

INVACARE CORP
Form S-3/A
May 24, 2007

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As filed with the Securities and Exchange Commission on May 24, 2007

Registration No. 333-142311

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

**Amendment No. 1
to
FORM S-3
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

Invacare Corporation
(Exact name of registrant as specified in its charter)

SEE TABLE OF CO-REGISTRANTS ON THE FOLLOWING PAGE

Ohio
(State or other jurisdiction of incorporation or organization)

95-2680965
(I.R.S. Employer Identification No.)

**One Invacare Way
P.O. Box 4028
Elyria, Ohio 44036
(440) 329-6000**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Dale C. LaPorte, Esq.
Senior Vice President Business Development and General Counsel
Invacare Corporation
One Invacare Way
P.O. Box 4028
Elyria, Ohio 44036
(440) 329-6000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy to:
Douglas A. Neary, Esq.
Calfee, Halter & Griswold LLP
1400 KeyBank Center
800 Superior Avenue
Cleveland, Ohio 44114
(216) 622-8200

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

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, other than securities offered only in connection with dividend or interest reinvestment plans, 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, please 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(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 registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Each registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Exact Name of Co-Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification Number
Adaptive Switch Laboratories, Inc.	Texas	3842	76-0446470
Altimate Medical, Inc.	Minnesota	3842	41-1595309
Champion Manufacturing Inc.	Delaware	3842	20-1700364
Freedom Designs, Inc.	California	3842	95-3674857
Garden City Medical Inc.	Delaware	3842	34-1907951
Healthtech Products, Inc.	Missouri	3842	43-1696816
The Helixx Group, Inc.	Ohio	3842	20-2732748
Invacare Canadian Holdings, Inc.	Delaware	3842	20-2493311
Invacare Credit Corporation	Ohio	3842	34-1386578
Invacare Florida Corporation	Delaware	3842	59-3446753
Invacare Florida Holdings, LLC	Delaware	3842	N/A
Invacare Holdings, LLC	Ohio	3842	N/A
Invacare International Corporation	Ohio	3842	34-1429041
Invacare Supply Group, Inc.	Massachusetts	3842	34-1852891
Kuschall, Inc.	Delaware	3842	20-3001038
Medbloc, Inc.	Delaware	3842	16-1512988
The Aftermarket Group, Inc.	Delaware	3842	31-1632048

The address, including zip code, and telephone number including area code, of each Co-Registrant's principal executive offices is: c/o Invacare Corporation, One Invacare Way, P.O. Box 4028, Elyria, Ohio 44036, Telephone: (440) 329-6000.

The name, address, including zip code, and telephone number, including area code of the agent for service for each of the Co-Registrants is: Dale C. LaPorte, Esq., Senior Vice President Business Development and General Counsel, Invacare Corporation, One Invacare Way, P.O. Box 4028, Elyria, Ohio 44036, Telephone: (440) 329-6000.

Copy To: Douglas A. Neary, Esq., Calfee, Halter & Griswold LLP, 1400 KeyBank Center, 800 Superior Avenue, Cleveland, Ohio 44114-2688, Telephone: (216) 622-8200.

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The information in this prospectus is not complete and may be changed. The selling securityholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated May 24, 2007

PROSPECTUS

\$135,000,000

INVACARE CORPORATION

**4.125% CONVERTIBLE SENIOR SUBORDINATED DEBENTURES DUE 2027 AND
THE COMMON SHARES ISSUABLE UPON CONVERSION OF THE DEBENTURES**

We issued \$135 million in aggregate principal amount of 4.125% Convertible Senior Subordinated Debentures due 2027 (the debentures) in a private placement on February 12, 2007. This prospectus may be used by selling securityholders to resell their debentures as described below. This prospectus also may be used by selling securityholders to resell the common shares issuable upon conversion of the debentures from time to time as described below.

We will pay interest on the debentures on February 1 and August 1 of each year, beginning August 1, 2007, at an annual rate of 4.125%.

The debentures are our unsecured senior subordinated obligations and rank junior in right of payment to all of our other existing and future senior debt and equal in right of payment to all of our existing and future senior subordinated debt. The debentures are guaranteed by substantially all of our existing domestic subsidiaries and will be guaranteed by certain future direct and indirect wholly owned domestic subsidiaries. We do not intend to list the debentures on any national securities exchange. The debentures are eligible for trading in the PORTALSM Market, a subsidiary of The Nasdaq Stock Market, Inc.

The debentures are convertible, at your option, at a conversion rate of 40.3323 shares per \$1,000 principal amount of debentures (equivalent to an initial conversion price of approximately \$24.79 per share), subject to adjustment as described in this prospectus, at any time before the stated maturity, from and after the date of the following events:

during any fiscal quarter after the fiscal quarter ending March 31, 2007, if the last reported sale price of our common shares for at least 20 trading days in the 30 trading-day period ending on the last trading day of the previous fiscal quarter exceeds 130% of the conversion price on that 30th trading day;

during the five business days immediately after any five consecutive trading-day period in which the trading price per \$1,000 principal amount of the debentures for each day of that period was less than 98% of the product of the closing price of our common shares and the conversion rate of the debentures on each such day;

if we have called the debentures for redemption;

on or after November 1, 2026; or

on the occurrence of the specified corporate transactions described in this prospectus.

Upon conversion, we will have the right to deliver cash, our common shares, or a combination of cash and our common shares. If certain corporate transactions occur on or before February 1, 2017, we will increase the conversion rate by a number of additional common shares, or, in lieu thereof, we may in certain circumstances elect to adjust the conversion rate and related conversion obligation so that the debentures are convertible into shares of the acquiring or surviving company.

Our common shares are traded on the New York Stock Exchange under the symbol IVC. The last reported sale price of our common shares on May 23, 2007 was \$18.20 per share.

We may not redeem the debentures before February 6, 2012. We may redeem some or all of the debentures for cash on or after February 6, 2012 through and including February 1, 2017 if the last reported sale price of our common shares for at least 20 trading days in a 30 trading-day period exceeds 130% of the then applicable conversion price on such 30th trading day (such 30th trading day being no later than February 1, 2017) at a redemption price equal to 100% of the principal amount of the debentures to be redeemed, plus any accrued and unpaid interest.

We may redeem some or all of the debentures for cash at any time on or after February 1, 2017 at 100% of the principal amount plus any accrued and unpaid interest. You may require us to repurchase for cash all or a portion of your debentures on February 1, 2017 and 2022, or subject to specified conditions upon a fundamental change (as described in this prospectus).

We will not receive any proceeds from the resale by the selling securityholders of the debentures or the common shares. Other than underwriting discounts and commissions and transfer taxes, if any, we will pay all expenses of the registration of the debentures, guarantees and common shares and certain other expenses.

Investing in our securities involves risks. Please read Risk Factors beginning on page 8 of this prospectus.

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 _____, 2007.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission, or SEC. This prospectus does not contain all of the information included in the registration statement. The registration statement filed with the SEC includes exhibits that provide more details about the matters discussed in this prospectus. You should carefully read this prospectus, the related exhibits filed with the SEC and any prospectus supplement, together with the additional information described below under the headings “Where You Can Find More Information” and “Incorporation by Reference.”

You should rely only on the information contained or incorporated by reference in this prospectus and in any accompanying prospectus supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus, any prospectus supplement and any other document incorporated by reference is accurate only as of the date on the front cover of those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

Under no circumstances should the delivery to you of this prospectus create any implication that the information contained in this prospectus is correct as of any time after the date of this prospectus.

Unless otherwise indicated or unless the context otherwise requires, all references in this prospectus to “Invacare,” “we,” “us,” and “our” mean Invacare Corporation and all of our subsidiaries that are consolidated under GAAP. In this prospectus, we sometimes refer to the debentures, common shares and guarantees collectively as the “securities.” Our fiscal year ends on December 31 of each year. When we refer to a year, such as 2006, we are referring to the fiscal

year ended on December 31 of that year.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement with the SEC under the Securities Act of 1933, as amended, which we refer to as the Securities Act, that registers the sale of the securities offered by this prospectus. The registration statement, including the attached exhibits, contains additional relevant information about us. The rules and

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regulations of the SEC allow us to omit some information included in the registration statement from this prospectus. We have agreed to provide certain financial information to investors in the debentures. See Description of the Debentures Provision of Financial Statements.

We file annual, quarterly, and other reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. You may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our SEC filings are also available to the public through the SEC's website at <http://www.sec.gov>. General information about us, including our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as any amendments and exhibits to those reports, are available free of charge through our website at <http://www.invacare.com> as soon as reasonably practicable after we file them with, or furnish them to, the SEC. Information on our website is not incorporated into this prospectus or our other securities filings and is not a part of this prospectus.

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference information into this document. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus. We incorporate by reference the documents listed below, other than any portions of the respective filings that were furnished (pursuant to Item 2.02 or Item 7.01 of current reports on Form 8-K or other applicable SEC rules) rather than filed:

our annual report on Form 10-K/A, filed March 7, 2007, for the year ended December 31, 2006;

our quarterly report on Form 10-Q, filed May 9, 2007, for the fiscal quarter ended March 31, 2007;

our current reports on Form 8-K as filed with the SEC on the following dates: January 24, 2007; February 1, 2007 (under Item 8.01 only); February 6, 2007; February 7, 2007; February 9, 2007; February 13, 2007; and March 2, 2007;

the description of our common shares contained in our registration statement on Form 8-A filed under the Exchange Act, including any amendments or reports filed for the purpose of updating such description.

All documents that we file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and until the offerings hereunder are completed, or after the date of the registration statement of which this prospectus forms a part and prior to effectiveness of the registration statement, will be deemed to be incorporated by reference into this prospectus and will be a part of this prospectus from the date of the filing of the document. Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document that also is or is deemed to be incorporated by reference in this prospectus modifies or supersedes that statement. Any statement that is modified or superseded will not constitute a part of this prospectus, except as modified or superseded. Information that accompanies an SEC filing but that is furnished under SEC rules, rather than filed, will not be considered a part of this prospectus and will not supplement, modify or supercede the information contained herein.

We will provide to each person, including any beneficial owner, to whom a prospectus is delivered, a copy of any or all of these filings, other than an exhibit to these filings unless we have specifically incorporated that exhibit by reference into the filing, upon written or oral request and at no cost. Requests should be made by writing or telephoning us at the following address or phone number: Shareholder Relations Department, Invacare Corporation,

One Invacare Way, P.O. Box 4028, Elyria, Ohio 44036-2125; (440) 329-6000.

FORWARD-LOOKING STATEMENTS

This prospectus contains and incorporates by reference forward-looking statements. Generally, you can identify these statements because they contain words like anticipates, believes, estimates, expects,

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forecasts, future, intends, plans and similar terms. These statements reflect only our current expectations. Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, capital expenditures, future results, our competitive strengths, our business strategy and the trends in our industry.

We cannot guarantee the accuracy of any forward-looking statements, and actual results may differ materially from those we anticipated due to a number of uncertainties, including, among others, the risks we face as described under the Risk Factors section and elsewhere in this prospectus. You should not place undue reliance on these forward-looking statements. These forward-looking statements are within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, and are intended to be covered by the safe harbors created thereby. To the extent that these statements are not recitations of historical fact, these statements constitute forward-looking statements that, by definition, involve risks and uncertainties. In any forward-looking statement where we express an expectation or belief as to future results or events, that expectation or belief is expressed in good faith and is believed to have a reasonable basis, but is based on underlying assumptions that may not occur and may be beyond our control and there can be no assurance that the future results or events expressed by the statement of expectation or belief will be achieved or accomplished. Our actual results, performance or achievements could differ materially from those expressed in, or implied by, forward-looking statements. We can give you no assurance that any of the events or performance measures anticipated by forward-looking statements will occur or be achieved or, if any of them do, what impact they will have on our results of operations and financial condition. Important factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to:

possible adverse effects of being substantially leveraged, which could impact our ability to raise capital, limit our ability to react to changes in the economy or our industry or expose us to interest rate risks;

changes in domestic or foreign government and other third-party payor reimbursement levels and practices and regulations and interpretations of regulations;

consolidation of health care customers and our competitors;

ineffective cost reduction and restructuring efforts;

inability to design, manufacture, distribute and achieve market acceptance of new products with higher functionality and lower costs;

extensive government regulation of our products;

environmental regulations which hinder our research and development and manufacturing processes;

lower cost imports;

increased freight costs;

failure to comply with regulatory requirements or receive regulatory clearance or approval for our products or operations in the United States or abroad;

potential product recalls;

increases in uncollectible accounts receivable;

further difficulties in implementing our new enterprise resource planning system;

legal actions or regulatory proceedings and governmental investigations;

product liability claims;

inadequate patents or other intellectual property protection;

incorrect assumptions concerning demographic trends that impact the market for our products;

provisions of our charter documents and our bank credit agreements or other debt instruments that could prevent or delay a change in control;

the loss of the services of our key management and personnel;

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decreased availability or increased costs of raw materials could increase our costs of producing our products;
inability to acquire strategic acquisition candidates because of limited financing alternatives;
risks inherent in managing and operating businesses in many different foreign jurisdictions;
exchange rate fluctuations; and
potential impairment charges associated with goodwill, intangibles and/or other assets.

Additional risks, uncertainties and other factors that may cause our actual results, performance or achievements to be different from those expressed or implied in our written or oral forward-looking statements may be found under Risk Factors contained in this prospectus and in the annual and quarterly reports that we have filed with the SEC and that are incorporated by reference in this prospectus.

These factors and other risk factors disclosed in this prospectus and elsewhere are not necessarily all of the important factors that could cause our actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could also harm our results. Consequently, there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us. Given these uncertainties, you are cautioned not to place undue reliance on these forward-looking statements.

The forward-looking statements contained in this prospectus are made only as of the date of this prospectus. Except to the extent required by law, we do not undertake, and specifically decline any obligation, to update any forward-looking statements or to publicly announce the results of any revisions to any of these statements to reflect future events or developments or otherwise.

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PROSPECTUS SUMMARY

The following summary highlights certain information contained in or incorporated by reference in this prospectus. It does not contain all of the information that may be important to you and to your investment decision. The following summary is qualified in its entirety by the more detailed information and the financial statements and the notes included or incorporated by reference in this prospectus. You should carefully read this entire prospectus and should consider, among other things, the matters described in the Risk Factors section before deciding to invest in the debentures or the common shares issuable upon conversion of the debentures.

The Company

We are the world's leading manufacturer and distributor in the \$8.0 billion worldwide market for medical equipment used in the home based upon our distribution channels, breadth of product lines and net sales. We design, manufacture and distribute an extensive line of health care products for the non-acute care environment, including the home health care, retail and extended care markets. We continuously revise and expand our product lines to meet changing market demands and currently offer numerous product lines. We sell our products principally to over 25,000 home health care and medical equipment providers, distributors and government locations in the United States, Australia, Canada, Europe, New Zealand and Asia. Our products are sold through our worldwide distribution network by our sales force, telesales associates and various organizations of independent manufacturers' representatives and distributors. We also distribute medical equipment and disposable medical supplies manufactured by others.

We are committed to design, manufacture and deliver the best value in medical products, which promote recovery and active lifestyles for people requiring home and other non-acute health care. We pursue this vision by:

designing and developing innovative and technologically superior products;

ensuring continued focus on our primary market – the non-acute health care market;

marketing our broad range of products;

providing the industry's most professional and cost-effective sales, customer service and distribution organization;

supplying superior and innovative provider support and aggressive product line extensions;

building a strong referral base among health care professionals;

building brand preference with consumers;

continuously advancing and recruiting top management candidates;

empowering all employees;

providing a performance-based reward environment; and

continually striving for total quality throughout the organization.

When Invacare was acquired in December 1979 by a group of investors, including some of our current officers and Directors, we had \$19.5 million in net sales and a limited product line of standard wheelchairs and patient aids. In 2006, Invacare reached approximately \$1.5 billion in net sales, representing a 17% compound average sales growth rate since 1979, and currently is the leading company in each of the following major, non-acute, medical equipment categories: power and manual wheelchairs, home care bed systems and home oxygen systems.

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The Recapitalization

On February 12, 2007, we completed certain refinancing transactions which are further described below and which we refer to collectively as the Recapitalization.

On February 12, 2007, we entered into a Credit Agreement which provides for a \$400 million senior secured credit facility consisting of a \$250 million term loan facility and a \$150 million revolving credit facility. Our obligations under the Credit Agreement are secured by substantially all of the Company's assets, subject to certain exceptions, and are guaranteed by our material domestic subsidiaries, with certain obligations also guaranteed by our material foreign subsidiaries. The Credit Agreement contains a number of customary restrictive covenants, affirmative covenants and events of default, and financial covenants that require the Company to maintain a maximum leverage ratio, a minimum interest coverage ratio, and a minimum fixed charge coverage ratio.

We also consummated the issuance and sale of the debentures on February 12, 2007. The net proceeds to the Company from the offering, after deducting the initial debenture purchasers' discount and the estimated offering expenses payable by us, were approximately \$132.3 million. The debentures are governed by an Indenture, dated February 12, 2007, by and among the Guarantors named therein and Wells Fargo Bank, N.A. (the trustee), and us. The debentures are unsecured senior subordinated obligations of the Company guaranteed by substantially all of our domestic subsidiaries and pay interest at 4.125% per annum on each February 1 and August 1.

We also consummated the issuance and sale of \$175 million aggregate principal amount of our 93/4% Senior Notes due 2015 (the senior notes) on February 12, 2007. Our net proceeds from the offering, after deducting the initial note purchasers' discount and the estimated offering expenses payable by us, were approximately \$167 million. The senior notes are governed by an Indenture, dated February 12, 2007, by and among the Guarantors named therein, the trustee and us. The senior notes are unsecured senior obligations of the Company, guaranteed by substantially all of our domestic subsidiaries. See Description of Other Indebtedness.

We used the net proceeds from the offerings of the senior notes and the debentures, together with our initial borrowings under the Credit Agreement to repay outstanding indebtedness under our previously existing revolving credit facility, our accounts receivable securitization, our 6.71% senior notes due 2008, 3.97% senior notes due 2007, 4.74% senior notes due 2009, 5.05% senior notes due 2010 and 6.17% senior notes due 2016 and our related expenses and repayment costs aggregating \$570 million, and we refer to these related transactions collectively as the Recapitalization.

Recent Developments

We recently became aware of a potential embezzlement at one of our foreign facilities, which is being investigated by the local authorities. The embezzlement is believed to have occurred from January 2005 through March 2007. Our internal audit function is currently performing both an internal audit and a forensic audit into this situation. We carry insurance on employee dishonesty in the amount of \$5 million and believe we will recover the entire amount of that policy after completion of the necessary paperwork. We do not believe the impact of the embezzlement and the related insurance proceeds will have a significant impact on our financial results, operations or plans and believe that the appropriate internal controls were in place but were circumvented by collusion.

Our principal executive offices are located at One Invacare Way, Elyria, Ohio 44036, and our telephone number at that address is (440) 329-6000. Our website address is <http://www.invacare.com>. The information on our website is not part of this prospectus.

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The Debentures

The following summary contains only basic information about the debentures and is not a complete description of the debentures. You should read the full text and more specific details contained elsewhere in this prospectus. For a more detailed description of the debentures, see the section entitled "Description of the Debentures" in this prospectus.

Issuer	Invacare Corporation
Securities Offered	\$135,000,000 aggregate principal amount of 4.125% Convertible Senior Subordinated Debentures due 2027 and the common shares issuable upon conversion of the debentures.
Maturity Date	February 1, 2027, unless earlier redeemed, repurchased or converted.
Interest and Additional Interest	We will pay interest on the debentures on February 1 and August 1 of each year, beginning August 1, 2007, at an annual rate of 4.125%. Additional interest is payable if we fail to comply with certain obligations set forth under "Description of the Debentures" Registration Rights. Interest will be computed on the basis of a 360-day year comprising twelve 30-day months.
Guarantees	The debentures are guaranteed on an unsecured senior subordinated basis by all of our existing domestic subsidiaries (other than our captive insurance subsidiary and any receivables subsidiaries) and certain future direct and indirect wholly owned domestic subsidiaries. The guarantees can be released under certain circumstances.
Ranking	<p>The debentures are our unsecured senior subordinated obligations. Accordingly, they:</p> <ul style="list-style-type: none"> are subordinated in right of payment to all of our existing and future senior debt, including our senior secured credit facilities and our 93/4% senior notes due 2015; rank equally in right of payment to our existing and future senior subordinated indebtedness; rank senior to any of our existing and future subordinated debt; and are structurally subordinated to any existing and future debt or other liabilities of our subsidiaries that do not guarantee the debentures, including obligations of our foreign subsidiaries. <p>Similarly, the guarantees are unsecured senior subordinated obligations of the guarantors and:</p> <ul style="list-style-type: none"> are subordinated in right of payment to all of the applicable guarantors existing and future senior debt, including the guarantees of our senior secured credit facilities and our 93/4% senior notes due 2015;

rank equally in right of payment to the applicable guarantors existing and future senior subordinated indebtedness;

rank senior to any of the applicable guarantors existing and future subordinated debt; and

are structurally subordinated to any existing and future debt or other liabilities of the guarantors subsidiaries that do not guarantee the debentures.

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As of March 31, 2007, we had \$291.9 million of senior secured debt, including \$175 million of our 93/4% senior notes due 2015, to which the debentures were subordinated. In addition, we had \$3.3 million of letters of credit under our senior secured credit facilities. As of that date, we also had \$119.3 million of availability for additional borrowings under our revolving credit facility, subject to borrowing base availability. Certain of our foreign subsidiaries are able to borrow up to \$150 million of our senior secured credit facilities. See Description of Other Indebtedness.

Conversion Rights

You may convert your debentures at any time before the stated maturity from and after the date of the following events:

during any fiscal quarter after the fiscal quarter ending March 31, 2007, if the last reported sale price of our common shares for at least 20 trading days in the 30 trading-day period ending on the last trading day of the previous fiscal quarter exceeds 130% of the conversion price on that 30th trading day;

during the five business days immediately following any five consecutive trading-day period in which the trading price (as defined under Description of the Debentures Conversion upon Satisfaction of Trading Price Condition) per \$1,000 principal amount of the debentures for each day of that period was less than 98% of the product of the closing price of our common shares and the conversion rate of the debentures on each such day;

if we have called the debentures for redemption;

on or after November 1, 2026; or

on the occurrence of the specified corporate transactions, described under Description of the Debentures Conversion Rights Conversion upon Specified Corporate Transactions.

Each debenture will be convertible at a conversion rate equal to 40.3323 shares per debenture. This represents an initial conversion price of approximately \$24.79 per common share. The conversion rate may be adjusted for certain reasons, but will not be adjusted for accrued interest (or additional interest, if any). On conversion, you will generally not receive any cash payment representing accrued interest (or additional interest, if any). Instead, accrued interest and additional interest will be deemed paid by cash and our common shares, if any, received by you on conversion. Debentures called for redemption may be surrendered for conversion until the close of business on the second business day before the redemption date.

Upon conversion, we will have the right to deliver, in lieu of our common shares, cash or a combination of cash and our common shares.

If you elect to convert your debentures in connection with a fundamental change as described under Description of the Debentures Conversion Rights Conversion upon Specified Corporate Transactions that occurs on or prior to February 1, 2017, and 10% or more of the consideration for our common shares consists of consideration other than common shares that are

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traded or scheduled to be traded on a U.S. national securities exchange or the New York Stock Exchange, we will increase the conversion rate by a number of additional common shares as described under Description of the Debentures Conversion Rights Conversion Rate Adjustments Make-Whole Amount and Adjustments for Conversion After a Public Acquirer Change of Control or, in lieu thereof, we may in certain circumstances elect to adjust the conversion rate and related conversion obligation so that the debentures are convertible into shares of the acquiring or surviving company.

Payment at Maturity

Each holder of \$1,000 principal amount of the debentures shall be entitled to receive \$1,000 at maturity, plus accrued interest (including additional interest, if any).

Optional Redemption

We may not redeem the debentures before February 6, 2012. We may redeem some or all of the debentures for cash on or after February 6, 2012 through and including February 1, 2017 if the last reported sale price of our common shares for at least 20 trading days in a 30 trading-day period exceeds 130% of the then applicable conversion price on such 30th trading day (such 30th trading day being no later than February 1, 2017) at a redemption price equal to 100% of the principal amount of the debentures to be redeemed, plus any accrued or unpaid interest (including additional interest, if any), to the redemption date.

We may redeem some or all of the debentures for cash on or after February 1, 2017, on at least 30 days but not more than 60 days notice by mail to holders of debentures at a redemption price equal to 100% of the principal amount of the debentures to be redeemed, plus any accrued and unpaid interest (including additional interest, if any), to the redemption date.

Repurchase Right of Holders

You may require us to repurchase for cash all or a portion of your debentures on February 1, 2017 and 2022 at a purchase price equal to 100% of the principal amount of the debentures to be repurchased, plus accrued and unpaid interest (including additional interest, if any), up to but excluding the repurchase date.

Fundamental Change Put

On a fundamental change (as defined under Description of the Debentures Repurchase of Debentures by Invacare at Option of Holder upon a Fundamental Change), you may require us, subject to certain conditions, to repurchase for cash all or a portion of your debentures at a purchase price equal to 100% of the principal amount of the debentures to be repurchased, plus accrued and unpaid interest (including additional interest, if any), to the repurchase date.

Events of Default

If there is an event of default under the debentures, the principal amount of the debentures, plus accrued and unpaid interest (including additional interest, if any), may be declared due and payable. These amounts automatically become due and payable if an event of default relating to

certain events of bankruptcy, insolvency or reorganization occurs.

Use of Proceeds

We will not receive any proceeds from the sale by selling securityholders of the securities. See Use of Proceeds.

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Form, Denomination and Registration	The debentures were issued in fully registered form. The debentures were in denominations of \$1,000 principal amount and integral multiples thereof. The debentures are represented by one or more global debentures, deposited with the trustee as custodian for The Depository Trust Company, or DTC, and registered in the name of Cede & Co., DTC's nominee. Beneficial interests in the global debentures are shown on, and any transfers are effected only through, records maintained by DTC and its participants. See Description of the Debentures Form, Denomination, Exchange, Registration and Transfer.
Registration Rights	<p>We prepared this prospectus in connection with our obligations under a registration rights agreement pursuant to which we agreed to file a shelf registration statement, of which this prospectus is a part, with the SEC covering the resale of the debentures and common shares issuable upon conversion of the debentures. We also agreed to use our commercially reasonable efforts to keep the shelf registration statement effective until the earliest of the date on which the debentures or common shares issued upon conversion:</p> <ul style="list-style-type: none">have been effectively registered under the Securities Act and disposed of in accordance with the shelf registration statement;are transferred in compliance with Rule 144 under the Securities Act or transferable pursuant to paragraph (k) of Rule 144 under the Securities Act;cease to be outstanding (whether as a result of redemption, repurchase and cancellation, conversion or otherwise); orhave otherwise been transferred and new debentures or common shares not subject to transfer restrictions under the Securities Act have been delivered by or on behalf of us in accordance with the indenture governing the debentures. <p>We will be required to pay you additional interest on the debentures if we fail to keep the shelf registration statement effective during the time periods specified above. See Description of the Debentures Registration Rights.</p>
Trading	The debentures are not listed on any securities exchange or included in any automated quotation system. Although the debentures initially issued in the private placement are eligible for trading in the PORTAL sm Market, debentures sold using this prospectus will no longer be eligible for trading on the PORTAL sm Market. Our common shares are traded on the New York Stock Exchange under the symbol IVC.

You should carefully consider all of the information included or incorporated by reference in this prospectus, including the discussion in the section entitled Risk Factors, for an explanation of certain risks of investing in the

debentures.

Table of Contents**Ratio of Earnings to Fixed Charges**

The following table sets forth our ratios of earnings to fixed charges on a consolidated basis for the periods shown. You should read these ratios of earnings to fixed charges in connection with our consolidated financial statements, including the notes to those statements, included or incorporated by reference into this prospectus. It should be noted that the Recapitalization did not occur until February 12, 2007.

	Years Ended December 31,					Three Months Ended March 31, 2007
	2002	2003	2004	2005	2006	
Ratio of earnings to fixed charges	8.0	11.0	8.1	3.5	N/A(1)	N/A(1)

(1) For the year ended December 31, 2006 and the three months ended March 31, 2007, earnings were insufficient to cover fixed charges by \$309.5 million and \$15.1 million, respectively.

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RISK FACTORS

You should carefully consider the risk factors set forth below as well as the other information contained in this prospectus before purchasing any debentures. The risks described below are not the only risks facing us and your investment in the debentures. Additional risks and uncertainties also may materially and adversely affect our business, financial condition, cash flows or results of operations. The following risks could materially and adversely affect our business, financial condition, cash flows or results of operations. In such a case, you may lose all or part of your original investment.

Risks Relating to the Debentures

Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk to the extent of our variable rate debt and prevent us from meeting our obligations under the debentures.

We are highly leveraged. As of March 31, 2007, our total indebtedness was \$601.9 million. We also had an additional \$119.3 million available for borrowing under our senior secured credit facilities, without consideration to covenant restrictions.

Our high degree of leverage could have important consequences for you, including:

making it more difficult for us to make payments on the debentures and our other debt;

increasing our vulnerability to general economic and industry conditions;

requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;

exposing us to the risk of increased interest rates as some of our borrowings, including borrowings under our senior secured credit facilities, will be at variable rates of interest;

limiting our ability to make strategic acquisitions or causing us to make non-strategic divestitures;

limiting our ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate or other purposes; and

limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to some of our competitors who may be less highly leveraged.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future, subject to the restrictions contained in our senior secured credit facilities and the indenture governing our 93/4% senior notes due 2015. These debentures do not restrict our ability to incur future indebtedness.

Our debt agreements contain restrictions that limit our flexibility in operating our business.

Our senior secured credit facilities and the indentures governing our 93/4% senior notes due 2015 and the debentures contain various covenants that limit our ability to engage in specified types of transactions. These covenants limit our and certain of our subsidiaries' ability to, among other things:

incur additional indebtedness or other contingent obligations;

pay dividends on, repurchase or make distributions in respect of our capital stock or make other restricted payments;

make investments;

sell assets;

create liens on assets;

consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;

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engage in transactions with affiliates;

enter into sale and leaseback transactions;

designate our subsidiaries as unrestricted subsidiaries;

amend, modify or terminate our material contracts;

permit operations of foreign subsidiaries that are not obligors under our senior secured credit facilities to exceed a specified percentage of total operations;

engage in any new material line of business;

enter into contractual obligations limiting our ability to make intercompany loans, investments and other transfers or to provide subsidiary guarantees of and collateral to secure our obligations under our senior secured credit facilities or requiring a negative pledge on our assets;

amend our organizational documents or make changes to our accounting policies; and

prepay, redeem, purchase or otherwise satisfy other debt.

In addition, under our senior secured credit facilities, we are required to satisfy and maintain specified financial ratios and other financial condition tests. These covenants could materially and adversely affect our ability to finance our future operations or capital needs. Furthermore, they may restrict our ability to conduct and expand our business and pursue our business strategies. Our ability to meet these financial ratios and financial condition tests can be affected by events beyond our control, including changes in general economic and business conditions, and we cannot assure you that we will meet these ratios and tests in the future or at all.

A breach of any of these covenants could result in a default under our senior secured credit facilities and our 93/4% senior notes due 2015. Upon the occurrence of an event of default under our senior secured credit facilities, the lenders could elect to declare all amounts outstanding under our senior secured credit facilities to be immediately due and payable and terminate all commitments to extend further credit. If we were unable to repay those amounts, the lenders under our senior secured credit facilities could proceed against the collateral granted to them to secure that indebtedness. We have pledged a significant portion of our assets as collateral under our senior secured credit facilities. If the lenders under our senior secured credit facilities accelerate the repayment of borrowings, we cannot assure you that we will have sufficient assets to repay the amounts borrowed under our senior secured credit facilities, as well as our unsecured indebtedness, including the debentures.

If we default on our obligations to pay our indebtedness, we may not be able to make payments on the debentures.

Any default under the agreements governing our indebtedness, including a default under our senior secured credit facilities, that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness, could prevent us from paying principal, premium, if any, and interest on the debentures and could substantially decrease the market value of the debentures. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness (including covenants in our senior secured credit facilities and the indenture governing our 93/4% senior notes due 2015), we could be in default under the terms of the agreements governing such

indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under our senior secured credit facilities could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation. If our operating performance declines, we may in the future need to obtain waivers from the required lenders under our senior secured credit facilities to avoid being in default. If we breach our covenants under our senior secured credit facilities and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under our senior secured credit agreement, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.

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Your right to receive payments on the debentures is effectively subordinate to those lenders who have a security interest in our assets.

Our obligations under the debentures and our guarantors' obligations under their guarantees of the debentures are unsecured, but our obligations under our senior secured credit facilities and each guarantor's obligations under its guarantee of the senior secured credit facilities are secured by a security interest in substantially all of our domestic and certain of our international tangible and intangible assets and all of our promissory notes and the capital stock of substantially all of our existing and future domestic and international subsidiaries. If we are declared bankrupt or insolvent, or if we default under our senior secured credit facilities, the lenders could declare all of the funds borrowed thereunder, together with accrued interest, immediately due and payable. If we were unable to repay such indebtedness, the lenders could foreclose on the pledged assets described above to the exclusion of holders of the debentures, even if an event of default exists under the indenture governing the debentures offered hereby at such time. Furthermore, if the lenders foreclose on the pledged assets and sell the pledged equity interests in any guarantor under the debentures, then that guarantor will be released from its guarantee of the debentures automatically and immediately upon such sale. In any such event, because the debentures will not be secured by any of our assets or the equity interests in the guarantors, it is possible that there would be no assets remaining from which your claims could be satisfied or, if any assets remained, they might be insufficient to satisfy your claims fully. See Description of Other Indebtedness Senior Secured Credit Facilities. In addition, all payments on the debentures will be blocked in the event of a payment default on our designated senior debt and may be blocked, up to 179 of 365 consecutive days in the event of certain non-payment defaults on our designated senior debt.

As of March 31, 2007, we had \$291.9 million of senior secured indebtedness, and we had \$119.3 million of availability for additional borrowings under our revolving credit facility, without consideration to covenant restrictions.

The rights of holders of the debentures to receive payments on the debentures and the guarantees thereof are junior to the rights of the lenders under our senior secured credit facilities, the holders of our 93/4% senior notes due 2015 and to holders of all of our and the guarantors' other existing and future senior unsubordinated indebtedness.

The debentures and the guarantees thereof are contractually subordinated to all of our and our guarantors' existing senior indebtedness and rank junior in right of payment to all of our and the guarantors' existing senior indebtedness, including borrowings under our senior secured credit facilities and our 93/4% senior notes due 2015, except for any future indebtedness that expressly provides that it ranks equal or junior in right of payment to the debentures and the guarantees thereof. Because of the subordination provisions in the debentures and the guarantees thereof, in the event of a bankruptcy, liquidation, reorganization and similar proceeding relating to us or a guarantor, our or such guarantors' assets will not be available to pay obligations under the debentures of the guarantees thereof until we have or such guarantor has made all payments in cash on our or such guarantor's senior indebtedness. Sufficient assets may not remain after all these payments are made. In addition, all payments on the debentures will be blocked in the event of a payment default on our designated senior debt and may be blocked, up to 179 of 365 consecutive days, in the event of certain non-payment defaults on our designated senior debt. See Description of the Debentures Subordination.

The assets of any of our non-guarantor subsidiaries may not be available to make payments on the debentures.

The guarantors of the debentures include substantially all of our existing domestic subsidiaries, other than our captive insurance subsidiary, any receivables subsidiary and certain future direct and indirect wholly owned domestic subsidiaries. Our foreign subsidiaries do not guarantee the debentures. Payments on the debentures are required to be

made only by us and the subsidiary guarantors. As a result, no payments are required to be made from assets of subsidiaries that do not guarantee the debentures, unless those assets are transferred by dividend or otherwise to us or a subsidiary guarantor. In the event that any non-guarantor subsidiary becomes insolvent, liquidates, reorganizes, dissolves or otherwise winds up, holders of its debt and its trade creditors generally will be entitled to payment on their claims from the assets of that subsidiary before any of those assets are made available to

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us. Consequently, your claims in respect of the debentures will be effectively subordinated to all of the liabilities of any of our non-guarantor subsidiaries, including trade payables. In addition, the foreign subsidiaries are able to borrow under our senior secured credit facilities. Our non-guarantor subsidiaries generated approximately 41% of our consolidated revenue for 2006 and are more profitable than our guarantor subsidiaries.

To service our debt, we will require a significant amount of cash, which may not be available to us.

Our ability to make payments on, or repay or refinance, our debt, including the debentures, and to fund planned capital expenditures, will depend largely upon our future operating performance. Our future operating performance, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. In addition, our ability to borrow funds in the future to make payments on our debt will depend on the satisfaction of the covenants in our senior secured credit facilities and our other debt agreements, including the indenture governing our 93/4% senior notes due 2015, and other agreements we may enter into in the future. Specifically, we will need to maintain specified financial ratios and satisfy financial condition tests. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under our senior secured credit facilities or from other sources in an amount sufficient to enable us to pay our debt, including the debentures, or to fund our other liquidity needs.

We may be unable to repurchase the debentures for cash when required by the holders, including following a fundamental change, or to pay the cash portion of the conversion value upon conversion of any debentures by the holders.

Holders of the debentures have the right to require us to repurchase the debentures for cash on February 1, 2017 and 2022 or upon the occurrence of a fundamental change prior to maturity as described under Description of the Debentures Repurchase of Debentures by Invacare at Option of Holder and Repurchase of Debentures by Invacare at Option of Holder upon a Fundamental Change. In addition, upon conversion of the debentures, we will have the right to pay the conversion price in cash, stock or a combination thereof. We may not have sufficient funds to make the required payments in cash at such time or the ability to arrange necessary financing on acceptable terms. We may also be prohibited from making cash payments under the terms of our then existing credit agreements. Our senior secured credit facilities and the indenture governing our 93/4% the senior notes due 2015 restrict our ability to repurchase the debentures in cash and to pay the cash portion of the conversion value upon conversion of any debentures. If we fail to repurchase the debentures or pay cash upon conversion if required by the indenture, it would constitute an event of default under the indenture governing the debentures, which, in turn, would constitute an event of default under our senior secured credit facilities and our 93/4% senior notes due 2015. Our senior secured credit facilities also provide that a change of control will be a default that permits lenders to accelerate the maturity of borrowings thereunder and the indenture governing our 93/4% senior notes due 2015 requires us to repurchase all outstanding senior notes at specified prices upon the occurrence of specified kinds of change of control events. Any of our future debt agreements may contain similar provisions.

The make whole amount payable on debentures converted in connection with certain fundamental changes may not adequately compensate you for the lost option time value of your debentures as a result of such transaction.

If certain transactions that constitute a fundamental change occur on or prior to February 1, 2017, under certain circumstances, we will increase, for the time period described herein, the conversion rate by a number of additional shares for any conversions of debentures in connection with such transaction. The number of additional shares will be determined based on the date on which the fundamental change becomes effective and the price paid per share of our common shares in the transaction constituting a fundamental change, as described below under Description of the Debentures Conversion Rights Make-Whole Amount and Adjustments for Conversion After a Public Acquirer Change of Control. Although the number of additional shares is designed to compensate you for the lost option time

value of your debentures as a result of such transaction, the make whole amount is only an approximation of such lost value and may not adequately compensate you for such loss. In addition, if such transaction occurs after February 1, 2017, or if the price of our common shares on the conversion date is less than \$20.24 or greater than \$100.00, the conversion rate will not be increased.

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Some significant restructuring transactions may not constitute a fundamental change, in which case we would not be obligated to offer to repurchase the debentures.

Upon the occurrence of a fundamental change, you have the right to convert your debentures or require us to offer to repurchase the debentures. However, the fundamental change provisions will not afford protection to holders of debentures in the event of certain transactions. For example, transactions such as leveraged recapitalizations, refinancings, restructurings or acquisitions initiated by us would not constitute a fundamental change requiring us to repurchase the debentures or enabling you to convert your debentures. See Description of the Debentures Repurchase of Debentures by Invacare at Option of Holder upon Fundamental Change for the definition of a fundamental change. In the event of any such transaction, the holders would not have the right to convert their debentures or require us to repurchase their debentures, even though each of these transactions could increase the amount of our debt, or otherwise adversely affect our capital structure or any credit ratings, thereby adversely affecting the holders of debentures.

The conditional conversion feature of the debentures could result in your receiving less than the value of the common shares into which a debenture is convertible.

The debentures are convertible into our common shares only if specified conditions are met. If these conditions are not met, you will not be able to convert your debentures, and you may not be able to receive the value of the common shares into which the debentures would otherwise be convertible.

The debentures do not restrict our ability to take certain actions that could negatively impact holders of the debentures

We are not restricted under the terms of the debentures from incurring additional debt, including secured debt. In addition, the limited covenants applicable to the debentures do not require us to achieve or maintain any minimum financial results relating to our financial position or results of operations. Our ability to recapitalize, incur additional debt and take a number of other actions that are not limited by the terms of the debentures could have the effect of diminishing our ability to make payments on the debentures when due. Certain of our other debt instruments, including our senior secured credit facilities and the indenture governing our 93/4% senior notes due 2015, may, however, restrict these and other actions.

The price of our common shares, and therefore of the debentures, may fluctuate significantly, and this may make it difficult for you to resell the debentures or common shares issuable upon conversion of the debentures when you want or at prices you find attractive.

The price of our common shares on the New York Stock Exchange constantly changes. We expect that the market price of our common shares will continue to fluctuate. In addition, because the debentures are convertible into our common shares, volatility or depressed prices for our common shares could have a similar effect on the trading price of the debentures.

Our share price may fluctuate as a result of a variety of factors, many of which are beyond our control. These factors, among others, include:

quarterly variations in our operating results;

operating results that vary from the expectations of management, securities analysts and investors;

changes in expectations as to our future financial performance;

announcements of innovations, new products, strategic developments, significant contracts, acquisitions and other material events by us or our competitors;

the operating and securities price performance of other companies that investors believe are comparable to us;

future sales of our equity or equity-related securities;

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changes in general conditions in our industry and in the economy, the financial markets and the domestic or international political situation;

developments or disputes (including lawsuits) concerning proprietary rights;

departures of key personnel; and

regulatory considerations.

In addition, in recent years, the stock market in general has experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons often unrelated to their operating performance. These broad market fluctuations may adversely affect our share price, regardless of our operating results.

Future sales of our common shares in the public market or the issuance of securities senior to our common shares could adversely affect the trading price of our common shares and the value of the debentures and our ability to raise funds in new share offerings.

Future sales of substantial amounts of our common shares or equity-related securities in the public market, or the perception that such sales could occur, could adversely affect prevailing trading prices of our common shares and the value of the debentures and could impair our ability to raise capital through future offerings of equity or equity-related securities. No prediction can be made as to the effect, if any, that future sales of common shares or the availability of common shares for future sale, will have on the trading price of our common shares or the value of the debentures.

If you hold debentures, you will not be entitled to any rights with respect to our common shares, but you will be subject to all changes made with respect to our common shares.

If you hold debentures, you will not be entitled to any rights with respect to our common shares (including, without limitation, voting rights and rights to receive any dividends or other distributions on our common shares), but you will be subject to all changes affecting our common shares. You will have rights with respect to our common shares only if you convert your debentures, which you are permitted to do only in limited circumstances described herein. For example, in the event that an amendment is proposed to our amended and restated articles of incorporation or code of regulations requiring shareholder approval and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to delivery of our common shares to you, you will not be entitled to vote on the amendment, although you will nevertheless be subject to any changes in the powers, preferences or special rights of our common shares.

The conversion rate of the debentures may not be adjusted for all dilutive events, including third-party tender or exchange offers that may adversely affect the trading price of the debentures or the common shares issuable upon conversion of the debentures.

The conversion rate of the debentures is subject to adjustment upon certain events, including the issuance of stock dividends on our common shares, the issuance of rights or warrants, subdivisions, combinations, distributions of capital stock, debt or assets, cash dividends (other than regular quarterly cash dividends not in excess of \$0.0125 per share of our common shares) and tender or exchange offers by us or one of our subsidiaries as described under Description of the Debentures Conversion Rights Conversion Rate Adjustments. The conversion rate will not be adjusted for certain other events, such as our regular quarterly cash dividends not in excess of \$0.0125 per share of our common shares and third-party tender or exchange offers, that may adversely affect the trading price of the debentures

or the common shares issuable upon conversion of the debentures.

Conversion of the debentures will dilute the ownership interest of existing shareholders, including holders who had previously converted their debentures.

To the extent we issue common shares upon conversion of the debentures, the conversion of some or all of the debentures will dilute the ownership interests of existing shareholders. Any sales in the public market of the common shares issuable upon such conversion could adversely affect prevailing market prices of our common

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shares. In addition, the existence of the debentures may encourage short selling by market participants because the conversion of the debentures could depress the price of our common shares.

You should consider the U.S. federal income tax consequences of owning the debentures.

The U.S. federal income tax treatment of the conversion of the debentures into a combination of our common shares and cash is uncertain. You are urged to consult your tax advisors with respect to the U.S. federal income tax consequences resulting from the conversion of the debentures into a combination of cash and common shares. A discussion of the U.S. federal income tax consequences of ownership of the debentures is contained in this prospectus under the heading Certain U.S. Federal Income Tax Considerations.

If we pay certain cash distributions on our common shares, you may be deemed to have received a taxable dividend without the receipt of any cash.

If we pay cash distributions on our common shares (excluding certain quarterly cash dividends on our common shares), an adjustment to the conversion rate may result, and you may be deemed to have received a taxable dividend subject to U.S. federal income tax without the receipt of any cash. If you are a Non-U.S. Holder (as defined in Certain U.S. Federal Income Tax Considerations), any deemed dividend generally will be subject to U.S. federal withholding tax at a 30% rate or such lower rate as may be specified by an applicable treaty. See Certain U.S. Federal Income Tax Considerations.

Federal and state statutes allow courts, under specific circumstances, to void the guarantees, subordinate claims in respect of the guarantees and require debenture holders to return payments received from the guarantors.

Certain of our existing and future domestic subsidiaries guarantee our obligations under the debentures. The issuance of the guarantees by the guarantors may be subject to review under state and federal laws if a bankruptcy, liquidation or reorganization case or a lawsuit, including in circumstances in which bankruptcy is not involved, were commenced at some future date by, or on behalf of, our unpaid creditors or the unpaid creditors of a guarantor. Under the federal bankruptcy laws and comparable provisions of state fraudulent transfer laws, a court may void or otherwise decline to enforce a guarantor's guarantee, or subordinate such guarantee to such guarantor's existing and future indebtedness. This may be more relevant in our circumstances due to our recent financial performance. While the relevant laws may vary from state to state, a court might do so if it found that when a guarantor entered into its guarantee or, in some states, when payments became due under such guarantee, such guarantor received less than reasonably equivalent value or fair consideration and either:

was insolvent or rendered insolvent by reason of such incurrence;

was engaged in a business or transaction for which such guarantor's remaining assets constituted unreasonably small capital; or

intended to incur, or believed that such guarantor would incur, debts beyond such guarantor's ability to pay such debts as they mature.

The court might also void a guarantee, without regard to the above factors, if the court found that a guarantor entered into its guarantee with actual intent to hinder, delay or defraud its creditors. In addition, any payment by a guarantor pursuant to its guarantee could be voided and required to be returned to that guarantor or to a fund for the benefit of that guarantor's creditors. A court would likely find that a guarantor did not receive reasonably equivalent value or fair consideration for its guarantee if that guarantor did not substantially benefit directly or indirectly from the issuance of the debentures. If a court were to void a guarantee, you would no longer have a claim against that guarantor. Sufficient

funds to repay the debentures may not be available from other sources, including the remaining guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from any guarantor.

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The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a guarantor would be considered insolvent if:

the sum of that guarantor's debts, including contingent liabilities, was greater than the fair saleable value of such guarantor's assets; or

if the present fair saleable value of that guarantor's assets were less than the amount that would be required to pay such guarantor's probable liability on such guarantor's existing debts, including contingent liabilities, as they become absolute and mature; or

that guarantor could not pay its guarantor's debts as they become due.

To the extent a court voids any of the guarantees as fraudulent transfers or holds any of the guarantees unenforceable for any other reason, holders of debentures would cease to have any direct claim against the applicable guarantor. If a court were to take this action, a guarantor's assets would be applied first to satisfy that guarantor's liabilities, if any, before any portion of its assets could be applied to the payment of the debentures.

Each guarantee contains a provision intended to limit a guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer. This provision may not be effective to protect the guarantees from being voided under fraudulent transfer law, or may reduce the guarantor's obligation to an amount that effectively makes the guarantee worthless. The indenture governing the debentures offered hereby permits us and the guarantors of the debentures to incur substantial additional indebtedness in the future, including senior secured indebtedness.

Your ability to transfer the debentures may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the debentures.

Prior to the private placement there was no established public market for the debentures. The initial purchasers of the debentures advised us that they intended to make a market in the debentures, as permitted by applicable laws and regulations; however, the initial purchasers are not obligated to make a market in any of the debentures, and they may discontinue their market-making activities at any time without notice. Therefore, we cannot assure you that an active market for any of the debentures will develop or, if a market does develop, that it will continue. Historically, the market for non investment-grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities that are similar to the debentures. We cannot assure you that the market, if any, for any of the debentures will be free from similar disruptions or that any such disruptions may not adversely affect the prices at which you may sell your debentures. In addition, subsequent to their initial issuance, the debentures may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar debentures, our performance and other factors. The debentures initially issued in the private placement are eligible for trading on the PORTALsm Market; however, the debentures are not listed on any securities exchange and the debentures sold using this prospectus will no longer be eligible for trading in the PORTALsm Market.

Risks Relating to Our Business

Changes in government and other third-party payor reimbursement levels and practices have negatively impacted and could continue to negatively impact our revenues and profitability.

Our products are sold through a network of medical equipment and home health care providers, extended care facilities, hospital and HMO-based stores, and other providers. Many of these providers, who are our customers, are reimbursed for the Invacare products and services provided to their customers and patients by third-party payors, such as government programs, including Medicare and Medicaid, private insurance plans and managed care programs. Many of these programs set maximum reimbursement levels for certain of the products sold by us in the United States. If third-party payors deny coverage, make the reimbursement process or documentation requirements more uncertain or further reduce their current levels of reimbursement (i.e., beyond the reductions described below), or if our costs of production increase faster than increases in reimbursement levels, we may be unable to sell the affected product(s) through our distribution channels on a profitable basis.

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Reduced government reimbursement levels and changes in reimbursement policies have in the past added, and could continue to add, significant pressure to our revenues and profitability. In early 2006, The Centers for Medicare and Medicaid Services, or CMS, announced a series of changes to the eligibility, documentation, codes, and payment rules relating to power wheelchairs that impact the predictability of reimbursement of expenses for and access to power wheelchairs. The implementation of these changes will not be completed until early in 2007, after which the effect of these changes on our business will become more apparent. However, these changes may be significant. Effective November 15, 2006, the CMS reduced the maximum reimbursement amount for power wheelchairs under Medicare by up to 28%. The reduced reimbursement levels may cause consumers to choose less expensive versions of our power wheelchairs. Additionally, the Deficit Reduction Act of 2005 includes payment cuts for home oxygen equipment that will take effect in 2009 and reductions for certain durable home medical equipment spending that will take effect in 2007.

Largely as a consequence of the announced reimbursement reductions and the uncertainty created thereby, our North American net sales were lower in 2006 as compared to 2005 as were Asia/Pacific sales as the U.S. reimbursement uncertainty in the power wheelchair market resulted in decreased sales of microprocessor controllers by the company's Dynamic Controls subsidiary. Sales of our respiratory products were particularly affected by the changes. Small and independent provider sales declined as these dealers slowed their purchases of our HomeFill™ oxygen system product line, in part, until they had a clearer view of future oxygen reimbursement levels. Furthermore, a study issued by the Office of Inspector General or OIG, in September 2006 suggested that \$3.2 billion in savings could be achieved over five years by reducing the reimbursed rental period from three years (the reimbursement period under current law) to 13 months. The uncertainty created by these announcements continues to negatively impact the home oxygen equipment market, particularly for those providers considering changing to the HomeFill™ oxygen system.

Similar trends and concerns are occurring in state Medicaid programs. These recent changes to reimbursement policies, and any additional unfavorable reimbursement policies or budgetary cuts that may be adopted, could adversely affect the demand for our products by customers who depend on reimbursement by the government-funded programs. The percentage of our overall sales that is dependent on Medicare or other insurance programs may increase as the portion of the U.S. population over age 65 continues to grow, making us more vulnerable to reimbursement level reductions by these organizations. Reduced government reimbursement levels also could result in reduced private payor reimbursement levels because some third-party payors may index their reimbursement schedules to Medicare fee schedules. Reductions in reimbursement levels also may affect the profitability of our customers and ultimately force some customers without strong financial resources to go out of business. The reductions announced recently may be so dramatic that some of our customers may not be able to adapt quickly enough to survive. We are the industry's largest creditor and an increase in bankruptcies in our customer base could have an adverse effect on our financial results.

Medicare will institute a new competitive bidding program for various items in ten as yet unidentified of the largest metropolitan areas late in 2007. This program is designed to reduce Medicare payment levels for items that the Medicare program spends the most money on under the home medical equipment benefit. This new program will likely eliminate some providers from the competitive bidding markets, because only those providers who are chosen to participate (based largely on price) will be able to provide beneficiaries with items included in the bid. Medicare will be expanding the program to an additional 80 metropolitan areas in 2009. In addition, in 2009, Medicare has the authority to apply bid rates from bidding areas in non-bid areas. The competitive bidding program will result in reduced payment levels, that will vary by product category, and will depend in large part upon the level of bids our customers submit in an effort to ensure they become approved contract suppliers. It is difficult to predict the specific reductions in payment levels that will result from this process.

Outside the United States, reimbursement systems vary significantly by country. Many foreign markets have government-managed health care systems that govern reimbursement for new home health care products. The ability of hospitals and other providers supported by such systems to purchase our products is dependent, in part, upon public budgetary constraints. Canada and Germany and other European countries, for example, have tightened reimbursement rates and other countries may follow. If adequate levels of reimbursement from third-party payors outside of the United States are not obtained, international sales of our products may decline, which could adversely

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affect our net sales and would have a material adverse effect on our business, financial condition and results of operations.

In January 2007, the OIG announced its goals and priorities for 2007, which include a number of investigations into Medicare and Medicaid payments for durable medical equipment, or DME, among them, for example, investigations into Medicare pricing of equipment and supplies and the medical necessity of durable medical equipment for which Medicare provided payments.

The impact of all the changes discussed above are uncertain and could have a material adverse effect on our business, financial condition and results of operations.

The consolidation of health care customers and our competitors could result in a loss of customers or in additional competitive pricing pressures.

Numerous initiatives and reforms instituted by legislators, regulators and third-party payors to reduce home medical equipment costs have resulted in a consolidation trend in the home medical equipment industry as well as among our customers, including home health care providers. Some of our competitors have been lowering the purchase prices of their products in an effort to attract customers. This in turn has resulted in greater pricing pressures, including pressure to offer customers more competitive pricing terms, and the exclusion of certain suppliers from important market segments as group purchasing organizations, independent delivery networks and large single accounts continue to consolidate purchasing decisions for some of our customers. Further consolidation could result in a loss of customers, including increased collectibility risks, or in increased competitive pricing pressures.

The industry in which we operate is highly competitive and some of our competitors may be larger and may have greater financial resources than we do.

The home medical equipment market is highly competitive and our products face significant competition from other well-established manufacturers. Any increase in competition may cause us to lose market share or compel us to reduce prices to remain competitive, which could materially adversely affect our results of operations.

If our cost reduction efforts are ineffective, our revenues and profitability could be negatively impacted.

In response to the reductions in Medicare power wheelchair and oxygen reimbursement levels and other governmental and third party payor pricing pressures and competitive pricing pressures, we have initiated further cost reduction efforts in addition to those announced in 2005 and early 2006. We may not be successful in achieving the operating efficiencies and operating cost reductions expected from these efforts, including the estimated cost savings described above, and we may experience business disruptions associated with the restructuring and cost reduction activities, including the restructuring activities previously announced in 2005 and 2006 and, in particular, our facility consolidations initiated in connection with these activities. These efforts may not produce the full efficiency and cost reduction benefits that we expect. Further, these benefits may be realized later than expected, and the costs of implementing these measures may be greater than anticipated. If these measures are not successful, we intend to undertake additional cost reduction efforts, which could result in future charges. Moreover, our ability to achieve our other strategic goals and business plans and our financial performance may be adversely affected and we could experience business disruptions with customers and elsewhere if our cost reduction and restructuring efforts prove ineffective.

Our success depends on our ability to design, manufacture, distribute and achieve market acceptance of new products with higher functionality and lower costs.

We sell our products to customers primarily in markets that are characterized by technological change, product innovation and evolving industry standards and in which product price is increasingly the primary consideration in customers purchasing decisions. We are continually engaged in product development and improvement programs. We must continue to design and improve innovative products, effectively distribute and achieve market acceptance of those products, and reduce the costs of producing our products, in order to compete successfully with our competitors. If competitors product development capabilities become more effective than our product

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development capabilities, if competitors' new or improved products are accepted by the market before our products or if competitors are able to produce products at a lower cost and thus offer products for sale at a lower price, our business, financial condition and results of operation could be adversely affected.

We are subject to extensive government regulation, and if we fail to comply with applicable laws or regulations, we could suffer severe criminal or civil sanctions or be required to make significant changes to our operations that could have a material adverse effect on our results of operations.

We sell our products principally to medical equipment and home health care providers who resell or rent those products to consumers. Many of those providers (our customers) are reimbursed for the Invacare® products sold to their customers and patients by third-party payors, including Medicare and Medicaid. The federal government and all states and countries in which we operate regulate many aspects of our business. As a health care manufacturer, we are subject to extensive government regulation, including numerous laws directed at preventing fraud and abuse and laws regulating reimbursement under various government programs. The marketing, invoicing, documenting and other practices of health care suppliers and manufacturers are all subject to government scrutiny. Government agencies periodically open investigations and obtain information from health care suppliers and manufacturers pursuant to the legal process. Violations of law or regulations can result in severe criminal, civil and administrative penalties and sanctions, including disqualification from Medicare and other reimbursement programs, which could have a material adverse effect on our business. We have established policies and procedures that we believe are sufficient to ensure that we will operate in substantial compliance with these laws and regulations.

We recently received a subpoena from the U.S. Department of Justice seeking documents relating to three long-standing and well-known promotional and rebate programs maintained by us. We believe the programs described in the subpoena are in compliance with all applicable laws and we are cooperating fully with the government investigation which is currently being conducted out of Washington, D.C. There can be no assurance that our business or financial condition will not be adversely affected by the government investigation.

Health care is an area of rapid regulatory change. Changes in the law and new interpretations of existing laws may affect permissible activities, the costs associated with doing business, and reimbursement amounts paid by federal, state and other third-party payors. We cannot predict the future of federal, state and local regulation or legislation, including Medicare and Medicaid statutes and regulations, or possible changes in health care policies in any country in which we conduct business. Future legislation and regulatory changes could have a material adverse effect on our business.

Our research and development and manufacturing processes are subject to federal, state, local and foreign environmental requirements.

Our research and development and manufacturing processes are subject to federal, state, local and foreign environmental requirements, including requirements governing the discharge of pollutants into the air or water, the use, handling, storage and disposal of hazardous substances and the responsibility to investigate and cleanup of contaminated sites. Under some of these laws, we could also be held responsible for costs relating to any contamination at our past or present facilities and at third-party waste disposal sites. These could include costs relating to contamination that did not result from any violation of law and, in some circumstances, contamination that we did not cause. We may incur significant expenses relating to the failure to comply with environmental laws. The enactment of stricter laws or regulations, the stricter interpretation of existing laws and regulations or the requirement to undertake the investigation or remediation of currently unknown environmental contamination at our own or third party sites may require us to make additional expenditures, which could be material.

Lower cost imports could negatively impact our profitability.

Lower cost imports sourced from Asia may negatively impact our sales volumes. Competition from these products may force us to lower our prices, cutting into our profit margins and reducing our overall profitability. Asian goods had a particularly strong negative impact on our sales of Standard Products (this category includes products such as manual wheelchairs, canes, walkers and bath aids) during 2006, which declined compared to the previous year.

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Our failure to comply with regulatory requirements or receive regulatory clearance or approval for our products or operations in the United States or abroad could adversely affect our business.

Our medical devices are subject to extensive regulation in the United States by the Food and Drug Administration, or the FDA, and by similar governmental authorities in the foreign countries where we do business. The FDA regulates virtually all aspects of a medical device's development, testing, manufacturing, labeling, promotion, distribution and marketing. In addition, we are required to file reports with the FDA if our products cause, or contribute to, death or serious injury, or if they malfunction and would be likely to cause, or contribute to, death or serious injury if the malfunction were to recur. In general, unless an exemption applies, our wheelchair and respiratory medical devices must receive a pre-marketing clearance from the FDA before they can be marketed in the United States. The FDA also regulates the export of medical devices to foreign countries. We cannot assure you that any of our devices, to the extent required, will be cleared by the FDA through the pre-market clearance process or that the FDA will provide export certificates that are necessary to export certain of our products.

Additionally, we may be required to obtain pre-marketing clearances to market modifications to our existing products or market our existing products for new indications. The FDA requires device manufacturers themselves to make and document a determination of whether or not a modification requires a new clearance; however, the FDA can review and disagree with a manufacturer's decision. We have applied for, and received, a number of such clearances in the past. We may not be successful in receiving clearances in the future or the FDA may not agree with our decisions not to seek clearances for any particular device modification. The FDA may require a clearance for any past or future modification or a new indication for our existing products. Such submissions may require the submission of additional data and may be time consuming and costly, and may not ultimately be cleared by the FDA.

If the FDA requires us to obtain pre-marketing clearances for any modification to a previously cleared device, we may be required to cease manufacturing and marketing the modified device or to recall the modified device until we obtain FDA clearance, and we may be subject to significant regulatory fines or penalties. In addition, the FDA may not clear these submissions in a timely manner, if at all. The FDA also may change its policies, adopt additional regulations or revise existing regulations, each of which could prevent or delay pre-market clearance of our devices, or could impact our ability to market a device that was previously cleared. Any of the foregoing could adversely affect our business.

Our failure to comply with the regulatory requirements of the FDA and other applicable U.S. regulatory requirements may subject us to administrative or judicially imposed sanctions. These sanctions include warning letters, civil penalties, criminal penalties, injunctions, product seizure or detention, product recalls and total or partial suspension of production.

In many of the foreign countries in which we market our products, we are subject to extensive regulations that are similar to those of the FDA, including those in Europe. The regulation of our products in Europe falls primarily within the European Economic Area, which consists of the 27 member states of the European Union, as well as Iceland, Liechtenstein and Norway. Only medical devices that comply with certain conformity requirements of the Medical Device Directive are allowed to be marketed within the European Economic Area. In addition, the national health or social security organizations of certain foreign countries, including those outside Europe, require our products to be qualified before they can be marketed in those countries. Failure to receive, or delays in the receipt of, relevant foreign qualifications in the European Economic Area or other foreign countries could have a material adverse effect on our business.

Our products are subject to recalls, which could harm our reputation and business.

We are subject to ongoing medical device reporting regulations that require us to report to the FDA or similar governmental authorities in other countries if our products cause, or contribute to, death or serious injury, or if they malfunction and would be likely to cause, or contribute to, death or serious injury if the malfunction were to recur. The FDA and similar governmental authorities in other countries have the authority to require us to do a field correction or recall our products in the event of material deficiencies or defects in design or manufacturing. In addition, in light of a deficiency, defect in design or manufacturing or defect in labeling, we may voluntarily elect to

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recall or correct our products. A government mandated or voluntary recall/field correction by us could occur as a result of component failures, manufacturing errors or design defects, including defects in labeling. Any recall/field correction would divert managerial and financial resources and could harm our reputation with our customers, product users and the health care professionals that use, prescribe and recommend our products. We could have product recalls or field actions that result in significant costs to us in the future, and these actions could have a material adverse effect on our business.

Our reported results may be adversely affected by increases in reserves for uncollectible accounts receivable.

We have a large balance of accounts receivable and have established a reserve for the portion of such accounts receivable that we estimate will not be collected because of our customers' non-payment. The reserve is based on historical trends and current relationships with our customers and providers. Changes in our collection rates can result from a number of factors, including turnover in personnel, changes in the payment policies or practices of payors or changes in industry rates or pace of reimbursement. As a result of recent changes in Medicare reimbursement regulations, specifically changes to the qualification processes and reimbursement levels of consumer power wheelchairs and custom power wheelchairs, the business viability of several of our customers has become questionable. Our reserve for uncollectible receivables has fluctuated in the past and will continue to fluctuate in the future. Changes in rates of collection or fluctuations, even if they are small in absolute terms, could require us to increase our reserve for uncollectible receivables beyond its current level. We have reviewed the accounts receivables associated with many of our customers that are most exposed to these issues. As part of our 2006 financial results, we recorded an incremental reserve against accounts receivable of \$26.8 million.

Difficulties in implementing a new Enterprise Resource Planning system have disrupted our business.

During the fourth quarter of 2005, we implemented the second phase of our Enterprise Resource Planning, or ERP, system. Primarily as a result of the complexities and business process changes associated with this implementation, we encountered a number of issues related to the start-up of the system, including difficulties in processing orders, customer disruptions and the loss of some business. While we believe that the difficulties associated with implementing and stabilizing our ERP system were temporary and have been addressed, there can be no assurance that we will not experience additional ongoing disruptions or inefficiencies in our business operations as a result of this new system implementation, the final phase of which is to be completed in late 2007 or in 2008.

We may be adversely affected by legal actions or regulatory proceedings.

We may be subject to claims, litigation or other liabilities as a result of injuries caused by allegedly defective products, acquisitions we have completed or in the intellectual property area. Any such claims or litigation against us, regardless of the merits, could result in substantial costs and could harm our business. Intellectual property litigation or claims also could require us to:

cease manufacturing and selling any of our products that incorporate the challenged intellectual property;

obtain a license from the holder of the infringed intellectual property right alleged to have been infringed, which license may not be available on commercially reasonable terms, if at all; or

redesign or rename our products, which may not be possible and could be costly and time consuming.

The results of legal proceedings are difficult to predict and we cannot provide you with any assurance that an action or proceeding will not be commenced against us, or that we will prevail in any such action or proceeding. An unfavorable resolution of any legal action or proceeding could materially and adversely affect our business, results of

operations, liquidity or financial condition.

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Product liability claims may harm our business, particularly if the number of claims increases significantly or our product liability insurance proves inadequate.

The manufacture and sale of home health care devices and related products exposes us to a significant risk of product liability claims. From time to time, we have been, and we are currently, subject to a number of product liability claims alleging that the use of our products has resulted in serious injury or even death.

Even if we are successful in defending against any liability claims, these claims could nevertheless distract our management, result in substantial costs, harm our reputation, adversely affect the sales of all our products and otherwise harm our business. If there is a significant increase in the number of product liability claims, our business could be adversely affected.

Our captive insurance company, Invatection Insurance Company, currently has a policy year that runs from September 1 to August 31 and insures annual policy losses of \$10,000,000 per occurrence and \$13,000,000 in the aggregate of our North American product liability exposure. We also have additional layers of external insurance coverage insuring up to \$75,000,000 in annual aggregate losses arising from individual claims anywhere in the world that exceed the captive insurance company policy limits or the limits of our per country foreign liability limits as applicable. There can be no assurance that our current insurance levels will continue to be adequate or available at affordable rates.

Product liability reserves are recorded for individual claims based upon historical experience, industry expertise and indications from a third-party actuary. Additional reserves, in excess of the specific individual case reserves, are provided for incurred but not reported claims based upon third-party actuarial valuations at the time such valuations are conducted. Historical claims experience and other assumptions are taken into consideration by the third-party actuary to estimate the ultimate reserves. For example, the actuarial analysis assumes that historical loss experience is an indicator of future experience, that the distribution of exposures by geographic area and nature of operations for ongoing operations is expected to be very similar to historical operations with no dramatic changes and that the government indices used to trend losses and exposures are appropriate. Estimates are adjusted on a regular basis and can be impacted by actual loss awards or settlements on claims. While actuarial analysis is used to help determine adequate reserves, we are responsible for the determination and recording of adequate reserves in accordance with accepted loss reserving standards and practices.

In addition, as a result of a product liability claim or if our products are alleged to be defective, we may have to recall some of our products, which could result in significant costs to us and harm our business reputation. See Our products are subject to recalls, which could harm our reputation and business.

If our patents and other intellectual property rights do not adequately protect our products, we may lose market share to our competitors and may not be able to operate our business profitably.

We rely on a combination of patents, trade secrets and trademarks to establish and protect our intellectual property rights in our products and the processes for the development, manufacture and marketing of our products.

We use non-patented proprietary know-how, trade secrets, undisclosed internal processes and other proprietary information and currently employ various methods to protect this proprietary information, including confidentiality agreements, invention assignment agreements and proprietary information agreements with vendors, employees, independent sales agents, distributors, consultants, and others. However, these agreements may be breached. The FDA or another governmental agency may require the disclosure of this information in order for us to have the right to market a product. Trade secrets, know-how and other unpatented proprietary technology may also otherwise become

known to or independently developed by our competitors.

In addition, we also hold U.S. and foreign patents relating to a number of our components and products and have patent applications pending with respect to other components and products. We also apply for additional patents in the ordinary course of our business, as we deem appropriate. However, these precautions offer only limited protection, and our proprietary information may become known to, or be independently developed by, competitors, or our proprietary rights in intellectual property may be challenged, any of which could have a material adverse effect on our business, financial condition and results of operations. Additionally, we cannot assure you that our existing or future patents, if any, will afford us adequate protection or any competitive advantage, that any future

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patent applications will result in issued patents or that our patents will not be circumvented, invalidated or declared unenforceable.

Any proceedings before the U.S. Patent and Trademark Office could result in adverse decisions as to the priority of our inventions and the narrowing or invalidation of claims in issued patents. We could also incur substantial costs in any proceeding. In addition, the laws of some of the countries in which our products are or may be sold may not protect our products and intellectual property to the same extent as U.S. laws, if at all. We may also be unable to protect our rights in trade secrets and unpatented proprietary technology in these countries.

In addition, we hold patent and other intellectual property licenses from third parties for some of our products and on technologies that are necessary in the design and manufacture of some of our products. The loss of these licenses could prevent us from, or could cause additional disruption or expense in, manufacturing, marketing and selling these products, which could harm our business.

Our operating results and financial condition could be adversely affected if we become involved in litigation regarding our patents or other intellectual property rights.

Litigation involving patents and other intellectual property rights is common in our industry, and companies in our industry have used intellectual property litigation in an attempt to gain a competitive advantage. We currently are, and in the future may become, a party to lawsuits involving patents or other intellectual property. Litigation is costly and time consuming. If we lose any of these proceedings, a court or a similar foreign governing body could invalidate or render unenforceable our owned or licensed patents, require us to pay significant damages, seek licenses and/or pay ongoing royalties to third parties, require us to redesign our products, or prevent us from manufacturing, using or selling our products, any of which would have an adverse effect on our results of operations and financial condition. We have brought, and may in the future also bring, actions against third parties for an infringement of our intellectual property rights. We may not succeed in these actions. The defense and prosecution of intellectual property suits, proceedings before the U.S. Patent and Trademark Office or its foreign equivalents and related legal and administrative proceedings are both costly and time consuming. Protracted litigation to defend or prosecute our intellectual property rights could seriously detract from the time our management would otherwise devote to running our business. Intellectual property litigation relating to our products could cause our customers or potential customers to defer or limit their purchase or use of the affected products until resolution of the litigation.

Our business strategy relies on certain assumptions concerning demographic trends that impact the market for our products. If these assumptions prove to be incorrect, demand for our products may be lower than we currently expect.

Our ability to achieve our business objectives is subject to a variety of factors, including the relative increase in the aging of the general population. We believe that these trends will increase the need for our products. The projected demand for our products could materially differ from actual demand if our assumptions regarding these trends and acceptance of our products by health care professionals and patients prove to be incorrect or do not materialize. If our assumptions regarding these factors prove to be incorrect, we may not be able to successfully implement our business strategy, which could adversely affect our results of operations. In addition, the perceived benefits of these trends may be offset by competitive or business factors, such as the introduction of new products by our competitors or the emergence of other countervailing trends.

Provisions of Ohio law, our charter documents and our shareholder rights plan may have anti-takeover effects that could prevent or delay a change in control.

Provisions of Ohio law, our dual class capital stock structure, our shareholder rights plan and provisions in our charter documents may discourage, delay or prevent a merger or acquisition or make removal of incumbent directors or officers more difficult. These provisions may discourage takeover attempts and bids for our common shares at a premium over the market price. See Description of Capital Stock.

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The loss of the services of our key management and personnel could adversely affect our ability to operate our business.

Our future success will depend, in part, upon the continued service of key managerial, research and development staff and sales and technical personnel. In addition, our future success will depend on our ability to continue to attract and retain other highly qualified personnel. We may not be successful in retaining our current personnel or in hiring or retaining qualified personnel in the future. Our failure to do so could have a material adverse effect on our business. These executive officers have substantial experience and expertise in our industry. Our future success depends, to a significant extent, on the abilities and efforts of our executive officers and other members of our management team. If we lose the services of any of our management team, our business may be adversely affected.

Our Chief Executive Officer and certain members of management own shares representing a substantial percentage of our voting power and their interests may differ from other shareholders.

We have two classes of common stock. The Common Shares have one vote per share and the Class B Common Shares have 10 votes per share. As of February 23, 2007, our chairman and CEO, Mr. A. Malachi Mixon, and certain members of management beneficially own up to approximately 35% of the combined voting power of our Common Shares and Class B Common Shares and could influence the outcome of any corporate transaction or other matter submitted to the shareholders for approval, including mergers, consolidations and the sale of all or substantially all of our assets. They will also have the power to influence or make more difficult a change in control. The interests of Mr. Mixon and his relatives may differ from the interests of the other shareholders and they may take actions with which you disagree. See Description of Capital Stock.

Decreased availability or increased costs of raw materials could increase our costs of producing our products.

We purchase raw materials, fabricated components and services from a variety of suppliers. Raw materials such as plastics, steel, and aluminum are considered key raw materials. Where appropriate, we employ contracts with our suppliers, both domestic and international. In those situations in which contracts are not advantageous, we believe that our relationships with our suppliers are satisfactory and that alternative sources of supply are readily available. From time to time, however, the prices and availability of these raw materials fluctuate due to global market demands, which could impair our ability to procure necessary materials, or increase the cost of these materials. Inflationary and other increases in costs of these raw materials have occurred in the past and may recur from time to time. In addition, freight costs associated with shipping and receiving product and sales are impacted by fluctuations in the cost of oil and gas. A reduction in the supply or increase in the cost of those raw materials could impact our ability to manufacture our products and could increase the cost of production.

Since our ability to obtain further financing may be limited, we may be unable to acquire strategic acquisition candidates.

Our plans include identifying, acquiring and integrating other strategic businesses. There are various reasons for us to acquire businesses or product lines, including to provide new products or new manufacturing and service capabilities, to add new customers, to increase penetration with existing customers and to expand into new geographic markets. Our ability to successfully grow through acquisitions depends upon, among other things, our ability to identify, negotiate, complete and integrate suitable acquisitions and to obtain any necessary financing. The costs of acquiring other businesses could increase if competition for acquisition candidates increases. If we are unable to obtain the necessary financing, we may miss opportunities to grow our business through strategic acquisitions.

Additionally, the success of our acquisition strategy is subject to other risks and costs, including the following:

our ability to realize operating efficiencies, synergies, or other benefits expected from an acquisition, and possible delays in realizing the benefits of the acquired company or products;

diversion of management's time and attention from other business concerns;

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difficulties in retaining key employees of the acquired businesses who are necessary to manage these businesses;

difficulties in maintaining uniform standards, controls, procedures and policies throughout acquired companies;

adverse effects on existing business relationships with suppliers or customers;

the risks associated with the assumption of contingent or undisclosed liabilities of acquisition targets; and

ability to generate future cash flows or the availability of financing.

In addition, an acquisition could materially impair our operating results by causing us to incur debt or requiring the amortization of acquisition expenses and acquired assets.

We are subject to certain risks inherent in managing and operating businesses in many different foreign jurisdictions.

We have significant international operations, including operations in Australia, New Zealand, Asia and Europe. There are risks inherent in operating and selling products internationally, including:

difficulties in enforcing agreements and collecting receivables through certain foreign legal systems;

foreign customers who may have longer payment cycles than customers in the United States;

tax rates in certain foreign countries that may exceed those in the United States and foreign earnings that may be subject to withholding requirements;

the imposition of tariffs, exchange controls or other trade restrictions including transfer pricing restrictions when products produced in one country are sold to an affiliated entity in another country;

general economic and political conditions in countries where the company operates or where end users of our products reside;

difficulties associated with managing a large organization spread throughout various countries;

difficulties in enforcing intellectual property rights and weaker intellectual property rights protection in some countries;

required compliance with a variety of foreign laws and regulations;

different regulatory environments and reimbursement systems; and

differing consumer product preferences.

Our revenues are subject to exchange rate fluctuations that could adversely affect our results of operations or financial position.

Currency exchange rates are subject to fluctuation due to, among other things, changes in local, regional or global economic conditions, the imposition of currency exchange restrictions, and unexpected changes in regulatory or taxation environments. The functional currency of our subsidiaries outside the United States is the predominant currency used by the subsidiaries to transact business. Through our international operations, we are exposed to foreign currency fluctuations, and changes in exchange rates can have a significant impact on net sales and elements of cost.

We use forward contracts to help reduce our exposure to exchange rate variation risk. Despite our efforts to mitigate these risks, however, our revenues and profitability may be materially adversely affected by exchange rate fluctuations. We also are exposed to market risk through various financial instruments, including fixed rate and floating rate debt instruments. We use interest swap agreements to mitigate our exposure to interest rate fluctuations, but those efforts may not adequately protect us from significant interest rate risks.

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USE OF PROCEEDS

We will not receive any proceeds from the sales by selling securityholders of securities pursuant to this prospectus.

DESCRIPTION OF CAPITAL STOCK

Our Amended and Restated Articles of Incorporation, or the Articles, authorize the issuance of 112,300,000 shares consisting of 300,000 Serial Preferred Shares, without par value, issuable in series, 100,000,000 Common Shares and 12,000,000 Class B Common Shares, without par value. As of May 7, 2007, no Serial Preferred Shares, 30,864,771 Common Shares and 1,111,565 Class B Common Shares were outstanding.

The Class B Common Shares and Common Shares are identical in all material respects except that:

Class B Common Shares entitle the holders thereof to ten votes per share on all matters;

Common Shares entitle the holders thereof to receive cash dividends, if and when declared by the Directors, at a rate of at least 110% of cash dividends paid on the Class B Common Shares; and

the Class B Common Shares are subject to restrictions on transfer.

The Class B Common Shares are not transferable except in some very limited instances to family members and trusts, charitable foundations for the benefit of or controlled by family members and to employees who are participants in certain employee benefit plans, or Permitted Transferees. These restrictions on transfer may be removed by the Board of Directors if the Board determines that the restrictions may have a material adverse effect on the liquidity, marketability or market value of the outstanding Common Shares.

The Class B Common Shares are fully convertible at any time into Common Shares on a share-for-share basis and will automatically be converted into Common Shares upon any purported transfer to non-Permitted Transferees. Once a Class B Common Share has been converted into a Common Share, such Common Share cannot thereafter be re-converted into a Class B Common Share. Because the Class B Common Shares will at all times be convertible into Common Shares on a share-for-share basis, holders of Class B Common Shares will be able to sell the equity interest represented by their Class B Common Shares to persons who are not Permitted Transferees by converting such shares into Common Shares. Additional Class B Common Shares can be issued only in connection with stock dividends on and stock splits of the Class B Common Shares.

Except as set forth below (and as provided by law and in our Articles now in effect), all matters submitted to a vote of shareholders will be voted on by holders of Common Shares and Class B Common Shares voting together as a single class. The affirmative votes of the holders of a majority of the outstanding Common Shares and of the Class B Common Shares, each voting separately as a class, are required to authorize:

additional Class B Common Shares;

modification or repeal of the limitations described above on issuances of Class B Common Shares; and

other amendments to the Articles (other than increases in the number of authorized Common Shares) that alter or change the designations or powers or the preferences, qualifications, limitations, restrictions or the relative or special rights of either the Class B Common Shares or the Common Shares so as to affect them adversely.

Except with respect to cash dividends, the Common Shares and the Class B Common Shares rank equally and have equal rights per share with respect to all distributions, including distributions upon liquidation and consideration to be received upon a merger or consolidation or a sale of all or substantially all of our assets. In the case of stock dividends or stock splits, however, only Common Shares can be distributed in respect of Common Shares and only Class B Common Shares can be distributed in respect of Class B Common Shares.

Neither Common Shares nor Class B Common Shares can be split, divided or combined unless all outstanding shares of the other are correspondingly split, divided or combined.

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Under Article IV of our Articles, the affirmative vote of the holders of at least two-thirds of the voting power of Invacare is required (in addition to any separate vote of any other class of our securities which may be required by the terms of such securities) in order to effect a merger, consolidation, sale, lease or exchange of substantially all our assets where the other party to the transaction, including its affiliates and associated persons, is a holder, directly or indirectly, of 10% or more of the outstanding shares of any class of our securities entitled to vote at a meeting called to consider such a proposed transaction as of the record date used to determine the shareholders entitled to vote upon such transaction (such party being hereinafter referred to as a Related Person). The Board of Directors acting in good faith must make a conclusive determination as to whether the proposed transaction involves a Related Person. The requirement for approval by a two-thirds vote is not applicable to proposals which received the formal approval of the Board of Directors prior to the acquisition of the 10% share interest by the Related Person; provided that, with respect to any proposed transaction as to which the two-thirds voting requirement would otherwise be applicable, there has also been disclosure to all shareholders of any inducements in connection with the proposed transaction offered to officers and Directors which are not extended to all shareholders.

Because of the restrictions on transfer of the Class B Common Shares, over time Class B Common Shares having ten votes will (unless the Directors determine to remove such restrictions) be converted into Common Shares having one vote. Accordingly, the holders of Class B Common Shares who continue to hold their stock will realize over time an increase in their relative voting power. Since executive officers and Directors beneficially own approximately 97% of the Class B Common Shares representing approximately 26% of the total voting power as of January 1, 2007, if they continue to hold their Class B Common Shares for the foreseeable future, the degree of control of Invacare by these officers and directors and their percentage of the total voting power will beneficially increase over time. Thus, transactions with Related Persons will not be possible under most conditions unless the officers and directors are in favor thereof. Conversely, the officers and Directors may possess sufficient voting power to approve a transaction even where the transaction is opposed by the majority of holders of Common Shares.

The Board of Directors presently consists of ten members divided into three classes. The directors of the class elected at each Annual Meeting of Shareholders hold office for a term of three years. The right of shareholders to cumulate votes for candidates in the election of directors has been eliminated.

It is possible that the provisions regarding division of the Board into classes and the above-described voting requirements will discourage other companies from making a tender offer for our shares. These provisions could have the additional effect of inhibiting changes in management and also may prevent temporary fluctuations in the market price of our shares which often result from actual or rumored takeover attempts. It is also possible that such provisions could make it more difficult to accomplish a transaction which outside shareholders may deem to be in their best interests. The provisions of Article IV of our Articles can be changed or amended only by an affirmative vote of the holders of at least two-thirds of our then outstanding voting power.

Rights Plan

Effective July 8, 2005, our Board of Directors adopted a new shareholder rights plan, as set forth in the rights agreement, dated July 8, 2005, between us and National City Bank, as rights agent. The rights agreement replaces our previous shareholder rights plan which expired on July 7, 2005. In order to implement the new rights agreement, the Board of Directors declared a dividend of one right for each outstanding share of our Common Shares and Class B Common Shares to shareholders of record at the close of business on July 19, 2005. Each right entitles the registered holder to purchase from us one one-thousandth of a Series A Participating Serial Preferred Share, without par value, at a purchase price of \$180.00 in cash, subject to adjustment. The new rights replace the rights that were outstanding pursuant to our previous shareholder rights plan, which rights expired in accordance with their terms on July 7, 2005. The description and terms of the rights are set forth in the rights agreement.

The following summary of the principal terms of the rights agreement is a general description only and is qualified in its entirety by reference to the detailed terms and conditions of the rights agreement. Unless the context otherwise requires, the capitalized terms used herein shall have the meanings ascribed to them in the rights agreement.

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Rights Initially Evidenced by Common Share Certificates; Distribution Date

Initially, the rights are not exercisable and will be attached to all certificates representing outstanding Common Shares and Class B Common Shares, and no separate rights certificates will be distributed. The rights will separate from the Common Shares and Class B Common Shares, and the distribution date will occur, upon the earlier of:

10 business days following the first date of a public announcement that a person or group of affiliated or associated persons, or an acquiring person, has acquired, or obtained the right to acquire, beneficial ownership of shares representing 30% or more of the outstanding voting power of Invacare, or

10 business days following the commencement of a tender offer or exchange offer that would result in a person or group beneficially owning shares representing 30% or more of the outstanding voting power of Invacare.

The distribution date may be deferred in circumstances determined by the Board of Directors. In addition, some inadvertent acquisitions will not trigger the occurrence of the distribution date. Until the distribution date (or earlier redemption or expiration of the Rights):

the rights will be evidenced by the certificates for Common Shares and Class B Common Shares outstanding on the record date, together with the summary of rights attached to the rights agreement, or by new certificates for Common Shares and Class B Common Shares issued after the record date which contain a notation incorporating the rights agreement by reference,

the rights will be transferred with and only with such certificates for Common Shares and Class B Common Shares; and

the surrender for transfer of any certificates for Common Shares or Class B Common Shares outstanding (with or without a copy of this summary of rights or such notation) will also constitute the transfer of the Rights associated with the Common Shares or Class B Common Shares represented by such certificate.

Issuance of Rights Certificates; Expiration of Rights

The rights are not exercisable until the distribution date and will expire upon the close of business on July 8, 2015, or the final expiration date, unless earlier redeemed or exchanged as described below. As soon as practicable after the distribution date, separate rights certificates will be mailed to holders of record of the Common Shares and Class B Common Shares as of the close of business on the distribution date and, thereafter, the separate rights certificates alone will represent the rights. Except as otherwise determined by the Board of Directors, and except for Common Shares and Class B Common Shares issued upon exercise, conversion or exchange of then outstanding options, convertible or exchangeable securities or other contingent obligations to issue shares or pursuant to any employee benefit plan or arrangement, only Common Shares and Class B Common Shares issued prior to the distribution date will be issued with Rights.

Right to Buy Common Shares

In the event that any person becomes an acquiring person, then, promptly following the occurrence of the later of the share acquisition date and the distribution date, each holder of a right (except as provided below and in Section 7(e) of the rights agreement) shall thereafter have the right to receive, upon exercise, that number of Common Shares (or, in some circumstances, cash, property or other securities of Invacare) which equals the exercise price of the right divided by 50% of the current market price (as defined in the rights agreement) per Common Share at the date of the

occurrence of such event. However, rights are not exercisable following such event until such time as the rights are no longer redeemable by us as described below. Notwithstanding any of the foregoing, following the occurrence of such event, all rights that are, or (under some circumstances specified in the rights agreement) were, beneficially owned by any acquiring person will be null and void. The event summarized in this paragraph is referred to as a Section 11(a)(ii) Event.

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Right to Buy Acquiring Company Shares

In the event that, at any time after any person becomes an acquiring person,

Invacare is consolidated with, or merged with and into, another entity and we are not the surviving entity of such consolidation or merger or if we are the surviving entity, but our outstanding Common Shares are changed or exchanged for shares or securities (of any other person) or cash or any other property, or

more than 50% of our assets or earning power is sold or transferred,

each holder of a right (except rights which previously have been voided as set forth above) shall, after the latest of the share acquisition date, the distribution date and the occurrence of such event, have the right to receive, upon exercise, that number of common shares of the acquiring company which equals the exercise price of the right divided by 50% of the current market price (as defined in the rights agreement) of such common shares at the date of the occurrence of the event. The events summarized in this paragraph are referred to as Section 13 Events. A Section 11(a)(ii) Event and Section 13 Events are collectively referred to as triggering events.

Exchange Provision

At any time after the occurrence of a Section 11(a)(ii) Event, when no person owns shares representing a majority of our outstanding voting power, the Board of Directors may exchange the rights (other than rights owned by such acquiring person which have become void), in whole or in part, at an exchange ratio of one Common Share, or one one-thousandth of a Preferred Share (or of a share of a class or series of our preferred shares having equivalent rights, preferences and privileges), per right (subject to adjustment).

Adjustments to Prevent Dilution

The purchase price payable, and the number of units of Preferred Shares or other securities or property issuable, upon exercise of the rights are subject to adjustment from time to time to prevent dilution

in the event of a share dividend on, or a subdivision, combination or reclassification of, the Preferred Shares,

if holders of the Preferred Shares are granted rights or warrants to subscribe for Preferred Shares or convertible securities at less than the then-current market price (as defined in the rights agreement) of the Preferred Shares, or

upon the distribution to holders of the Preferred Shares of evidences of indebtedness or assets (excluding regular periodic cash dividends paid out of earnings or retained earnings) or of subscription rights or warrants (other than those referred to above). The number of rights associated with each Common Share and Class B Common Share is also subject to adjustment in the event of a share split of the Common Shares or Class B Common Shares or a share dividend on the Common Shares or Class B Common Shares payable in Common Shares or Class B Common Shares or subdivisions, consolidations or combinations of the Common Shares or Class B Common Shares occurring, in any such case, prior to the distribution date.

With some exceptions, no adjustment in the purchase price will be required until cumulative adjustments amount to at least 1% of the purchase price. No fractional Preferred Shares (other than fractions which are integral multiples of one one-thousandth of a Preferred Share) will be issued and, in lieu thereof, an adjustment in cash will be made based on the market price of the Preferred Shares on the last trading date prior to the date of exercise.

Redemption

Preferred Shares purchasable upon exercise of the rights will not be redeemable. Each Preferred Share will be entitled to receive, when, as and if declared by the Board of Directors, a minimum preferential quarterly dividend payment of \$10 per share or, if greater, an aggregate dividend of 1,000 times the dividend declared per Common Share or Class B Common Share. In the event of liquidation, the holders of the Preferred Shares will be entitled to a minimum preferential liquidation payment of \$1,000 per share, plus an amount equal to accrued and unpaid dividends, and will be entitled to an aggregate payment of 1,000 times the payment made per Common Share or Class B Common Share. Each Preferred Share will have one vote, voting together with the Common Shares and

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Class B Common Shares. In the event of any merger, consolidation or other transaction in which Common Shares and/or Class B Common Shares are changed or exchanged, each Preferred Share will be entitled to receive 1,000 times the amount received per Common Share or Class B Common Share. These rights are protected by customary antidilution provisions. Because of the nature of the Preferred Shares' dividend and liquidation rights, the value of one one-thousandth of a Preferred Share purchasable upon exercise of each right should approximate the value of one Common Share.

At any time prior to the earlier of the tenth business day (or such later date as may be determined by the Board of Directors) after the share acquisition date, we may redeem the rights in whole, but not in part, at a price of \$0.001 per right, or the redemption price, payable in cash or shares. Immediately upon the redemption of the rights or such earlier time as established by the Board in the resolution ordering the redemption of the rights, the rights will terminate and the only right of the holders of rights will be to receive the redemption price. The rights may also be redeemable following some other circumstances specified in the rights agreement.

No Shareholders' Rights Prior to Exercise

Until a right is exercised, the holder thereof, as such, will have no rights as a shareholder of Invacare, including, without limitation, the right to vote or to receive dividends. Although the distribution of the rights should not be taxable to shareholders or to us, shareholders may, depending upon the circumstances, recognize taxable income in the event that the rights become exercisable for Common Shares (or other consideration) or for common shares of the acquiring company as set forth above.

Amendment of Rights Agreement

Any provision of the rights agreement, other than the redemption price, may be amended by the Board prior to such time as the rights are no longer redeemable. Once the rights are no longer redeemable, the Board's authority to amend the rights is limited to correcting ambiguities or defective or inconsistent provisions in a manner that does not adversely affect the interest of holders of rights.

Anti-Takeover Effects

The rights are intended to protect our shareholders in the event of an unfair or coercive offer to acquire Invacare and to provide the Board with adequate time to evaluate unsolicited offers. The rights may have anti-takeover effects. The rights will cause substantial dilution to a person or group that attempts to acquire Invacare without conditioning the offer on a substantial number of rights being acquired. The rights, however, should not affect any prospective offeror willing to make an offer at a fair price and otherwise in the best interests of Invacare and our shareholders, as determined by a majority of the Board. The rights should not interfere with any merger or other business combination approved by the Board.

Provisions of Ohio Law

As an Ohio corporation, we are subject to provisions of Ohio law which may discourage or render more difficult an unsolicited takeover. Among these are provisions that:

prohibit some mergers, sales of assets, issuances or purchases of securities, liquidation or dissolution, or reclassifications of the then outstanding shares of an Ohio corporation involving holders of stock representing 10% or more of the voting power (other than present shareholders), unless such transactions are either approved by the directors in office prior to the 10% shareholder becoming such or involve a 10% shareholder which has been such for at least three years and minimum price and form of consideration requirements are

met; and

provide Ohio corporations a cause of action to recover profits realized under some circumstances by persons engaged in greenmailing or otherwise engaged in the sale of securities of a corporation within 18 months of proposing to acquire such corporation.

In addition, pursuant to Section 1701.831 of the Ohio Revised Code, the acquisition of certain levels of our voting power (one-fifth or more, one-third or more, or a majority) can be made only with the prior authorization of

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the holders of at least a majority of our total voting power and the separate prior authorization of the holders of at least a majority of the voting power held by shareholders other than the proposed acquirer, our officers, and our directors who are also employees. To the extent that holders of Class B Common Shares elect over time to convert their Class B Common Shares into Common Shares in order to effect sales, the relative voting power of our officers and directors could be substantially increased and acquisitions of the foregoing levels of voting power by third parties may not be possible unless our officers and directors are in favor thereof.

The staggered terms of directors currently prescribed by our Code of Regulations, together with our capital structure and the absence of cumulative voting, substantially limit the ability of shareholders to change the Board of Directors or management, even if such actions were favored by a majority of the holders of Common Shares. In addition, the current provisions of Article IV of our Articles and the rights agreement discussed above, when combined with our capital structure, will in all likelihood eliminate the acquisition of control of us by a third party without the approval of the directors.

Serial Preferred Shares

Under the current Articles, any Serial Preferred Shares which are issued by us would entitle the holder thereof to one vote per share and Serial Preferred Shares would, under most conditions, vote together with the Common Shares and the Class B Common Shares as a single class. The Articles also grant to the holders of Serial Preferred Shares, and to the holders of separate series thereof, the right to vote as a separate class on limited issues which directly affect the rights of the holders of the Serial Preferred Shares (or a series thereof) or establish a class of shares which rank prior to the Serial Preferred Shares. There are no issued and outstanding Serial Preferred Shares.

DIVIDEND POLICY

On February 9, 2007, we announced the declaration of a quarterly cash dividend of \$.0125 per share on our common shares and \$.011364 per share on our Class B common shares, payable on April 11, 2007, to shareholders of record on April 3, 2007. Holders of debentures will not be entitled to any such payment, and no adjustment in respect of the conversion rate will be made as a result thereof or as a result of any future quarterly dividend at such rate. Our senior secured credit facilities and the indenture governing our 93/4% senior notes due 2015 contain limitations on our ability to pay dividends on our capital stock. In addition, the indenture governing our debentures requires us to make adjustments to the conversion rate of the debentures in the event of certain distributions to holders of our common shares, including any cash dividends in excess of \$.0125 per share of our common shares. See Description of Other Indebtedness and Description of the Debentures Conversion Rights Conversion Rate Adjustment. The payment and amount of any dividends in the future, subject to the limitations in our senior secured credit facilities and the indenture governing our 93/4% senior notes due 2015, will be subject to the discretion of our board of directors.

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DESCRIPTION OF OTHER INDEBTEDNESS

Senior Secured Credit Facilities

Overview

On February 12, 2007, we entered into a \$400 million senior secured credit facility, or the senior secured credit facilities, consisting of a \$250 million term loan facility, or the term loan facility, and a \$150 million revolving credit facility, or the revolving credit facility, with Banc of America Securities LLC, or BAS, and KeyBank National Association, or KeyBank, as joint lead arrangers for the term loan facility, and National City Bank, or National City, and KeyBank, as joint lead arrangers for the revolving credit facility. BAS, National City and KeyBank acted as joint book managers, National City acted as administrative agent, KeyBank acted as syndication agent, and Bank of America, N.A. acted as documentation agent for our senior secured credit facilities.

Interest Rate and Fees

Borrowings under our senior secured credit facilities generally bear interest at a rate equal to LIBOR plus an applicable margin or, at our option, an alternate base rate (defined as the higher of (a) the prime rate of National City or (b) the federal funds rate plus 0.50%) plus an applicable margin. The initial interest rate for revolving borrowings under our senior secured credit facilities is LIBOR plus a margin of 2.25%, including an initial facility fee of 0.50% per annum on the facility. The applicable margin for borrowings and the revolving credit facility fee under our senior secured credit facilities may be reduced based upon our attaining specified leverage ratios. We also must pay customary letter of credit and bankers acceptance fees.

Prepayments

Our senior secured credit facilities require us to prepay outstanding loans, subject to some exceptions, with:

100% of all net cash proceeds (i) from sales of property and assets by us and our subsidiaries (excluding sales of inventory and equipment in the ordinary course of business and some other exceptions) and (ii) of casualty proceeds and condemnation awards, subject, in all cases, to reinvestment provisions and thresholds and other exceptions;

100% of all net cash proceeds from the issuance or incurrence after the closing date of the offering of debt by us or any of our subsidiaries, subject to exceptions;

50% (which percentage shall be subject to decreases upon our attaining specified leverage ratios) of the net cash proceeds from the issuance after the closing date of the offering of additional equity interests in us or our subsidiaries, subject to exceptions;

75% (unless we attain specified leverage ratios) of our annual excess cash flow; and

100% of extraordinary receipts.

All such mandatory prepayments shall be applied first to the term loan facility and second to the revolving credit facility.

Amortization

The term loan facility will mature on its sixth anniversary, with scheduled amortization of principal at three month intervals, in amounts equal to 0.25% of the initial aggregate principal amount of the term loan facility loans, in the case of each of the first 24 quarterly payments, and the then remaining outstanding principal amount of all term loan facility loans shall be due and payable in full on the sixth anniversary of the term loan facility.

The revolving credit facility shall terminate and all amounts outstanding thereunder shall be due and payable in full on the fifth anniversary of the revolving credit facility.

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Guarantee and Security

All obligations under our senior secured credit facilities are unconditionally guaranteed by us and each of our existing and future direct and indirect domestic subsidiaries and all foreign obligations under our senior secured credit facilities are unconditionally guaranteed by us and each of our existing and future direct and indirect domestic and foreign subsidiaries, in each case, other than immaterial foreign subsidiaries and subsidiaries to the extent their guarantee is precluded by law or regulation (for example, our captive insurance subsidiary) or the guarantee from which will result in increased tax liabilities to us and our subsidiaries, taken as a whole, or collectively, the Facility Guarantors. All obligations under our senior secured credit facilities, and the guarantees of those obligations, are secured by substantially all of our assets and the assets of each Facility Guarantor, subject to exceptions, including the following:

a pledge of 100% of the capital stock of each of the Facility Guarantors (subject to limitations and exceptions);

all present and future intercompany debt owed to us and each Facility Guarantor;

all of our and the Facility Guarantors present and future property and assets, real and personal (other than leased realty), including, but not limited to, machinery and equipment, inventory and other goods, accounts receivable, owned real estate, leaseholds, fixtures, bank accounts, general intangibles, license rights, patents, trademarks, tradenames, copyrights, chattel paper, insurance proceeds, contract rights, hedge agreements, documents, instruments, indemnification rights, tax refunds and cash; and

all proceeds and products of the property and assets described above.

Covenants and Events of Default

Our senior secured credit facilities contain a number of covenants that, among other things, restrict, subject to some exceptions, our ability to:

incur additional indebtedness or other contingent obligations;

create liens on assets;

change the nature of our business;

engage in mergers or consolidations;

sell assets;

make loans or advances, investments, joint ventures or other acquisitions;

pay dividends and other restricted payments;

repay indebtedness (including the debentures offered hereby);

engage in certain transactions with affiliates;

change our fiscal year, amend our organizational documents, or amend or otherwise modify any debt, any related document or any material agreement;

make some intercompany transfers;

enter into sale and leaseback transactions;

make capital expenditures;

grant negative pledges;

engage in some foreign operations;

impair security interests; and

change our accounting policies or reporting practices.

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In addition, our senior secured credit facilities require us to maintain the following financial covenants:

a maximum leverage ratio, as set forth in the table that follows;

Four Fiscal Quarters Ending	Maximum Consolidated Leverage Ratio
Closing Date through September 30, 2007	6.00 to 1.00
October 1, 2007 through September 30, 2008	5.75 to 1.00
October 1, 2008 through September 30, 2009	5.00 to 1.00
October 1, 2009 through September 30, 2010	4.00 to 1.00
October 1, 2010 through September 30, 2011	3.50 to 1.00
October 1, 2011 until the Term B Maturity Date	3.00 to 1.00

a minimum interest coverage ratio, as set forth in the table that follows; and

Four Fiscal Quarters Ending	Minimum Consolidated Interest Coverage Ratio
Closing Date through September 30, 2007	2.00 to 1.00
October 1, 2007 through September 30, 2008	2.25 to 1.00
October 1, 2008 through September 30, 2009	2.50 to 1.00
October 1, 2009 until the Term B Maturity Date	3.00 to 1.00

a minimum fixed charge coverage ratio, as set forth in the table that follows.

Four Fiscal Quarters Ending	Minimum Consolidated Fixed Charge Coverage Ratio
Closing Date through September 30, 2007	1.10 to 1.00
October 1, 2007 through September 30, 2008	1.30 to 1.00
October 1, 2008 through September 30, 2009	1.40 to 1.00
October 1, 2009 through September 30, 2010	1.60 to 1.00
October 1, 2010 through September 30, 2011	1.70 to 1.00
October 1, 2011 until the Term B Maturity Date	1.80 to 1.00

Our senior secured credit facilities also contain customary affirmative covenants and events of default.

Financing Arrangement with De Lage Landen Inc.

In December 2000, we entered into an agreement with DLL to provide the majority of future lease financing to our customers. The DLL agreement provides for direct leasing between DLL and our customers. We retain a limited recourse obligation (\$42,358,000 at March 31, 2007) to DLL for events of default under the contracts (total balance outstanding of \$107,558,000 at March 31, 2007). See Notes to Condensed Consolidated Financial Statements

Concentration of Credit Risk.

Senior Notes

On February 12, 2007, we issued \$175 million of our 93/4% senior notes due 2015, or the senior notes. The senior notes bear interest at a fixed annual rate of 93/4%, which will be paid in cash on February 15th and August 15th of each year. The first such payment will be made on August 15, 2007. The senior notes are guaranteed on a senior unsecured basis by all of our existing domestic restricted subsidiaries (other than our captive insurance subsidiary and any receivables subsidiaries) and certain future domestic restricted subsidiaries.

Ranking. The senior notes are our general unsecured senior obligations and accordingly they rank equally in right of payment with all of our existing and future senior debt; rank senior in right of payment to our existing and future subordinated debt, including the debentures; rank senior to any of our existing and future debt that expressly provides that it is subordinated to the senior notes; are effectively subordinated to any of our existing and future secured debt to the extent of the assets securing such debt, including all borrowings under our senior secured credit

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facilities; and are structurally subordinated to any existing and future debt or other liabilities of our subsidiaries that do not guarantee the senior notes, including our foreign subsidiaries.

Optional Redemption. On or after February 15, 2011, we will be able to redeem some or all of the senior notes at any time at the redemption prices listed in the indenture governing the senior notes, plus accrued and unpaid interest. Prior to February 15, 2010, we will be able to redeem up to 35% of the senior notes with the proceeds from certain equity offerings at the redemption price listed in the indenture governing the senior notes, plus accrued and unpaid interest. In addition, we will be able to redeem the senior notes, in whole or in part, at any time on or prior to February 15, 2011 at a redemption price equal to 100% of the principal amount of the senior notes redeemed plus an applicable premium.

Covenants. The indenture governing the senior notes, among other things, restricts our and our subsidiaries' ability to incur additional debt, pay dividends on, or redeem or repurchase shares, create liens, make specified types of investments, apply net proceeds from certain asset sales, engage in transactions with our affiliates, engage in sale and leaseback transactions, merge or consolidate, restrict dividends or other payments from subsidiaries, sell equity interests of subsidiaries, and sell, assign, transfer, lease, convey or dispose of assets. These covenants are subject to a number of important exceptions, limitations and qualifications which are contained in the indenture governing the senior notes.

Change of Control; Mergers; Events of Default. If we experience certain types of change of control transactions, we must offer to repurchase the senior notes at 101% of the aggregate principal amount of the senior notes repurchased, plus accrued and unpaid interest. The indenture governing the senior notes also prohibits us from consolidating or merging with or into any person or disposing of all or substantially all of our assets unless certain conditions are satisfied. The indenture governing the senior notes also contains customary events of default, including, among others, events of bankruptcy, insolvency or reorganization and failure to pay principal and interest when due.

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DESCRIPTION OF THE DEBENTURES

We issued the debentures under an indenture, dated as of February 12, 2007 between us and Wells Fargo Bank, N.A., as trustee.

The following description is a summary of the material provisions of the debentures and the indenture and does not purport to be complete. This summary is subject to and is qualified by reference to all the provisions of the debentures and the indenture, including the definitions of certain terms used in the indenture. Wherever particular provisions or defined terms of the indenture or the debentures are referred to, these provisions or defined terms are incorporated in this prospectus by reference. We urge you to read the indenture because it, and not this description, defines each holder's rights as a holder of the debentures.

As used in this Description of the Debentures section, references to Invacare, the company, we, us and our refer to Invacare Corporation, and do not include its subsidiaries.

General

The debentures will mature on February 1, 2027 unless earlier converted, redeemed or repurchased. Each holder has the option, subject to certain qualifications and the satisfaction of certain conditions and during the periods described below, to convert its debentures into cash, shares, or a combination of cash and shares of our common stock at an initial conversion rate of 40.3323 shares of common stock per \$1,000 principal amount of debentures. This is equivalent to an initial conversion price of approximately \$24.79 per share of common stock. The conversion rate is subject to adjustment if certain events occur as described below under Conversion Procedures Conversion Rate Adjustments. On a surrender of a holder's debentures for conversion, we will have the right to deliver in lieu of common stock, cash or a combination of cash and shares of common stock, as described below under Conversion Procedures Payment upon Conversion. If we deliver shares of common stock upon conversion of a debenture, a holder will not receive fractional shares but a cash payment to account for any such fractional share as described below. Except as described under Interest, a holder will not receive any cash payment for interest (or additional interest, if any) accrued and unpaid to the conversion date.

We may redeem the debentures upon the satisfaction of the common stock sale price condition in whole or in part beginning on February 6, 2012 through and including February 1, 2017 and we may redeem the debentures at our option in whole or in part beginning on February 1, 2017 upon the terms set forth under Optional Redemption by Invacare.

The debentures will be subject to repurchase by us at your option on February 1, 2017 and 2022 or upon a fundamental change in us, on the terms and at the repurchase prices set forth below under Repurchase of Debentures by Invacare at Option of Holder and Repurchase of Debentures by Invacare at Option of Holder upon a Fundamental Change, respectively.

If any interest payment date, maturity date, redemption date, repurchase date or settlement date (including upon the occurrence of a fundamental change, as described below) falls on a day that is not a business day, then the required payment will be made on the next succeeding business day with the same force and effect as if made on the date that the payment was due, and no additional interest will accrue on that payment for the period from and after the interest payment date, maturity date, redemption date, repurchase date or settlement date (including upon the occurrence of a fundamental change, as described below), as the case may be, to that next succeeding business day.

No sinking fund is provided for the debentures and the debentures are not subject to defeasance.

The debentures will be issued only in denominations of \$1,000 principal amount and integral multiples thereof. References to a debenture or each debenture in this prospectus refer to \$1,000 principal amount of the debentures. The debentures are limited to \$135 million aggregate principal amount.

As used in this prospectus, *business day* means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to close in The City of New York or place of payment.

Any reference to *common stock* means our common shares, without par value.

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Subordination

The debentures will be subordinated in right of payment to all of our existing and future senior debt on the terms set forth below. The indenture does not restrict the amount of indebtedness, including senior debt, that we or any of our subsidiaries may incur. The debentures will rank *pari passu* with all other existing and future senior subordinated indebtedness of the Company and will be senior in right of payment to all of our future obligations that may be designated as subordinated to the debentures.

No payment on account of principal of, redemption of, interest on or any other amounts due with respect to the debentures, including, without limitation, any payments of cash upon conversion or upon the holders' exercise of their change of control repurchase right, and no redemption, repurchase or other acquisition of the debentures may be made if:

a default in the payment of any Designated Senior Debt occurs and is continuing beyond any applicable period of grace (called a Payment Default); or

a default other than a Payment Default occurs and is continuing that permits the holders of Designated Senior Debt (or any agent acting on their behalf) to accelerate its maturity, and the trustee receives a notice of such default (called a Payment Blockage Notice) from any representative of such holders of the Designated Senior Debt (called a Non-Payment Default).

We may resume payments and distributions on the debentures:

in case of a Payment Default, upon the date on which such default is cured or waived or ceases to exist; and

in the case of a Non-Payment Default, upon the earliest of (x) the date on which such Non-Payment Default is cured or waived or ceases to exist, in each case as and to the extent permitted under the documentation for the Designated Senior Debt, or (y) 179 days from the date the Payment Blockage Notice is received, unless the maturity of the Designated Senior Debt has been accelerated, in which case the immediately preceding bullet point shall become applicable.

Notwithstanding the foregoing, not more than one Payment Blockage Notice may be given in any consecutive 365-day period, irrespective of the number of defaults with respect to Designated Senior Debt during such period. No default which existed or was continuing on the date of the delivery of any Payment Blockage Notice with respect to the Designated Senior Debt whose holders delivered the Payment Blockage Notice may be made the basis of a subsequent Payment Blockage Notice by the holders of such Designated Senior Debt, whether or not within a period of 365 consecutive days, unless the default has been cured or waived for a period of not less than 90 consecutive days.

Upon any distribution of our assets in connection with any dissolution, winding-up, liquidation or reorganization of us, all Senior Debt must be paid in full in cash or otherwise satisfactory to the holders of Senior Debt before the holders of the debentures are entitled to any payments whatsoever (except that the holders of debentures may receive capital stock and debt obligations that are subordinated to the Senior Debt to substantially the same extent or to a greater extent as the debentures are so subordinated).

As a result of these subordination provisions, in the event of our insolvency, holders of the debentures may recover ratably less than the holders of our Senior Debt.

If the payment of the debentures is accelerated because of an Event of Default, we shall promptly notify the holders of Senior Debt or the trustee(s) or other representatives for the holders of the Senior Debt of the acceleration. We may not pay the debentures until five business days after the holders or trustee(s) or other representatives for the holders of Senior Debt receive notice of the acceleration and after which we may pay the debentures only if the subordination provisions of the indenture otherwise permit payment at that time.

If the trustee or any holder of debentures receives any payment or distribution of our assets of any kind in contravention of any of the subordination terms of the indenture, whether in cash, property or securities, including, without limitation by way of set-off or otherwise, in respect of the debentures before all Senior Debt is paid in full in cash or as otherwise acceptable to holders of the Senior Debt, then the payment or distribution will be held by the recipient in trust for the benefit of holders of Senior Debt, and will be immediately paid over or delivered to the

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holders of Senior Debt or their representative or representatives to the extent necessary to make payment in full of all Senior Debt remaining unpaid, after giving effect to any concurrent payment or distribution, or provision therefor, to or for the holders of Senior Debt.

As of March 31, 2007, we had approximately \$466.9 million of outstanding indebtedness, including capital leases and sale and leaseback obligations, that constituted Senior Debt. In addition, as of March 31, 2007, we also had approximately \$186.3 million of indebtedness and other liabilities (such as accrued expenses and payables) of our subsidiaries which are not guarantors. This additional amount was effectively senior to the debentures. The indenture does not limit the amount of additional indebtedness, including senior debt, that we can create, incur, assume or guarantee, nor does the indenture limit the amount of indebtedness and other liabilities that any subsidiary can create, incur, assume or guarantee.

No Layering of Indebtedness

We will not incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to any Senior Debt of Invacare and senior in right of payment to the debentures. In addition, no guarantor will incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness of such guarantor that is subordinate or junior in right of payment to any Indebtedness of such guarantor and senior in right of payment to the guarantee of such guarantor of the debentures. For purposes of the foregoing, for the avoidance of doubt, no Indebtedness shall be deemed to be subordinated in right of payment to any other Indebtedness solely by virtue of being unsecured or secured by a junior priority lien or by virtue of the fact that the holders of such Indebtedness have entered into intercreditor agreements or other arrangements giving one or more of such holders priority over the other holders in the collateral held by them or by virtue of structural subordination.

Other than as set forth in the preceding paragraph, the indenture does not limit the amount of additional Indebtedness, including Senior Debt, which we can create, incur, assume or guarantee, nor does the indenture limit the amount of Indebtedness or other liabilities that our subsidiaries can create, incur, assume or guarantee.

Guarantees

The debentures are guaranteed by substantially all of our direct and indirect wholly owned domestic subsidiaries as of the issue date, other than our captive insurance subsidiary, Invatection Insurance Company, and any future captive insurance companies and other than a subsidiary created to engage in receivables financing. Our foreign subsidiaries will not guarantee the debentures.

Each guarantee of the debentures will be a senior subordinated guarantee, subordinated to the Senior Debt to the same extent as the senior notes are subordinated to the Senior Debt of Invacare.

The obligations of each guarantor under its guarantee are limited to the maximum amount which, after (1) giving effect to all other contingent and fixed liabilities of such guarantor, and (2) giving effect to any collections from or payments made by or on behalf of any other guarantor in respect of the obligations of such other guarantor under its guarantee or pursuant to its contribution obligations under the indenture, will result in the obligations of such guarantor under its guarantee not constituting a fraudulent conveyance or fraudulent transfer under Federal or state law. Each guarantor that makes a payment or distribution under its guarantee shall be entitled to a contribution from any other guarantor in a pro rata amount based on the net assets of each guarantor determined in accordance with generally accepted accounting principles in the United States. See Risk Factors Federal and state statutes allow courts, under specific circumstances, to void the guarantees, subordinate claims in respect of the guarantees and require debenture holders to return payments received from the guarantors. In such event, holders of debentures would be structurally subordinated to creditors of the issuer of the voided guarantee.

The indenture will require us to cause each future direct or indirect domestic subsidiary of ours that becomes a guarantor or obligor in respect of any other Indebtedness of Invacare or any of its subsidiaries that is incurred, issued or raised in a public or private U.S. capital markets transaction (Future Guarantors) to become subsidiary guarantors under the indenture.

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Each guarantee of the debentures will provide by its terms that it shall be automatically and unconditionally released and discharged in the event that such guarantor no longer guarantees Indebtedness, including our 93/4% senior notes due 2015, incurred, issued or raised in a public or private U.S capital markets transaction other than the debentures.

Interest

The debentures will bear interest at a rate of 4.125% per year. We also will pay additional interest on the debentures in the circumstances described under Registration Rights. Interest (including additional interest, if any), shall be payable in cash semi-annually in arrears on February 1 and August 1 of each year, commencing August 1, 2007. Interest on a debenture (including additional int