place of business)

Joel P. Sens, Chief Executive Officer
600 Cameron Street
Alexandria, Virginia 22314
(703) 340-1629
(Name, address and telephone number of agent for service)

Copies of communications to:

Charles A. Sweet, Esq.

Mark J. Fiekers, Esq.
McKee Nelson LLP
1919 M Street, NW
Washington, DC 20036
(202) 775-1880

Approximate date of proposed sale to the public: as soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered ⁽¹⁾	Proposed Maximum offering price per security ⁽²⁾	Proposed Maximum Amount of Aggregate offering price	Amount of Registration Fee ⁽³⁾
Common stock, no par value per share ⁽⁴⁾	1,000,000	\$ 0.85	\$ 850,000.00	\$ 545.70
Common stock, no par value per share ⁽⁵⁾	3,469,995	\$ 0.85	\$ 2,949,495.75	\$ 391.48
Common stock, no par value per share ⁽⁶⁾	75,000	\$ 0.85	\$ 63,750.00	\$ 143.25
Common stock, no par value per share ⁽⁷⁾	1,725,882	\$ 0.85	\$ 1,466,999.70	\$ 156.97
Common stock, no par value per share ⁽⁸⁾	887,400	\$ 0.85	\$ 754,290.00	\$ 80.71

(1) Pursuant to Rule 416(a) of the Securities Act of 1933, as amended, this registration statement shall be deemed to cover additional securities that may be offered or issued to prevent dilution resulting from stock splits, stock dividends or similar transactions.

(2) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(c). For the purposes of this table, we have used the average of the closing bid and ask prices of the common stock as traded in the over the counter market and reported on the OTC Electronic Bulletin Board on July 14, 2006.

(3) The registration fee was paid in connection with the original filing on July 17, 2006. The number of shares registered has since been reduced, resulting in a reduction of the aggregate fee payable from \$1,318.11 to \$651.05; the \$667.06 difference will remain available for offset against filing fees for subsequent registration statements pursuant to Rule 457(p).

(4) Shares of common stock to be offered in connection with an equity line of credit arrangement.

(5) Shares of common stock being registered for resale that are owned by certain selling shareholders named in the prospectus.

(6) Represents shares of common stock being registered for resale that may be acquired upon the exercise of stock options by certain selling shareholders at exercises prices ranging from \$0.50/share to \$2.00/share.

(7) Represents shares of common stock being registered for resale that have been or may be acquired upon the conversion of Series A Convertible Promissory Notes due 2009 at a conversion price of \$0.85/share issued to certain selling stockholders named in the prospectus.

(8) Represents shares of common stock being registered for resale that have been or may be acquired upon the exercise of common stock purchase warrants at an exercise price of \$0.85/share issued to certain selling stockholders named in the prospectus.

PROSPECTUS

SEAWRIGHT HOLDINGS, INC.

This prospectus relates to the sale of up to 7,158,277 shares of our common stock by our stockholders. We are not selling any securities in this offering and therefore will not receive any proceeds from this offering. We will, however, receive proceeds from the sale of securities under an investment agreement that we have entered into with one of the selling stockholders, Dutchess Private Equities Fund, L.P., which permits us to “put” up to \$5,000,000 in shares of our common stock to Dutchess Private Equities Fund, L.P. Additionally, we may receive funds from the exercise of warrants and options held by certain selling stockholders. All costs associated with this registration will be borne by us.

The shares of common stock are being offered for sale by the selling stockholders at prices established on the Over-the-Counter Bulletin Board or in negotiated transactions during the term of this offering. Our common stock is quoted on the Over-the-Counter Bulletin Board under the symbol “SWRI.OB”. On November 10, 2006, the last reported sale price of our common stock was \$0.73 per share.

Dutchess Private Equities Fund, L.P. and Jones, Byrd and Attkisson, Inc. are “underwriters” within the meaning of the Securities Act of 1933, as amended, in connection with the resale of common stock under the investment agreement. Dutchess will pay us 95% of the lowest closing best bid price of the common stock during the five trading days immediately following the date of our notice to them of our election to put shares pursuant to the investment agreement.

THIS INVESTMENT INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD PURCHASE SECURITIES ONLY IF YOU CAN AFFORD A COMPLETE LOSS. SEE “RISK FACTORS” BEGINNING ON PAGE 11.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

THE DATE OF THIS PROSPECTUS IS NOVEMBER 16, 2006

TABLE OF CONTENTS

<u>SUMMARY</u>	1
<u>RISK FACTORS</u>	11
<u>USE OF PROCEEDS</u>	20
<u>DETERMINATION OF OFFERING PRICE</u>	21
<u>INVESTMENT AGREEMENT WITH DUTCHESS</u>	21
<u>DILUTION</u>	23
<u>SELLING SECURITY HOLDERS</u>	23
<u>PLAN OF DISTRIBUTION</u>	28
<u>CAPITALIZATION</u>	30
<u>DIVIDEND POLICY</u>	30
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS AND PLAN OF OPERATION</u>	31
<u>DESCRIPTION OF BUSINESS</u>	38
<u>DESCRIPTION OF PROPERTY</u>	43
<u>MANAGEMENT</u>	44
<u>EXECUTIVE COMPENSATION</u>	46
<u>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS</u>	46
<u>MARKET FOR OUR COMMON STOCK</u>	47
<u>REPORTS TO SECURITY HOLDERS</u>	49
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	49
<u>DESCRIPTION OF SECURITIES</u>	49
<u>LEGAL PROCEEDINGS</u>	50
<u>LEGAL MATTERS</u>	50
<u>EXPERTS</u>	50
<u>ADDITIONAL INFORMATION</u>	50
<u>FINANCIAL STATEMENTS</u>	51

SUMMARY

The following summary is qualified in its entirety by the more detailed information and financial statements, including the notes thereto, appearing elsewhere in this prospectus. Because it is a summary, it does not contain all of the information you should consider before making an investment decision. References in this prospectus to “we,” “us,” and “our” refer to Seawright Holdings, Inc. and its direct and indirect subsidiaries. References to “Seawright Holdings” refer to Seawright Holdings, Inc. and its subsidiaries.

Seawright Holdings, Inc.

Seawright Holdings, Inc. was incorporated in the State of Delaware in October 1999 under the name Pre-Settlement Funding Corporation. In September 2003 we changed our name to Seawright Holdings, Inc. to re-focus our business plan and enter the business of producing and selling spring water.

Our principal executive offices are located at 600 Cameron Street, Alexandria, Virginia 22314. Our telephone number is (703) 340-1629.

The Offering

On September 12, 2005, we entered into an investment agreement with Dutchess Private Equities Fund, L.P., or Dutchess, that provides us with an Equity Line of Credit. The investment agreement provides that, following notice to Dutchess, we may require Dutchess to purchase, or put, up to \$5,000,000 in shares of our common stock for a purchase price equal to 95% of the lowest closing best bid price of our common stock on the Over-the-Counter Bulletin Board, or the OTCBB, during the five trading days following that put notice. We may, at our election, require Dutchess to purchase an amount equal to no more than either (a) 200% of the average daily volume of our common stock for the 10 trading days prior to the put notice date, multiplied by the average of the three daily closing bid prices immediately preceding the put notice date or (b) \$100,000; provided that in no event will the amount Dutchess is required to purchase exceed \$1,000,000 with respect to any single put. We are obligated to register for resale the shares of common stock issuable pursuant to the investment agreement pursuant to a registration rights agreement dated as of September 12, 2005, between Dutchess and us.

In addition to the shares issued pursuant to the investment agreement, shares will also be offered by our current stockholders. The majority of our stockholders acquired their securities through a private offering we closed in February 2005. This offering, sold to 78 accredited investors, consisted of 999 units at a price of \$3,000 per unit. Each unit consisted of the following:

- 2,500 shares of our common stock;
- \$1,500 of 11% convertible promissory notes, Series A, maturing on September 1, 2009, and convertible into shares of common stock at an exercise price of \$0.85 per share any time after six months from the date of issuance; and
- A warrant to purchase 300 shares of our common stock that is exercisable for a period of five years from issuance at \$0.85 per share.

As compensation for its services as placement agent of the private offering, Jones, Byrd and Attkisson received 594,000 warrants exercisable for 594,000 shares of common stock. Those warrants were then transferred to Ronald Attkisson, one of our directors, and John Pope Jones, and are being registered under this registration statement.

Other selling stockholders include Joel Sens, our president and chief executive officer, Stafford Street Capital LLC, a company wholly-owned by Joe Sens, National Financial Communications Corp., which acquired options to acquire 75,000 shares of common stock pursuant to a consulting agreement entered into with us on May 1, 2006, and Michael Donohue, Michael Fitzgerald and the William T. Stephens Jr. Revocable Trust, each of which acquired shares of our common stock in a private transactions with us on April 27, 2006.

The selling stockholders consist of:

Stockholder	# of Shares
Dutchess Private Equities Fund, L.P.	1,000,000 ⁽¹⁾
Joel Sens	650,000 ⁽²⁾
Ron Attkisson	300,000 ⁽³⁾
John Pope Jones	294,000 ⁽⁴⁾
RBC Dain Rauscher Cust William Dunn IRA	267,796 ⁽⁵⁾
RBC Dain Rauscher Cust Eugenia Medlock IRA	258,667 ⁽⁶⁾
RBC Dain Rauscher Cust James T. Lewis IRA	238,886 ⁽⁷⁾
IFS Holdings, Inc.	203890 ⁽⁸⁾
RBC Dain Rauscher Cust Cynthia Lee McDonald IRA	197,804 ⁽⁹⁾
RBC Dain Rauscher Cust Barry Dunn SEP/IRA	181,067 ⁽¹⁰⁾
Stafford Street Capital LLC	175,000 ⁽¹¹⁾
Matthew K. Becksteadd TTEE Matthew K. Beckstead Revocable Trust	152,157 ⁽¹²⁾
John R. Velky	152,157 ⁽¹³⁾
RBC Dain Rauscher Cust Nancy Kines IRA	147,592 ⁽¹⁴⁾
RBC Dain Rauscher Cust Louis Mulherin Jr. IRA	136,941 ⁽¹⁵⁾
RBC Dain Rauscher Cust Horace G. Blalock IRA	130,855 ⁽¹⁶⁾
Jana S. Pine	117,161 ⁽¹⁵⁾
RBC Dain Rauscher Cust Kenneth D. Simpson IRA	114,118 ⁽¹⁷⁾
RBC Dain Rauscher Cust Henry Alperin IRA	106,509 ⁽¹⁸⁾
Echols J. Martin DMD PSP	106,509 ⁽¹⁸⁾
RBC Dain Rauscher Cust Caroline T. Richardson IRA	97,380 ⁽¹⁹⁾
RBC Dain Rauscher Cust Charles Daniel IRA	94,338 ⁽²⁰⁾
RBC Dain Rauscher Cust Robert Edmond IRA	82,165 ⁽²¹⁾
RBC Dain Rauscher Cust Jackie Brooks Roth IRA	80,643 ⁽²²⁾
RBC Dain Rauscher Cust John R. Velky IRA	79,121 ⁽²³⁾
Henry Alperin	77,600 ⁽²⁴⁾
National Financial Communications Corp.	75,000 ⁽²⁵⁾
Kimberly S. Sligh	73,035 ⁽²⁶⁾
Michael Donohue	66,666 ⁽²⁷⁾
Michael Fitzgerald	66,666 ⁽²⁷⁾
William T. Stephens Jr. Revocable Trust	66,666 ⁽²⁷⁾
Thomas D. Thompson	60,862 ⁽²⁸⁾
RBC Dain Rauscher Cust J. Lavern McCullough IRA	56,298 ⁽²⁹⁾
RBC Dain Rauscher Cust Ted A. Poor IRA	48,691 ⁽³⁰⁾

Carolyn H. Byrd	48,690 ⁽³⁰⁾
RBC Dain Rauscher Cust William A. Smith IRA	47,168 ⁽³¹⁾
RBC Dain Rauscher Cust Robert J. Ferrara IRA	45,647 ⁽³²⁾
RBC Dain Rauscher Cust Pamela K. Richardson Roth IRA	45,647 ⁽³²⁾
RBC Dain Rauscher Cust Geraldine N. Videtto IRA	45,647 ⁽³²⁾
RBC Dain Rauscher Cust Jack T. Williams IRA	45,647 ⁽³²⁾
Robert C. Wilson	45,647 ⁽³²⁾
RBC Dain Rauscher Cust Burgess M. Allen Jr. Roth IRA	39,561 ⁽³³⁾
RBC Dain Rauscher Cust Sonan L. Ashley Roth IRA	38,039 ⁽³⁴⁾
Valerie Biskey	38,039 ⁽³⁴⁾
Robert L. Bower	38,039 ⁽³⁴⁾
RBC Dain Rauscher Cust Nancy Locklear IRA	38,039 ⁽³⁴⁾
M. Dixon McKay	38,039 ⁽³⁴⁾
RBC Dain Rauscher Cust Hilton E. Vaughn Sr. IRA	38,039 ⁽³⁴⁾
Tammy Corley	32,714 ⁽³⁵⁾
William D. Corley	32,714 ⁽³⁵⁾
RBC Dain Rauscher Cust A. Louis Hook Jr. IRA	30,432 ⁽³⁶⁾
RBC Dain Rauscher Cust Dorth G. Falls IRA	27,388 ⁽³⁷⁾
RBC Dain Rauscher Cust Robert F. Heishman IRA	27,388 ⁽³⁷⁾
RBC Dain Rauscher Cust Patsy A. Fisher Roth IRA	25,867 ⁽³⁸⁾
RBC Dain Rauscher Cust Phillip R. Mason IRA	25,867 ⁽³⁸⁾
RBC Dain Rauscher Cust Joseph H. May IRA	25,867 ⁽³⁸⁾
RBC Dain Rauscher Cust Kenneth J. Remington IRA	24,345 ⁽³⁹⁾
Robert L. Abshire	22,824 ⁽⁴⁰⁾
RBC Dain Rauscher Cust Barbara Sue Bramlett IRA	22,824 ⁽⁴⁰⁾
Furman Terry Richardson	22,824 ⁽⁴⁰⁾
Stuart R. Wilson	22,824 ⁽⁴⁰⁾
Waymon E. Ragan and Lorena B. Ragan Jt. Ten./WROS	22,824 ⁽⁴⁰⁾
RBC Dain Rauscher Cust Joanne I. Leonard IRA	16,738 ⁽⁴¹⁾
Bryan Coats	15,215 ⁽⁴²⁾
RBC Dain Rauscher Cust Faye S. Jennings IRA	15,215 ⁽⁴²⁾
James R. Kelley	15,215 ⁽⁴²⁾
Alice McCoy	15,215 ⁽⁴²⁾
RBC Dain Rauscher Cust Thomas D. Thompson IRA	15,215 ⁽⁴²⁾
Ken Wilson	15,215 ⁽⁴²⁾
A Boardman Co LLC	13,694 ⁽⁴³⁾
RBC Dain Rauscher Cust Lawrence E. Mobley III SEP/IRA	13,694 ⁽⁴³⁾
Michael C. Rogers & Pam K. Roger Jt. Ten.	13,694 ⁽⁴³⁾
RBC Dain Rauscher Cust Ken Wilson Roth IRA	12,172 ⁽⁴⁴⁾
RBC Dain Rauscher Cust Verda Elrod Roth IRA	9,129 ⁽⁴⁵⁾
Gerry Rhodes	9,129 ⁽⁴⁵⁾
RBC Dain Rauscher Cust Phoebe Tuten IRA	9,129 ⁽⁴⁵⁾
Mark D. Anderson	7,608 ⁽⁴⁶⁾
RBC Dain Rauscher Cust Milton O. Dickson Sr. Roth IRA	7,608 ⁽⁴⁶⁾

Kevin Fogarty & Michelle Fogarty Jt. Ten.	7,608 ⁽⁴⁶⁾
Randall Redmond	7,608 ⁽⁴⁶⁾
George M. Willson & Crystal J. Willson	6,086 ⁽⁴⁷⁾
RBC Dain Rauscher Cust Franklin D. Hart Jr. Roth IRA	4,565 ⁽⁴⁸⁾
RBC Dain Rauscher Cust Wanda Hart Roth IRA	4,565 ⁽⁴⁸⁾
Elisabeth T. Keller	4,565 ⁽⁴⁸⁾
T. Barrett Trotter	4,565 ⁽⁴⁸⁾

-
- (1) Consists of 1,000,000 of the shares that may be issued pursuant to the Equity Line of Credit.
- (2) Consists of 650,000 shares of common stock.
- (3) Consists of 300,000 shares that may be acquired at \$0.85 per share upon exercise of warrants
- (4) Consists of 294,000 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (5) Includes 103,529 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 17,600 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (6) Includes 100,000 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 17,000 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (7) Includes 92,353 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 15,700 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (8) Includes 78,823 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 13,400 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (9) Includes 76,471 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 13,000 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (10) Includes 70,000 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 11,900 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (11) Consists of 175,000 shares of common stock.
- (12) Includes 58,824 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 10,000 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (13) Includes 57,059 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 9,700 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (14) Includes 52,941 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 9,000 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (15) Includes 50,588 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 8,600 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (16)

Includes 45,294 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 7,700 shares that may be acquired at \$0.85 per share upon exercise of warrants.

- (17) Includes 44,118 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 7,500 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (18) Includes 41,176 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 7,000 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (19) Includes 37,647 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 6,400 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (20) Includes 36,471 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 6,200 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (21) Includes 31,765 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 5,400 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (22) Includes 31,176 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 5,300 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (23) Includes 30,588 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 5,200 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (24) Includes 30,000 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 5,100 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (25) Consists of 75,000 shares that may be acquired at \$0.85 per share upon exercise of options.
- (26) Includes 28,235 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 4,800 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (27) Consists of 66,666 shares of common stock.
- (28) Includes 23,529 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 4,000 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (29) Includes 21,765 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 3,700 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (30) Includes 18,824 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 3,200 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (31) Includes 18,235 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 3,100 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (32) Includes 17,647 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 3,000 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (33) Includes 15,294 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 2,600 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (34)

Includes 14,706 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 2,500 shares that may be acquired at \$0.85 per share upon exercise of warrants.

(35) Includes 12,647 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 2,150 shares that may be acquired at \$0.85 per share upon exercise of warrants.

(36) Includes 11,765 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 2,000 shares that may be acquired at \$0.85 per share upon exercise of warrants.

(37) Includes 10,588 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 1,800 shares that may be acquired at \$0.85 per share upon exercise of warrants.

(38) Includes 10,000 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 1,700 shares that may be acquired at \$0.85 per share upon exercise of warrants.

(39) Includes 9,412 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 1,600 shares that may be acquired at \$0.85 per share upon exercise of warrants.

- (40) Includes 8,824 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 1,500 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (41) Includes 6,471 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 1,100 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (42) Includes 5,882 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 1,000 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (43) Includes 5,294 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 900 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (44) Includes 4,706 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 800 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (45) Includes 3,529 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 600 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (46) Includes 2,941 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 500 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (47) Includes 2,353 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 400 shares that may be acquired at \$0.85 per share upon exercise of warrants.
- (48) Includes 1,765 shares that may be acquired upon conversion of convertible promissory notes at \$0.85 per share and 300 shares that may be acquired at \$0.85 per share upon exercise of warrants.

Our Capital Structure and Shares Eligible for Future Sale

The following tables outline our capital stock as of September 30, 2006:

Common Stock Outstanding:	
Before	
the	9,095,474
offering	shares ⁽¹⁾
After the	12,783,756
offering	shares ⁽²⁾

(1) Assumes:

- No conversion of convertible promissory notes outstanding as of September 30, 2006:

6

Edgar Filing: SEAWRIGHT HOLDINGS INC - Form SB-2/A

Promissory Note Holder	Exercise Price	# of Common Stock Shares
RBC Dain Rauscher Cust William Dunn IRA	\$ 0.85	103,529
RBC Dain Rauscher Cust Eugenia Medlock IRA	\$ 0.85	100,000
RBC Dain Rauscher Cust James T. Lewis IRA	\$ 0.85	92,353
IFS Holdings, Inc.	\$ 0.85	78,823
RBC Dain Rauscher Cust Cynthia Lee McDonald IRA	\$ 0.85	76,471
RBC Dain Rauscher Cust Barry Dunn SEP/IRA	\$ 0.85	70,000
Matthew K. Becksteadd TTEE Matthew K. Beckstead Revocable Trust	\$ 0.85	58,824
John R. Velky	\$ 0.85	58,824
RBC Dain Rauscher Cust Nancy Kines IRA	\$ 0.85	57,059
RBC Dain Rauscher Cust Louis Mulherin Jr. IRA	\$ 0.85	52,941
RBC Dain Rauscher Cust Horace G. Blalock IRA	\$ 0.85	50,588
Jana S. Pine	\$ 0.85	45,294
RBC Dain Rauscher Cust Kenneth D. Simpson IRA	\$ 0.85	44,118
RBC Dain Rauscher Cust Henry Alperin IRA	\$ 0.85	41,176
Echols J. Martin DMD PSP	\$ 0.85	41,176
RBC Dain Rauscher Cust Caroline T. Richardson IRA	\$ 0.85	37,647
RBC Dain Rauscher Cust Charles Daniel IRA	\$ 0.85	36,471
RBC Dain Rauscher Cust Robert Edmond IRA	\$ 0.85	31,765
RBC Dain Rauscher Cust Jackie Brooks Roth IRA	\$ 0.85	31,176
RBC Dain Rauscher Cust John R. Velky IRA	\$ 0.85	30,588
Henry Alperin	\$ 0.85	30,000
Kimberly S. Sligh	\$ 0.85	28,235
Thomas D. Thompson	\$ 0.85	23,529
RBC Dain Rauscher Cust J. Lavern McCullough IRA	\$ 0.85	21,765
RBC Dain Rauscher Cust Ted A. Poor IRA	\$ 0.85	18,824
Carolyn H. Byrd	\$ 0.85	18,824
RBC Dain Rauscher Cust William A. Smith IRA	\$ 0.85	18,235
RBC Dain Rauscher Cust Robert J. Ferrara IRA	\$ 0.85	17,647
RBC Dain Rauscher Cust Pamela K. Richardson Roth IRA	\$ 0.85	17,647
RBC Dain Rauscher Cust Geraldine N. Videtto IRA	\$ 0.85	17,647
RBC Dain Rauscher Cust Jack T. Williams IRA	\$ 0.85	17,647
Robert C. Wilson	\$ 0.85	17,647
RBC Dain Rauscher Cust Burgess M. Allen Jr. Roth IRA	\$ 0.85	15,294
RBC Dain Rauscher Cust Sonan L. Ashley Roth IRA	\$ 0.85	14,706
Valerie Biskey	\$ 0.85	14,706
Robert L. Bower	\$ 0.85	14,706
RBC Dain Rauscher Cust Nancy Locklear IRA	\$ 0.85	14,706
M. Dixon McKay	\$ 0.85	14,706
RBC Dain Rauscher Cust Hilton E. Vaughn Sr. IRA	\$ 0.85	14,706
Tammy Corley	\$ 0.85	12,647
William D. Corley	\$ 0.85	12,647
RBC Dain Rauscher Cust A. Louis Hook Jr. IRA	\$ 0.85	11,765
RBC Dain Rauscher Cust Dorth G. Falls IRA	\$ 0.85	10,588
RBC Dain Rauscher Cust Robert F. Heishman IRA	\$ 0.85	10,588
RBC Dain Rauscher Cust Patsy A. Fisher Roth IRA	\$ 0.85	10,000
RBC Dain Rauscher Cust Phillip R. Mason IRA	\$ 0.85	10,000
RBC Dain Rauscher Cust Joseph H. May IRA	\$ 0.85	10,000
RBC Dain Rauscher Cust Kenneth J. Remington IRA	\$ 0.85	9,412

Edgar Filing: SEAWRIGHT HOLDINGS INC - Form SB-2/A

Robert L. Abshire	\$	0.85	8,824
RBC Dain Rauscher Cust Barbara Sue Bramlett IRA	\$	0.85	8,824
Furman Terry Richardson	\$	0.85	8,824
Stuart R. Wilson	\$	0.85	8,824

7

Edgar Filing: SEAWRIGHT HOLDINGS INC - Form SB-2/A

Waymon E. Ragan and Lorena B. Ragan Jt. Ten./WROS	\$	0.85	8,824
RBC Dain Rauscher Cust Joanne I. Leonard IRA	\$	0.85	6,471
Bryan Coats	\$	0.85	5,882
RBC Dain Rauscher Cust Faye S. Jennings IRA	\$	0.85	5,882
James R. Kelley	\$	0.85	5,882
Alice McCoy	\$	0.85	5,882
RBC Dain Rauscher Cust Thomas D. Thompson IRA	\$	0.85	5,882
Ken Wilson	\$	0.85	5,882
RBC Dain Rauscher Cust Lawrence E. Mobley III SEP/IRA	\$	0.85	5,294
A Boardman Co LLC	\$	0.85	5,294
Michael C. Rogers & Pam K. Roger Jt. Ten.	\$	0.85	5,294
RBC Dain Rauscher Cust Ken Wilson Roth IRA	\$	0.85	4,706
RBC Dain Rauscher Cust Verda Elrod Roth IRA	\$	0.85	3,529
Gerry Rhodes	\$	0.85	3,529
RBC Dain Rauscher Cust Phoebe Tuten IRA	\$	0.85	3,529
Mark D. Anderson	\$	0.85	2,941
RBC Dain Rauscher Cust Milton O. Dickson Sr. Roth IRA	\$	0.85	2,941
Kevin Fogarty & Michelle Fogarty Jt. Ten.	\$	0.85	2,941
Randall Redmond	\$	0.85	2,941
George M. Willson & Crystal J. Willson	\$	0.85	2,353
RBC Dain Rauscher Cust Franklin D. Hart Jr. Roth IRA	\$	0.85	1,765
RBC Dain Rauscher Cust Wanda Hart Roth IRA	\$	0.85	1,765
Elisabeth T. Keller	\$	0.85	1,765
T. Barrett Trotter	\$	0.85	1,765

No conversion of options outstanding as of September 30, 2006:

Option Holder	Option Price	# of Common Stock Shares
Joel Sens	\$ 0.50	400,000
Joel Sens	\$ 1.00	300,000
Joel Sens	\$ 1.75	300,000
Joel Sens	\$ 2.00	500,000
National Financial Communications Corp.	\$ 0.85	75,000

No conversion of warrants outstanding as of September 30, 2006:

Warrant Holder	Exercise Price	# of Common Stock Shares
Ron Attkisson	\$ 0.85	300,000
John Pope Jones	\$ 0.85	294,000
RBC Dain Rauscher Cust William Dunn IRA	\$ 0.85	17,600
RBC Dain Rauscher Cust Eugenia Medlock IRA	\$ 0.85	17,000
RBC Dain Rauscher Cust James T. Lewis IRA	\$ 0.85	15,700
IFS Holdings, Inc.	\$ 0.85	13,400
RBC Dain Rauscher Cust Cynthia Lee McDonald IRA	\$ 0.85	13,000
RBC Dain Rauscher Cust Barry Dunn SEP/IRA	\$ 0.85	11,900
Matthew K. Becksteadd TTEE Matthew K. Beckstead Revocable Trust	\$ 0.85	10,000
John R. Velky	\$ 0.85	10,000
RBC Dain Rauscher Cust Nancy Kines IRA	\$ 0.85	9,700

Edgar Filing: SEAWRIGHT HOLDINGS INC - Form SB-2/A

RBC Dain Rauscher Cust Louis Mulherin Jr. IRA	\$	0.85	9,000
RBC Dain Rauscher Cust Horace G. Blalock IRA	\$	0.85	8,600
Jana S. Pine	\$	0.85	7,700

8

Edgar Filing: SEAWRIGHT HOLDINGS INC - Form SB-2/A

RBC Dain Rauscher Cust Kenneth D. Simpson IRA	\$	0.85	7,500
RBC Dain Rauscher Cust Henry Alperin IRA	\$	0.85	7,000
Echols J. Martin DMD PSP	\$	0.85	7,000
RBC Dain Rauscher Cust Caroline T. Richardson IRA	\$	0.85	6,400
RBC Dain Rauscher Cust Charles Daniel IRA	\$	0.85	6,200
RBC Dain Rauscher Cust Robert Edmond IRA	\$	0.85	5,400
RBC Dain Rauscher Cust Jackie Brooks Roth IRA	\$	0.85	5,300
RBC Dain Rauscher Cust John R. Velky IRA	\$	0.85	5,200
Henry Alperin	\$	0.85	5,100
Kimberly S. Sligh	\$	0.85	4,800
Thomas D. Thompson	\$	0.85	4,000
RBC Dain Rauscher Cust J. Lavern McCullough IRA	\$	0.85	3,700
RBC Dain Rauscher Cust Ted A. Poor IRA	\$	0.85	3,200
Carolyn H. Byrd	\$	0.85	3,200
RBC Dain Rauscher Cust William A. Smith IRA	\$	0.85	3,100
RBC Dain Rauscher Cust Robert J. Ferrara IRA	\$	0.85	3,000
RBC Dain Rauscher Cust Pamela K. Richardson Roth IRA	\$	0.85	3,000
RBC Dain Rauscher Cust Geraldine N. Videtto IRA	\$	0.85	3,000
RBC Dain Rauscher Cust Jack T. Williams IRA	\$	0.85	3,000
Robert C. Wilson	\$	0.85	3,000
RBC Dain Rauscher Cust Burgess M. Allen Jr. Roth IRA	\$	0.85	2,600
RBC Dain Rauscher Cust Sonan L. Ashley Roth IRA	\$	0.85	2,500
Valerie Biskey	\$	0.85	2,500
Robert L. Bower	\$	0.85	2,500
RBC Dain Rauscher Cust Nancy Locklear IRA	\$	0.85	2,500
M. Dixon McKay	\$	0.85	2,500
RBC Dain Rauscher Cust Hilton E. Vaughn Sr. IRA	\$	0.85	2,500
Tammy Corley	\$	0.85	2,150
William D. Corley	\$	0.85	2,150
RBC Dain Rauscher Cust A. Louis Hook Jr. IRA	\$	0.85	2,000
RBC Dain Rauscher Cust Dorth G. Falls IRA	\$	0.85	1,800
RBC Dain Rauscher Cust Robert F. Heishman IRA	\$	0.85	1,800
RBC Dain Rauscher Cust Patsy A. Fisher Roth IRA	\$	0.85	1,700
RBC Dain Rauscher Cust Phillip R. Mason IRA	\$	0.85	1,700
RBC Dain Rauscher Cust Joseph H. May IRA	\$	0.85	1,700
RBC Dain Rauscher Cust Kenneth J. Remington IRA	\$	0.85	1,600
Robert L. Abshire	\$	0.85	1,500
RBC Dain Rauscher Cust Barbara Sue Bramlett IRA	\$	0.85	1,500
Furman Terry Richardson	\$	0.85	1,500
Stuart R. Wilson	\$	0.85	1,500
Waymon E. Ragan and Lorena B. Ragan Jt. Ten./WROS	\$	0.85	1,500
RBC Dain Rauscher Cust Joanne I. Leonard IRA	\$	0.85	1,100
Bryan Coats	\$	0.85	1,000
RBC Dain Rauscher Cust Faye S. Jennings IRA	\$	0.85	1,000
James R. Kelley	\$	0.85	1,000
Alice McCoy	\$	0.85	1,000
RBC Dain Rauscher Cust Thomas D. Thompson IRA	\$	0.85	1,000
Ken Wilson	\$	0.85	1,000
RBC Dain Rauscher Cust Lawrence E. Mobley III SEP/IRA	\$	0.85	900
A Boardman Co LLC	\$	0.85	900

Edgar Filing: SEAWRIGHT HOLDINGS INC - Form SB-2/A

Michael C Rogers & Pam K. Roger Jt. Ten.	\$	0.85	900
RBC Dain Rauscher Cust Ken Wilson Roth IRA	\$	0.85	800
RBC Dain Rauscher Cust Verda Elrod Roth IRA	\$	0.85	600
Gerry Rhodes	\$	0.85	600

9

RBC Dain Rauscher Cust Phoebe Tuten IRA	\$	0.85	600
Mark D. Anderson	\$	0.85	500
RBC Dain Rauscher Cust Milton O. Dickson Sr. Roth IRA	\$	0.85	500
Kevin Fogarty & Michelle Fogarty Jt. Ten.	\$	0.85	500
Randall Redmond	\$	0.85	500
George M. Willson & Crystal J. Willson	\$	0.85	400
RBC Dain Rauscher Cust Franklin D. Hart Jr. Roth IRA	\$	0.85	300
RBC Dain Rauscher Cust Wanda Hart Roth IRA	\$	0.85	300
Elisabeth T. Keller	\$	0.85	300
T. Barrett Trotter	\$	0.85	300

- (2) For the purpose of determining the number of shares subject to registration with the SEC, we have assumed that we will issue not more than 1,000,000 shares pursuant to the exercise of our put rights under the investment agreement, although the number of shares that we will actually issue pursuant to that put right may be more than or less than 1,000,000, depending on the trading price of our common stock and the number of times we draw down on the Equity Line of Credit. If we were to exercise the put right that would result in our issuance of more than 1,000,000 shares, we would be required to file a subsequent registration statement with the SEC and for that registration statement to be deemed effective prior to the issuance of any such additional shares.

In addition, in calculating the number of shares of common stock outstanding after the offering, we have further assumed that all convertible promissory notes, options and warrants as to which the underlying shares of common stock are registered hereby have been converted.

Use of Proceeds

We will not receive any proceeds from the sale by the selling stockholders of our common stock. We will receive proceeds from the investment agreement. We may also receive proceeds from the exercise of warrants or options under certain circumstances. See “Use of Proceeds” below.

Symbol for Our Common Stock

Our common stock trades on the OTCBB under the symbol “SWRI.OB”.

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the following risk factors, other information included in this prospectus and information in our periodic reports filed with the SEC. If any of the following risks actually occur, our business, financial condition or results of operations could be materially and adversely affected and you may lose some or all of your investment.

Special Note Regarding Forward-Looking Statements

This prospectus contains certain forward-looking statements based on our current expectations, assumptions, estimates and projections about our business and our industry. We generally use words such as “believe,” “may,” “could,” “will,” “intend,” “expect,” “anticipate,” “plan,” and similar expressions to identify forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the statements, including, but not limited to:

- market acceptance of our products;
- our ability to provide for our obligations;
- our ability to attract customers at a steady rate and maintain customer satisfaction;
- the amount and timing of operating costs and capital expenditures relating to the initial conduct and expansion of our business, operations and infrastructure and the implementation of marketing programs, key agreements and strategic alliances;
- our ability to obtain additional financing needed for any future acquisitions of assets or companies;
- our ability to meet competitive challenges and technological changes;
- general economic conditions specific to the beverage market and specifically the spring water industry; and
- other risks detailed in our periodic report filings with the SEC or specifically listed in the risk factors below.

Risks Related To Our Business

We have had losses since our inception, expect losses to continue in the future and may never become profitable

We have historically generated substantial losses, which, if continued, could make it difficult to fund our operations or successfully execute our business plan, and could adversely affect our stock price. For the period from inception through September 30, 2006, we have accumulated losses totaling \$3,214,230. We experienced net losses of \$469,821 for the three months ended September 30, 2006, \$326,529 for the three months ended September 30, 2005, \$1,116,047 for the year ended December 31, 2005 and \$331,449 for the year ended December 31, 2004. We experienced negative

cash flow from operations of \$522,241 for the nine months ended September 30, 2006, positive cash flow from operations of \$350,054 for the nine months ended September 30, 2005, positive cash flow from operations of \$410,297 for the year ended December 31, 2005, and negative cash flow from operations of \$1,894,662 for the year ended December 31, 2004. We anticipate that we will generate net losses in the near term and we may not be able to achieve or maintain profitability or positive cash flow at any time in the future.

We have a limited operating history and may never achieve or sustain profitable operations

We have only been operating for a short time and have not yet achieved significant sales or made a profit from operations. We have generated limited revenues from our current products of \$4,646 from inception through September 30, 2006.

In addition, we have a limited history of competing in the intensely competitive bottled water industry. Our products may not be successfully commercialized or marketed. As a result, we may never achieve or sustain profitable operations.

We will also be incurring costs to develop, introduce and enhance our spring water operations and products, to develop and market an interactive website, to establish marketing relationships, to acquire and develop products that will complement each other, and to build an administrative organization. To the extent that such expenses are not followed by commensurate revenue, our business, results of operations and financial condition will be materially and adversely affected.

Quarterly results may fluctuate significantly due to a variety of factors

Our quarterly operating results may fluctuate significantly in the future as a result of a variety of factors, most of which are outside our control, including:

- the level of public acceptance of our spring water operations and business;
- the demand for spring water services and related products;
- seasonal trends in demand;
- the amount and timing of capital expenditures and other costs relating to the initial conduct of our business and the expansion of our operations;
- the introduction of new services and products by us or our competitors;
- price competition or pricing changes in the industry;

- technical difficulties; and
- general economic conditions as well as economic conditions specific to the beverage industry.

Our quarterly results may also be significantly affected by the impact of the accounting treatment of acquisitions, financing transactions or other matters. Particularly at our early stage of development, such accounting treatment can have a material impact on our results for any quarter. Due to the foregoing factors, among others, it is likely that our operating results will fall below our expectations or our investors' expectations in some future quarter.

Our accountants have indicated that if we do not generate enough cash from operations to sustain our business we may have to liquidate assets or curtail our operations

The accompanying financial statements have been prepared assuming we will continue as a going concern. Since inception, we have accumulated substantial losses. Conditions exist that raise substantial doubt about our ability to continue as a going concern unless we are able to generate sufficient cash flows to meet our obligations and sustain our operations.

We may be subject to product liability claims and our insurance may not be adequate to cover such claims

The marketing and selling of our products will expose us to product liability risk. Any future claim against us for product liability could materially and adversely affect our business, financial condition, and results of operations and result in negative publicity. Even if we are not found liable, the costs of defending a lawsuit can be high.

We currently carry insurance for this type of liability, which provides coverage in the amount of \$1,000,000. However, we may experience legal claims outside of our insurance coverage or in excess of our insurance coverage.

We are subject to substantial competition and so may not have the ability or the capital to compete effectively

The industry in which we expect our products to be sold is highly competitive. We may not have the ability or the capital to compete effectively in this environment.

The significant competition in our industry could harm our ability to win business and increase the price pressure on our products. We face strong competition from a wide variety of firms, including large, multinational firms with far greater resources than we possess.

Many of our competitors have considerably greater financial, marketing and technological resources than we do, which may make it difficult to sell our products. Many of our competitors also have longer operating histories and presence in key markets, greater name recognition, larger customer bases and significantly greater financial, sales and marketing, manufacturing, distribution, technical and other resources. As a result, these competitors may also be able to devote greater resources to the promotion and sale of their products.

We must comply with environmental regulations or we may have to pay expensive penalties or clean up costs

We are subject to federal, state and local laws, and regulations regarding protection of the environment, including air, water, and soil. We do not maintain insurance for pollutant cleanup and removal. If we are found responsible for any hazardous contamination, we may have to pay expensive fines or penalties or perform costly clean-up. Even if we are charged and later found not responsible for such contamination or clean up, the cost of defending the charges could be high.

If we do not comply with government regulations, we may be unable to ship our products or have to pay expensive fines or penalties

We are subject to regulation by state and federal governments and governmental agencies. If we fail to obtain regulatory approvals or suffer delays in obtaining regulatory approvals, we may not be able to market our products and services and generate product and service revenues. Although we do not anticipate problems satisfying any of the regulations involved, we cannot foresee the possibility of new regulations that could adversely affect our business.

If land we recently acquired is not favorably re-zoned, we may be unable to lease the land for commercial purposes

In May of 2005 and in April of 2006, respectively, we completed the purchase of two parcels of land located in Staunton, Virginia. We are considering leasing both of these properties for commercial purposes. Currently, both properties are not zoned for commercial use. We expect both sites will be re-zoned to commercial use from general agricultural use based upon our review of the master zoning plan of the city of Staunton, Virginia. If the sites are not re-zoned, we will not be able to lease the properties for commercial purposes and we will have to consider alternative uses or selling the properties. If we sell the properties, we may have to sell them at a loss.

Insiders can exert significant control over our policies and affairs

As of September 30, 2006, our chief executive officer and principal stockholder, Joel Sens, beneficially owned approximately 43% of our outstanding common stock on a fully-diluted basis. As a result, Mr. Sens effectively controls all of our affairs and policies, including matters requiring stockholder approval, such as amendments to our certificate of incorporation, fundamental corporate transactions including mergers, acquisitions and the sale of the company, and other matters involving the direction of our business and affairs. Although you may vote your shares, you will have limited influence on our business and management.

We currently have one employee and we may not be able to execute our business plan without his services

Mr. Sens is presently our sole employee and is employed without any formal contract establishing terms of employment or compensation. We are therefore dependent upon Mr. Sens, who works for us as an at will employee, with respect to our operations and management. If Mr. Sens is unable to devote substantial time and attention to our operations for whatever reason or decides to change his employment, our business will be materially and adversely affected.

We believe that, as our activities increase and change in character, additional, experienced personnel will be required to implement our business plan. Competition for such personnel is intense and we may not be able to attract and retain such personnel.

We may not be able to successfully manage growth of our business

Our future success will be highly dependent upon our ability to successfully manage the anticipated expansion of our operations. Our ability to manage and support growth effectively will be substantially dependent on our ability to implement adequate financial and management controls, reporting systems and other procedures, and attract and retain sufficient numbers of qualified technical, sales, marketing, financial, accounting, administrative and management personnel.

Our future success also depends upon our ability to address potential market opportunities while managing expenses to match our ability to finance our operations. This need to manage our

expenses will place a significant strain on our management and operational resources. If we are unable to manage our expenses effectively, our business, results of operations and financial condition will be materially and adversely affected.

Risks associated with acquisitions

Although we do not presently intend to do so, as part of our business strategy in the future, we could acquire assets and businesses relating to or complementary to our operations. Any acquisitions by us would involve risks commonly encountered in acquisitions of assets or companies. These risks would include, among other things, the following:

- we could be exposed to unknown liabilities of the acquired companies;
- we could incur acquisition costs and expenses higher than anticipated;
- fluctuations in our quarterly and annual operating results could occur due to the costs and expenses of acquiring and integrating new businesses or technologies;
- we could experience difficulties and expenses in assimilating the operations and personnel of any acquired businesses;
- our ongoing business could be disrupted and our management's time and attention diverted; and
- we could be unable to integrate with any acquired businesses successfully.

Risks Related to this Offering and Our Stock

“Penny Stock” rules may make buying or selling our securities difficult

Trading in our securities is subject to the SEC's “penny stock” rules and it is anticipated that trading in our securities will continue to be subject to the penny stock rules for the foreseeable future. The SEC has adopted regulations that generally define a penny stock to be any equity security that has a market price of less than \$5.00 per share, subject to certain exceptions. These rules require that any broker-dealer who recommends our securities to persons other than prior customers and accredited investors must, prior to the sale, make a special written suitability determination for the purchaser and receive the purchaser's written agreement to execute the transaction.

Unless an exception is available, the regulations require the delivery, prior to any transaction involving a penny stock, of a disclosure schedule explaining the penny stock market and the risks associated with trading in the penny stock market. In addition, broker-dealers must disclose commissions payable to both the broker-dealer and the registered representative and current quotations for the securities they offer. The additional burdens imposed upon broker-dealers by such requirements may discourage broker-dealers from recommending transactions in our securities, which could severely limit the liquidity of our securities and consequently adversely affect the market price for our securities.

Existing stockholders may experience significant dilution from the sale of securities pursuant to the investment agreement with Dutchess and the sale of securities by the selling stockholders

The sale of shares pursuant to the investment agreement with Dutchess will have a dilutive impact on our stockholders. As a result, our net income per share, if any, could decrease in future periods, and the market price of our common stock could decline. In addition, the lower our stock price at the time we exercise our put rights, the more shares we will have to issue to Dutchess to draw down on the full Equity Line of Credit with Dutchess. If our stock price decreases, then our existing stockholders would experience greater dilution.

In addition, through our prior private placement that closed in February 2005, we sold warrants and convertible promissory notes that are convertible into our common stock. We have also issued options convertible into our common stock to certain of the selling stockholders. Some of these securities are still outstanding and any exercise of them will have a dilutive impact on our stockholders.

Finally, if cash generated by our operations is insufficient to satisfy our liquidity requirements, we may be required to sell additional equity or debt securities. The sale of additional equity or convertible debt securities would result in additional dilution to our stockholders.

Because Dutchess will pay less than the then-prevailing market price of our common stock and the other selling stockholders listed in this prospectus may pay less than the then-prevailing market price of our common stock our stock price may decline

The common stock to be issued under our agreement with Dutchess will be purchased at a 5% discount to the lowest closing best bid price for the five trading days immediately following our notice to Dutchess of our election to exercise our put right. The other selling stockholders may exercise their conversion rights of the warrants and promissory notes at \$0.85 per share, which may be less than the then-prevailing market price of our common stock. These discounted sales could cause the price of our common stock to decline, and you may not be able to sell our stock for more than you paid for it.

Our securities have been thinly traded on the OTCBB, which may not provide liquidity for our investors

Our securities are quoted on the OTCBB. The OTCBB is an inter-dealer, over-the-counter market that provides significantly less liquidity than the NASDAQ Stock Market or other national or regional exchanges. Securities traded on the OTCBB are usually thinly traded, highly volatile, have fewer market makers and are not followed by analysts. The SEC's order handling rules, which apply to NASDAQ-listed securities, do not apply to securities quoted on the OTCBB. Quotes for stocks included on the OTCBB are not listed in newspapers. Therefore, prices for securities traded solely on the OTCBB may be difficult to obtain and holders of our securities may be unable to resell their securities at or near their original acquisition price, or at any price.

Investors must contact a broker-dealer to trade OTCBB securities. As a result, you may not be able to buy or sell our securities at the times you wish

Even though our securities are quoted on the OTCBB, the OTCBB may not permit our investors to sell securities when and in the manner that they wish. Because there are no automated systems for negotiating trades on the OTCBB, trades are conducted via telephone. In times of heavy market volume, the limitations of this process may result in a significant increase in the time it takes to execute investor orders. Therefore, when investors place an order to buy or sell a specific number of shares at the current market price it is possible for the price of a stock to go up or down significantly during the lapse of time between placing a market order and its execution.

We may not be able to access sufficient funds under the Equity Line of Credit with Dutchess when needed

We will depend on external financing to fund our planned initial operations and expansion. We expect that these financing needs will be substantially met by our agreement with Dutchess. However, due to the terms of the investment agreement, this financing may not be available in sufficient amounts or at all when needed. As a result, we may not be able to grow our business as planned.

We do not intend to pay dividends in the foreseeable future; therefore, you may never see a return on your investment

We do not anticipate the payment of cash dividends on our common stock in the foreseeable future. We anticipate that any profits from our operations will be devoted to future operations. Any decision to pay dividends will depend upon our profitability at the time, cash available and other factors. Therefore, you may never see a return on your investment. Investors who anticipate a need for immediate income from their investment should not purchase the securities offered in this prospectus.

Our stock price is volatile and you may not be able to sell your shares for more than what you paid

Our stock price has been subject to significant volatility, and you may not be able to sell shares of common stock at or above the price you paid for them. The trading price of our common stock has been subject to wide fluctuations in the past. During the three-month period ended September 30, 2006, our common stock traded at prices as low as \$0.60 per share and as high as \$0.75 per share. During our fiscal year ending 2005, our common stock traded at prices as low as \$0.40 per share and as high as \$1.05 per share. During our fiscal year ending December 31, 2004, our common stock traded at prices as low as \$0.16 per share and as high as \$1.50 per share. Prior to January 9, 2004, there was no public trading market for our securities.

The market price of the common stock could continue to fluctuate in the future in response to various factors, including, but not limited to:

- quarterly variations in operating results;
- our ability to control costs and improve cash flow;
- announcements of technological innovations or new products by us or by our competitors;
- changes in investor perceptions; and
- new products or product enhancements by us or our competitors.

The stock market in general has continued to experience volatility which may further affect our stock price. As such, you may not be able to resell your shares of common stock at or above the price you paid for them.

USE OF PROCEEDS

This prospectus relates to shares of our common stock that may be offered and sold from time to time by certain selling stockholders. We will not receive proceeds from the sale of shares of common stock in this offering. However, we will receive the proceeds from the sale of shares of common stock to Dutchess under the investment agreement. The purchase price of the shares purchased under the investment agreement will be equal to 95% of the lowest closing best bid price of our common stock on the OTCBB for the five trading days immediately following the date of our notice of election to exercise our put.

For illustrative purposes, we have set forth below our intended use of proceeds for the range of net proceeds indicated below to be received under the investment agreement.

	Proceeds if 100% Sold	Proceeds if 50% Sold
Gross proceeds	\$ 850,000	\$ 425,000
Estimated professional fees and SEC filing fees of offering	\$ 125,000	\$ 125,000
1% Placement Fee	\$ 8,500	\$ 4,250
Net proceeds	\$ 716,500	\$ 295,750

	Priority	Proceeds if 100% Sold	Proceeds if 50% Sold
Working capital and general corporate expenses	1st	\$ 366,500	\$ 295,750
Payment of mortgage on Mt. Sidney property ⁽¹⁾	2nd	\$ 350,000	\$
		\$ 716,500	\$ 295,750

(1) We intend to pay off the remaining amount owed on a \$350,000 interest-only mortgage loan on our Mt. Sidney property. As described under “Plan of Operation—Comparison of Financial Results—Liquidity and Capital Resources” below, the mortgage loan accrues interest at a rate of 15.00% per annum, and matures on December 8, 2006. We have been using the proceeds of this mortgage loan for general working capital.

Additionally, we may receive proceeds from the exercise of warrants exercisable for 893,700 shares of our common stock at \$0.85 per share. Warrants exercisable for 889,200 shares of common stock were issued in the year ended December 31, 2004 and the remaining warrants were issued in January 2005. The warrants expire five years from the date of issue.

We cannot accurately predict when or whether we will receive proceeds pursuant to the warrants or options because we do not know when the holders will choose to exercise the warrants or options. If the holders choose to exercise their warrants or options, we cannot predict whether any of those holders will opt for a cashless exercise. It is also possible that the warrants or certain of the options will expire without being exercised. If we receive proceeds from the warrants or options, we intend to use the proceeds for the purposes listed in the above chart.

The sale of shares pursuant to the investment agreement with Dutchess will have a dilutive impact on our shareholders. As a result, the market price of our shares of common stock could decline. In addition, the lower the stock price at the time we exercise our “put” rights, the more shares we will have to issue to Dutchess to draw down on the full Equity Line. If our stock price decreases, then our existing shareholders would experience greater dilution. See “Risk Factors - Risks Related to this Offering and Our Stock - Existing stockholders may experience significant dilution from the sale of securities pursuant to the investment agreement with Dutchess and the sale of securities by the selling stockholders.”

DETERMINATION OF OFFERING PRICE

The shares of common stock are being offered for sale by the selling stockholders at prices established on the OTCBB or in negotiated transactions during the term of this offering. These prices will fluctuate based on the demand for the shares.

INVESTMENT AGREEMENT WITH DUTCHESS

The following is a summary of the material terms of the investment agreement. This summary is not complete and is qualified in its entirety by reference to the investment agreement. You should read carefully the investment agreement in its entirety as it is the legal document that governs the Equity Line of Credit.

Overview

On September 12, 2005, we entered into an investment agreement with Dutchess in order to provide us with a possible source of funding. The investment agreement establishes what is sometimes referred to as an Equity Line of Credit.

Under the investment agreement, Dutchess has agreed to provide us with up to \$5,000,000 of funding during the 36-month period following the date the registration statement, of which this prospectus is a part, is declared effective. During this 36 month period, we may request a draw down under the Equity Line of Credit by which we would sell shares of our common stock to Dutchess, which is obligated to purchase the shares under the investment agreement. We are under no obligation to draw down under the Equity Line of Credit.

Calculation of Draw Down Amount, Purchase Price and Number of Shares Sold

We may exercise our right to draw down our Equity Line of Credit by sending a written put notice to Dutchess stating the dollar amount we wish to draw down. The put notice date is generally considered to be the trading day following the day on which Dutchess receives the notice.

We may, at our election, require Dutchess to purchase an amount equal to no more than either (a) 200% of the average daily volume of our common stock for the 10 trading days prior to the put notice date, multiplied by the average of the three daily closing bid prices immediately preceding the put notice date or (b) \$100,000; provided that we may not request more than \$1,000,000 in any single put notice.

On the trading day following the put notice date, a pricing period of five trading days will begin. The purchase price for the common stock identified in the put notice will be equal to 95% of the lowest closing best bid price of our common stock during the pricing period.

We may submit additional put notices after each closing date but only if the shares sold during the prior pricing period have been paid for and issued.

Payment for Shares Issued

The shares purchased during the pricing period will be issued and paid for no later than the seventh trading day following the date of the drawdown notice.

Right of First Refusal

With certain exceptions, the investment agreement provides that the Company shall not directly or indirectly offer, sell, grant any option to purchase, or otherwise dispose of any of its common stock at a price that is less than the market price of the common stock within one year of the issuance of such security without the permission of Dutchess, which will not be unreasonably withheld. The Company may participate in such a transaction if it delivers a written notice to Dutchess describing the transaction and the amount and use of the proceeds intended to be raised. Dutchess may provide financing similar to the terms set forth in the notice. However, if Dutchess does not provide notice of its intent to provide such financing then the Company may proceed with its financing plans based on the terms of the initial notice to Dutchess.

Right to Cover

If shares subject to a put notice become restricted and Dutchess is required to purchase Company stock in an open market transaction to make a delivery, then the investment agreement requires the Company to pay to Dutchess an amount equal to the value of Dutchess' open market purchase price over the proceeds received from the sale of Company's stock in that transaction.

Closing Conditions

We can only put shares to Dutchess under the investment agreement when we meet certain conditions, including, but not limited to, the following:

- delivery of the certificates being purchased by Dutchess;
- a registration statement has been declared effective and remains effective for the resale of the common stock subject to the Equity Line of Credit;
- the registration statement, as required to be filed under the registration rights agreement, and any amendments do not contain any untrue statements of a material fact or omit to state any material fact;
- we have complied with our obligations under the investment agreement and the registration rights agreement;
- no injunction has been issued and remains in force, or action commenced by a governmental authority which has not been stayed or abandoned, prohibiting the consummation of any of the transactions contemplated by the investment agreement; and
- the issuance of the common stock will not violate any shareholder approval requirements of any exchange or market where our securities are traded.

Suspension of the Investment Agreement

The investment agreement will be suspended upon any of the following events, and will remain suspended until the event is rectified:

- the trading of our common stock is suspended by the SEC, the OTCBB or the National Association of Securities Dealers, or NASD, for a period of two consecutive trading days; or
- our common stock is de-listed from the OTCBB.

Indemnification

Pursuant to the investment agreement, Dutchess is entitled to customary indemnification from us for any losses or liabilities it suffers based upon (1) any misrepresentation or breach of any representation or warranty, (2) any breach of any covenant, agreement or obligation or (3) any cause of action, suit or claim, arising out of or resulting from the performance of the investment agreement or any other document contemplated by the investment agreement.

Placement Agent

Pursuant to the investment agreement, the Company has agreed to pay Jones, Byrd and Attkisson, as the placement agent, one percent (1%) of the value of the shares that the Company intends to sell to Dutchess on each closing date.

Short Selling

Pursuant to the investment agreement, Dutchess has agreed to comply with Section 9 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules promulgated thereunder not to short the Company's stock, either directly or indirectly.

Termination

The investment agreement will terminate when either of the following events occur:

- Dutchess has purchased an aggregate of \$5,000,000 of our common stock; or
- thirty-six months after the SEC declares the registration statement, of which this prospectus is a part, effective.

DILUTION

Our net tangible book value as of September 30, 2006 was \$(53,279) or \$(.006) per share of Common Stock. Net tangible book value per share is determined by dividing our tangible book value (total tangible assets less total liabilities) by the number of outstanding shares of our Common Stock. Since this offering is being made solely by the selling stockholders and none of the proceeds will be paid to us, our net tangible book value will be unaffected by this offering. Our net tangible book value, however, will be impacted by the Common Stock to be issued under the investment agreement. The following example shows the dilution to new investors if (1) 50% of the stock issued under the investment agreement is sold; and (2) 100% of the stock intended to be sold under the investment agreement is sold.

	Minimum Offering	Maximum Offering
Public Offering Price Per Share	\$ 0.85	\$ 0.85
Net Tangible Book Value Prior to This Offering	\$ (0.01)	\$ (0.01)
Net Tangible Book Value After Offering	\$ 0.01	\$ 0.05
Dilution per share to new investors	\$ 0.84	\$ 0.80

SELLING SECURITY HOLDERS

The following table sets forth the name of the selling stockholders, the number of shares owned, the number of shares registered by this prospectus and the number of outstanding shares that the selling stockholders will own after the sale of the registered shares, assuming all of the shares are sold. The information provided in the table and discussions below has been obtained from the selling stockholders. The selling stockholders may have sold, transferred or otherwise disposed of, or may sell, transfer or otherwise dispose of, at any time or from time to time since the date on which they provided the information regarding the shares beneficially owned, all or a portion of the shares of common stock beneficially owned in transactions exempt from the registration requirements of the Securities Act of 1933, or the Securities Act. As used in this prospectus, "selling stockholder" includes donees, pledgees, transferees or other successors in interest selling shares received from the named selling stockholder as a gift, pledge, distribution or other non-sale related transfer (excluding donees, pledgees, transferees or other successors-in-interest of Dutchess).

Edgar Filing: SEAWRIGHT HOLDINGS INC - Form SB-2/A

Beneficial ownership is determined in accordance with Rule 13d-3(d) promulgated by the SEC under the Securities Exchange Act of 1934, or the Exchange Act. Unless otherwise noted, each person or group identified possesses sole voting and investment power with respect to the shares, subject to community property laws where applicable.

	Number of Shares Beneficially Owned Before the Offering	Number of Shares Being Offered	Number of Shares Beneficially Owned After The Offering ⁽¹⁾
Stockholder			
Dutchess Private Equities Fund, L.P.	0	1,000,000 ⁽²⁾	0
Joel Se			