

FROST PHILLIP MD ET AL
Form SC 13D/A
June 22, 2010

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

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No. 4)***

SAFESTITCH MEDICAL, INC.

(Name of Issuer)

Common stock, par value \$0.001 per share

(Title of Class of Securities)

78645Y102

(CUSIP Number)

Joshua Weingard

SafeStitch Medical, Inc.

Chief Legal Officer

4400 Biscayne Boulevard

Miami, Florida 33137

Telephone: (305) 572-4112

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

June 15, 2010

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 78645Y102

NAMES OF REPORTING PERSONS

1

Phillip Frost, M.D.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a)

(b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS)

4

OO

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

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

United States of America

SOLE VOTING POWER

7

NUMBER OF 5,927,765(1)

SHARED VOTING POWER

SHARES BENEFICIALLY OWNED BY 8

785,383 (2)

SOLE DISPOSITIVE POWER

EACH REPORTING 9

PERSON 5,927,765 (1)

WITH SHARED DISPOSITIVE POWER

10

785,383 (2)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

6,713,148 (1)(2)

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

12

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

27.7%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

14

IN

(1) Includes options to purchase 60,000 shares of common stock owned directly by the Reporting Person. Also includes (i) 5,420,265 shares of common stock, and (ii), 447,500 shares of the Issuer's 10.0% Series A Cumulative Convertible Preferred Stock, par value \$0.01 per share that is currently convertible into 447,500 shares of the Issuer's common stock held by Frost Gamma Investments Trust of which the Reporting Person is the trustee. Frost Gamma Limited Partnership is the sole and exclusive beneficiary of Frost Gamma Investments Trust. The Reporting Person is one of two limited partners of Frost Gamma Limited Partnership. The general partner of Frost Gamma Limited Partnership is Frost Gamma, Inc. and the sole shareholder of Frost Gamma, Inc. is Frost-Nevada Corporation. The Reporting Person is also the sole shareholder of Frost-Nevada Corporation.

(2) Includes warrants to purchase 785,383 shares of common stock owned directly by The Frost Group, LLC. Frost Gamma Investments Trust is a principal member of The Frost Group, LLC. The Reporting Person and the Frost Gamma Investments Trust disclaim beneficial ownership of these warrants to purchase common stock, except to the extent of their pecuniary interest therein.

CUSIP No. 78645Y102

NAMES OF REPORTING PERSONS

1

Frost Gamma Investments Trust

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a)

(b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS)

4

WC

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

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

State of Florida

SOLE VOTING POWER

7

NUMBER OF 0

SHARED VOTING POWER

SHARES BENEFICIALLY OWNED BY 8

6,653,148(1)

SOLE DISPOSITIVE POWER

EACH REPORTING 9

PERSON 0

WITH SHARED DISPOSITIVE POWER

10

6,653,148 (1)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

6,653,148 (1)

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

12

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

27.5%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

14

OO

(1) Frost Gamma Investments Trust holds 5,420,265 shares of common stock and 447,500 shares of the the Issuer s 10.0% Series A Cumulative Convertible Preferred Stock, par value \$0.01 per share, that is currently convertible into 447,500 shares of the Issuer s common stock. The number of shares reported also includes warrants to purchase 785,383 shares of common stock owned directly by The Frost Group, LLC. Frost Gamma Investments Trust is a principal member of The Frost Group, LLC. Frost Gamma Investments Trust disclaims beneficial ownership of these warrants to purchase common stock, except to the extent of its pecuniary interest therein.

CUSIP No. 78645Y102

ITEM 1. Security and Issuer

This Amendment No. 4 to Schedule 13D (this Amendment) amends certain Items of the Schedule 13D (the Original 13D) filed with the Securities and Exchange Commission (the SEC) on April 12, 2005, and amended on September 12, 2007, June 26, 2008 and February 22, 2010, by furnishing the information set forth below. Except as set forth below, all previous Items are unchanged.

This Amendment is filed by Phillip Frost, M.D. (Dr. Frost) and Frost Gamma Investments Trust (the Gamma Trust and, together with Dr. Frost, the Reporting Persons) with respect to the common stock, \$0.001 par value, of SafeStitch Medical, Inc. (f/k/a Cellular Technical Services Company, Inc.), a Delaware corporation (the Issuer). The principal executive offices of the Issuer are located at 4400 Biscayne Boulevard, Miami, Florida 33137.

Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Original 13D.

ITEM 3. Source and Amount of Funds or Other Consideration.

Item 3 is hereby amended to add the following:

The 1,300,000 shares of the Issuer's common stock, par value \$0.001 per share (the Common Stock) acquired by the Reporting Persons on June 15, 2010 and the open market purchases discussed in Item 4 acquired by the Reporting Persons on June 21, 2010 have been acquired with the working capital of the Gamma Trust.

ITEM 4. Purpose of Transaction.

Item 4 is hereby amended to add the following:

The Gamma Trust is the Issuer's single largest shareholder. The 1,300,000 shares of Common Stock acquired by the Reporting Persons on June 15, 2010 have been acquired for investment purposes. Additionally, on June 21, 2010, Gamma Trust acquired 4,100 shares of Common Stock at \$1.40 per share and 900 shares of Common Stock at \$1.36 per share. The Reporting Persons have no present plan or proposal that relates to, or could result in, any of the events referred to in paragraphs (a) through (j), inclusive, of Item 4 of Schedule 13D.

ITEM 5. Interest in Securities of the Issuer.

Item 5 is hereby amended in its entirety to read as follows:

On June 15, 2010, the Issuer entered into a stock purchase agreement (the Stock Purchase Agreement) with 20 investors (the Investors) pursuant to which the Investors agreed to purchase an aggregate of 4,978,000 shares of Common Stock (the June 2010 Shares) at a price of \$1.00 per share. Gamma Trust purchased 1,300,000 of the June 2010 Shares.

The Company agreed to issue the June 2010 Shares in reliance upon the exemption from registration under Section 4(2) of the Securities Act of 1933, as amended (the Act). Each Investor represented to the Company that such person was an accredited investor as defined in Rule 501(a) under the Act and that such Investor's June 2010 Shares were being acquired for investment purposes. The June 2010 Shares will not be registered under the Act and will be restricted securities as that term is defined by Rule 144 under the Act and no registration rights have been granted.

CUSIP No. 78645Y102

The Reporting Persons' beneficial ownership of the Issuer's common stock is as set forth in the table below:

Name and Title of Beneficial Owner	Number of Outstanding Shares Beneficially Owned	Percentage of Outstanding Shares of Common Stock(1)
Phillip Frost, M.D.	6,713,148(2)(3)	27.7%
Frost Gamma Investments Trust	6,653,148(2)	27.5%

(1) The percentage of beneficial ownership is based upon 22,940,718 shares of Common Stock outstanding, 447,500 10.0% Series A Cumulative Convertible Preferred Stock ("Series A Convertible Preferred Stock") convertible into 447,500 shares of Common Stock and warrants to purchase 785,383 shares of Common Stock, and for Dr. Frost, also includes 60,000 options to purchase Common Stock.

(2) Frost Gamma Investments

Trust holds
5,420,265
shares of the
Issuer's
Common Stock
and 447,500
shares of
Series A
Convertible
Preferred Stock.
Dr. Phillip Frost
is the trustee
and Frost
Gamma Limited
Partnership is
the sole and
exclusive
beneficiary of
Frost Gamma
Investments
Trust. Dr. Frost
is one of two
limited partners
of Frost Gamma
Limited
Partnership. The
general partner
of Frost Gamma
Limited
Partnership is
Frost Gamma,
Inc. and the sole
shareholder of
Frost Gamma,
Inc. is
Frost-Nevada
Corporation.
Dr. Frost is also
the sole
shareholder of
Frost-Nevada
Corporation.
The number of
shares reported
includes
warrants to
purchase
785,383 shares
of the Issuer's
Common Stock
owned directly

by The Frost Group, LLC. Frost Gamma Investments Trust is a principal member of The Frost Group, LLC. Dr. Frost and the Frost Gamma Investments Trust disclaim beneficial ownership of these warrants to purchase Common Stock, except to the extent of their pecuniary interest therein.

- (3) Includes options to purchase 60,000 shares of Common Stock owned directly by Dr. Frost.

Items 7-10, inclusive, set forth on each cover page to this Amendment are hereby incorporated by reference in this Item 5.

ITEM 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer

Item 6 is hereby amended to add the following:

In connection Gamma Trust's purchase of the 1,300,000 shares of Common Stock, Gamma Trust entered into the Stock Purchase Agreement dated June 15, 2010.

ITEM 7. Material to be Filed as Exhibits

**Exhibit
Number**

Description

- | | |
|-------|---|
| 99.9 | Form of Stock Purchase Agreement dated June 15, 2010 (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by the Issuer on June 17, 2010). |
| 99.10 | Joint Filing Agreement |

CUSIP No. 78645Y102

SIGNATURES

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

Dated: June 22, 2010

/s/ Phillip Frost, M.D.
Phillip Frost, M.D.

Dated: June 22, 2010

FROST GAMMA INVESTMENTS TRUST

By: /s/ Phillip Frost, M.D.
Phillip Frost, M.D. Trustee

CUSIP No. 78645Y102

EXHIBIT INDEX

Exhibit Number	Description
99.9	Form of Stock Purchase Agreement dated June 15, 2010 (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by the Issuer on June 17, 2010).
99.10	Joint Filing Agreement