MEDIX RESOURCES INC
Form POS AM
April 03, 2002

As filed with the Securities and Exchange Commission on April 3, 2002
Registration No. 333-63162

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

POST-EFFECTIVE AMENDMENT NO.1
TO
FORM S-2
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

MEDIX RESOURCES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Colorado	**84-1123311**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

The Graybar Building
420 Lexington Ave., Suite 1830
New York, New York 10170
(212) 697-2509
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Lyle B. Stewart, Esq.
Lyle B. Stewart, P.C.
3751 S. Quebec Street
Denver, CO 80237
(303) 267-0920
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

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

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: |X|

The 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.

SUBJECT TO COMPLETION

DATED APRIL 3, 2002

PROSPECTUS

MEDIX RESOURCES, INC.

10,450,000 Shares of Common Stock

The shareholders of Medix Resources, Inc. named herein will have the right to offer and sell up to an aggregate of 10,450,000 shares of our common stock under this Prospectus. Of these shares, up to 9,500,000 may be issued in connection with the draw down of funds by Medix under an equity line of credit, up to 900,000 may be issued as payments for services rendered, and up to 50,000 may be issued upon exercise of warrants to purchase our common stock. As of March 25, 2002, 4,468,629 shares issued under the equity line, and 542,847 shares issued for services rendered have been sold in this offering.

Cornell Capital Partners, L.P. and Dutchess Private Equities Fund, L.P., two of the selling shareholders named herein, who are providers of the equity line of credit are statutory underwriters under Section 2a(11) of the Securities Act of 1933, as amended. See "Equity Line of Credit," "Selling Shareholders," and "Plan of Distribution."

Medix will not receive directly any of the proceeds from the sale of these shares by the selling shareholders. However, Medix will receive the proceeds of draws under the equity line and from the exercise of any warrants to purchase the shares to be sold hereunder. Medix will pay the expenses of registration of these shares.

The common stock is traded on the American Stock Exchange under the symbol "MXR". On March 28, 2002, the closing price of the common stock was reported as $0.47.

The securities offered hereby involve a high degree of risk. See "RISK FACTORS" beginning on page 3 for certain risks that should be considered by prospective purchasers of the securities offered hereby.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the 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 April __, 2002

No dealer, salesman or other person has been authorized to give any information or to make any representation not contained in or incorporated by reference in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by us, the selling shareholders or any other person. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that the

information herein is correct as of any time subsequent to the date hereof or that there has been no change in our affairs since such date.

TABLE OF CONTENTS

SUMMARY

This Prospectus covers the offering and sale of up to 10,450,000 shares of our common stock to the public by certain selling shareholders listed under the heading "Selling Shareholders" further back in this Prospectus. As of March 25, 2002, we had 58,386,516 shares of our common stock outstanding, and approximately 26,023,837 shares were issuable upon the exercise of outstanding options, warrants or other rights, and the conversion of outstanding preferred stock.

We are developing software products for Internet-based communications and information management by medical service providers. We have no revenue from operations and are funding the development of our software products through the sales of our securities. We have granted a security interest in all of our intellectual property assets to secure a financing. See "The Company-Recent Developments" and "Risk Factors."

Because of our continuing losses, and the lack of a certain source of capital to fund our development of software products, our independent accountants included a "going concern" exception in their audit report on our audited financial statements for the year 2001. The "going concern" exception signifies that significant questions exist about our ability to continue in business. See "Risk Factors."

Currently, we are funding our development and deployment activities through an equity line of credit financing, which is not an assured source of funds. See "Equity Line of Credit." As of March 25, 2001, we had received $2,584,910 in advances, from which offering expenses of $191,278 were paid, under the financing, and had issued to the investors 4,468,629 shares of our common stock relating to the advances and an additional 542,847 shares to their affiliates as fees for arranging the equity line facility. The shares issued pursuant to the equity line advances to date have been priced from $0.46 to $0.77 per share. See "Risk Factors."

Our principal executive office is located at 420 Lexington Avenue, Suite 1830, New York, NY 10170, and its telephone number is (212) 697-2509. Our principal administrative office is at 7100 East Belleview Ave., Greenwood Village, CO 80111, and its telephone number is (303) 741-2045.

RISK FACTORS

An investment in our common stock:

- o has a high degree of risk;
- o is highly speculative;
- o should only be considered by those persons or entities who can afford to lose their entire investment.

In addition to the other information contained in this Prospectus, the following risk factors should be carefully considered in evaluating our business and an investment in our shares. The order in which the following risk factors are presented does not indicate the relative magnitude of the risks described.

Our continuing losses endanger our viability and have caused our accountants to issue a "going concern" exception in their annual audit report.

We reported net losses of ($10,636,000) ($5,415,000), ($4,847,000) and ($5,422,000) for the years ended December 31, 2001, December 31, 2000, December 31, 1999 and December 27, 1998, respectively. At December 31, 2001 we had an accumulated deficit of ($34,059,000) and a negative working capital of ($1,404,000). Our Cymedix(R)products are still in the testing and deployment stage and have not generated any significant revenue to date. We are funding our operations through the sale of our securities. Our independent accountants have included a "going concern" exception in their audit reports on our audited 2000 and 2001 financial statements. See our Form 10-K for the fiscal year ended December 31, 2001.

Our need for additional financing is acute and failure to obtain it could lead to the financial failure of our company.

We expect to continue to experience losses, in the near term, until such time as our Cymedix(R)software products can be successfully deployed with customers and produce revenue. The continuing development, marketing and deployment of the Cymedix software products will depend upon our ability to obtain additional financing. Our Cymedix(R)products are still in the testing and deployment stage and have not generated any significant revenue to date. We are funding our operations through the sale of our securities. There can be no assurance that additional investments or financings will be available to us as needed to support the development and deployment of Cymedix products. Failure to obtain such capital on a timely basis could result in lost business opportunities, the sale of the Cymedix business at a distressed price or the financial failure of our company. See "The Company-Recent Developments."

We have granted a security interest in all of our intellectual property assets to secure a financing, which means if we default in our obligations to the

lender, we may loss these assets in the foreclosure process.

The use of secured borrowings increases the risk of loss of the assets used to secure the borrowing. If an event of default occurs under the security agreement, the lender will be able to foreclose on the assets used to secure the borrowing and sell those assets to the highest bidder. In addition, it is generally believed that foreclosure sales, which are "distress sales", will not maximize the proceeds that are paid for the assets being sold. The loan we entered into is secured by the grant of a security interest in all Medix's intellectual property, including its patent, copyrights and trademarks. While Medix can cure a payment default by the forced conversion of the loan into its common stock, a bankruptcy or similar event of default will trigger the foreclosure provision of the security agreement. See "The Company-Recent Developments."

We are a development stage company, which means our products and services have not yet proved themselves commercially viable and therefore our future is uncertain.

- We develop software for Internet-based communications and information management for medical service providers, through our wholly-owned subsidiary, Cymedix Lynx Corporation. Our Cymedix(R)products are still in the testing and deployment stage and have not generated any significant revenue to date. We are funding our operations through the sale of our securities. Our ability to continue to sell our securities can not be assured.

- We are still in the process of gaining experience in marketing software products, providing software support services, evaluating demand for products, financing a software business and dealing with government regulation of software products. While we are putting together a team of experienced executives, they have come from different backgrounds and may require some time to develop an efficient operating structure and corporate culture for our company. We believe our structure of multiple offices serves our customers well, but it does present an additional challenge in building our corporate culture and operating structure.

We rely on healthcare professionals for the quality of the information that is transmitted through our interconnectivity systems, and we may not be paid for our services by third-party payors if that quality does not meet certain standards.

The success of our products and services in generating revenue may be subject to the quality and completeness of the data that is generated and stored by the physician or other healthcare professional and entered into our interconnectivity systems, including the failure to input appropriate or accurate information. Failure or unwillingness by the healthcare professional to accommodate the required information quality may result in the payor refusing to pay Medix for its services.

Our market is rapidly changing and the introduction of software services and products into that market has been slow, which may cause us to be unable to develop a profitable market for our services and products.

- As a developer of software products, we will be required to anticipate and adapt to evolving industry standards and new technological developments. The market for our software products is characterized by continued and rapid technological advances in both hardware and software development, requiring ongoing expenditures for research and development, and timely introduction of new products and enhancements to existing products. The establishment of standards is largely a function of user acceptance. Therefore, such standards are subject to change. Our future success, if any, will depend in part upon our ability to enhance existing products, to respond effectively to technology changes, and to introduce new products and technologies that are functional and meet the evolving needs of our clients in the healthcare information systems market.

- The introduction of software products in our market has been slow due to the large number of small practitioners who are resistant to change and the costs associated with change, particularly in a period of rising pressure to reduce costs in the market. We are currently devoting significant resources toward the development of products. There can be no assurance that we will successfully complete the development of these products in a timely fashion or that our current or future products will satisfy the needs of the healthcare information systems market. Further, there can be no assurance that products or technologies developed by others will not adversely affect our competitive position or render our products or technologies noncompetitive or obsolete.

As a provider of medical software products and services, we may become liable for product liability claims beyond the levels of our insurance that could have a materially adverse impact on our financial condition.

Certain of our products provide applications that relate to patient medical histories and treatment plans. Any failure by our products to provide accurate, secure and timely information could result in product liability claims against us by our clients or their affiliates or patients. We maintain insurance that we believe currently is adequate to protect against claims associated with the use of our products, but there can be no assurance that our insurance coverage would adequately cover any claim asserted against us. The limits of that coverage is $2,000,000 in the aggregate and $1,000,000 per occurrence. A successful claim brought against us in excess of our insurance coverage could have a material adverse effect on our results of operations, financial condition or business. Even unsuccessful claims could result in the expenditure of funds in litigation, as well as diversion of management time and resources.

Our industry, the healthcare industry, continually experiences rapid change and uncertainty that could result in issues for our business planning or operations that could severely impact on our ability to become profitable.

The healthcare and medical services industry in the United States is in a period of rapid change and uncertainty. Governmental programs have been proposed, and some adopted, from time to time, to reform various aspects of the U.S. healthcare delivery system. Some of these programs contain proposals to increase government involvement in healthcare, lower reimbursement rates and otherwise change the operating environment for our customers. Particularly, the Health Insurance Portability and Accountability Act of 1996, and the regulations that are being promulgated thereunder, are causing the healthcare industry to change its procedures and incur substantial cost in doing so. Although we expect these regulations to have the beneficial effect of spurring adoption of our software products we cannot predict with any certainty what impact, if any, these and future healthcare reforms might have on our business.

We rely on intellectual property rights, such as patents, copyrights, trademarks and unprotected propriety technology in our business operations and to create value in our company, however, protecting intellectual property frequently requires litigation and close legal monitoring and may adversely impact our ability to become profitable.

- Our wholly-owned subsidiary, Cymedix Lynx Corporation, has been granted certain patent rights, trademarks and copyrights relating to its software business. These patents and copyrights have been assigned by our subsidiary to the parent company, Medix. The patent rights and intellectual property legal issues for software programs, such as the

Cymedix(R) products, are complex and currently evolving. Since patent applications are secret until patents are issued, in the United States, or published, in other countries, we cannot be sure that we are the first to file any patent application. In addition, there can be no assurance that competitors, many of which have far greater resources than we do, will not apply for and obtain patents that will interfere with our ability to develop or market product ideas that we have originated. Further, the laws of certain foreign countries do not provide the protection to intellectual property that is provided in the United States, and may limit our ability to market our products overseas. We cannot give any assurance that the scope of the rights that we have been granted are broad enough to fully protect our Cymedix software from infringement.

- Litigation or regulatory proceedings may be necessary to protect our intellectual property rights, such as the scope of our patent. In fact, the computer software industry in general is characterized by substantial litigation. Such litigation and regulatory proceedings are very expensive and could be a significant drain on our resources and divert resources from product development. There is no assurance that we will have the financial resources to defend our patent rights or other intellectual property from infringement or claims of invalidity. We have been notified by a party that it believes our pharmacy product may infringe on patents that it holds. We have retained patent counsel who has made a preliminary investigation and determined that our product does not infringe on the identified patents. At this time no legal action has been instituted.

- We also rely upon unprotected proprietary technology and no assurance can be given that others will not independently develop substantially equivalent proprietary information and techniques or otherwise gain access to or disclose our proprietary technology or that we can meaningfully protect our rights in such unpatented proprietary technology. We will use our best efforts to protect such information and techniques, however, no assurance can be given that such efforts will be successful. The failure to protect our intellectual property could cause us to lose substantial revenues and to fail to reach its financial potential over the long term.

Because our business is highly competitive and there are many competitors who are financially stronger than we are, we are at risk of being outperformed in staffing, marketing, product development and customer services, which could severely limit our ability to become profitable.

- <u>eHealth Services.</u> Competition can be expected to emerge from established healthcare information vendors and established or new Internet related vendors. The most likely competitors are companies with a focus on clinical information systems and enterprises with an Internet commerce or electronic network focus. Many of these competitors will have access to substantially greater amounts of capital resources than we have access to, for the financing of technical, manufacturing and marketing efforts. Frequently, these competitors will have affiliations with major medical product or software development companies, who may assist in the financing of such competitor's product development. We will seek to raise capital to develop Cymedix products in a timely manner, however, so long as our operations remain underfunded, as they now are, we will be at a competitive disadvantage.

- <u>Software Development Personnel.</u> The success of the development of our Cymedix software is dependent to a significant degree on our key management and technical personnel. We believe that our success will also depend upon our ability to attract, motivate and retain highly skilled, managerial, sales and marketing, and technical personnel, including software programmers and systems architects skilled in the computer languages in which our Cymedix products operate. Competition for such personnel in the software and information services industries is intense. The loss of key personnel, or the inability to hire or retain qualified personnel, could have a material adverse effect on our results of operations, financial condition or business.

We have relied on the private placement exemption to raise substantial amounts of capital, and could suffer substantial losses if that exemption was determined not to have been properly relied upon.

We have raised substantial amounts of capital in private placements from time to time. The securities offered in such private placements were not registered with the SEC or any state agency in reliance upon exemptions from such registration requirements. Such exemptions are highly technical in nature and if we inadvertently failed to comply with the requirements of any of such exemptive provisions, investors would have the right to rescind their purchase of our securities or sue for damages. If one or more investors were to successfully seek such rescission or institute such suit, Medix could face severe financial demands that could material and adversely affect our financial position.

The impact of shares of our common stock that may become available for sale in the future may result in the market price of our stock being depressed.

As of March 25, 2002, we had 58,386,516 shares of common stock outstanding. As of that date, approximately 26,023,837 shares were issuable upon the exercise of outstanding options, warrants or other rights, and the conversion of preferred stock. Most of these shares will be immediately saleable upon exercise or conversion under registration statements we have filed with the SEC. The exercise prices of options, warrants or other rights to acquire common stock presently outstanding range from $0.19 per share to $4.97 per share. During the respective terms of the outstanding options, warrants, preferred stock and other outstanding derivative securities, the holders are given the opportunity to profit from a rise in the market price of the common stock, and the exercise of any options, warrants or other rights may dilute the book value per share of the common stock and put downward pressure on the price of the common stock. The existence of the options, conversion rights, or any outstanding warrants may adversely affect the terms on which we may obtain additional equity financing. Moreover, the holders of such securities are likely to exercise their rights to acquire common stock at a time when we would otherwise be able to obtain capital on terms more favorable than could be obtained through the exercise or conversion of such securities. See also the impact of our equity line of credit financing discussed in the following paragraphs.

Because of dilution of our common stock from our equity line of credit, the market price of our stock may be depressed.

o In connection with our equity line of credit financing, we have registered 9,500,000 additional shares with the SEC for sale by the providers of the financing, of which 5,031,371 shares remain available for issuance as of March 25, 2002. See "Summary." The resale of the common stock that may be issued by us under the equity line of credit will substantially increase the number of our publicly traded shares ("float"). If existing shareholders perceive that this increased float is not accompanied by a commensurate increase in value to the Company, then shareholder value--real or perceived--will be diluted. Such dilution could cause holders of our shares of common stock to sell, thus depressing the price of our common stock. Therefore, the very existence of the equity line financing could depress the market price of our common stock.

- The resale of the common stock that will be issued by us under our equity line of credit financing could depress the market price of our common stock. The terms of the equity line provide that we will sell shares of our common stock to the providers of the financing at 91% of the average of the three lowest of the daily volume-weighted average prices of our common stock during the 22-trading day period immediately before our request for the advance. Therefore, since all of the shares that are issued by us in connection with advances under the equity line financing will have a "built-in" discount of at least 9% upon issuance, this could produce an impetus for the providers of the equity line to resell their shares sooner or in greater quantity than they would otherwise. Such resale could have the effect of depressing our share price.

Because of market volatility in our stock price, investors may find that they have a loss position if emergency sales become necessary.

Historically, our common stock has experienced significant price fluctuations. This has been caused by one or more of the following factors:

- unfavorable announcements or press releases relating to the technology sector;
- regulatory, legislative or other developments affecting our company or the health care industry generally;
- conversion of our preferred stock and convertible debt into common stock at conversion rates based on current market prices or below of our common stock and exercise of options and warrants at below current market prices;
- sales by those financing our company through an equity line of credit or convertible securities which have been registered with the SEC and may be sold into the public market immediately upon receipt; and
- market conditions specific to technology and internet companies, the health care industry and general market conditions.

In addition, in recent years the stock market has experienced significant price and volume fluctuations. These fluctuations, which are often unrelated to the operating performance of specific companies, have had a substantial effect on the market price for many health care related technology companies. Factors such as those cited above, as well as other factors that may be unrelated to our operating performance may adversely affect the price of our common stock.

The application of the "penny stock" rules to our common stock may depress the market for our stock.

Trading of our common stock may be subject to the penny stock rules under the Securities Exchange Act of 1934, as amended, unless an exemption from such rules is available. Broker-dealers making a market in our common stock will be required to provide disclosure to their customers regarding the risks associated with our common stock, the suitability for the customer of an investment in our common stock, the duties of the broker-dealer to the customer and information regarding bid and ask prices for our common stock, and the amount and description of any compensation the broker-dealer would receive in connection with a transaction in our common stock. The application of these rules may result in fewer market makers making a market of our common stock and further restrict the liquidity of our common stock.

We do not anticipate paying any cash dividends on our common stock in the foreseeable future.

We have not had earnings, but if earnings were available, it is our general policy to retain any earnings for use in our operation. Therefore, we do not anticipate paying any cash dividends on our common stock in the foreseeable future. Any payment of cash dividends on our common stock in the future will be dependent upon our financial condition, results of operations, current and anticipated cash requirements, plans for expansion, as well as other factors that the Board of Directors deems relevant. We anticipate that our future financing agreements will prohibit the payment of common stock dividends without the prior written consent of those providers.

FORWARD-LOOKING STATEMENTS

This Prospectus and the documents incorporated by reference into this Prospectus contain forward-looking statements, which mean that they relate to events or transactions that have not yet occurred, our expectations or estimates for Medix's future operations, our growth strategies or business plans or other facts that have not yet occurred. Such statements can be identified by the use of forward-looking terminology such as "might," "may," "will," "could," "expect," "anticipate," "estimate," "likely," "believe," or "continue" or the negative thereof or other variations thereon or comparable terminology. The following risk factors contain discussions of important factors that should be considered by prospective investors for their potential impact on forward-looking statements included in this Prospectus and in the documents incorporated by reference into this Prospectus. These important factors, among others, may cause actual results to differ materially and adversely from the results expressed or implied by the forward-looking statements.

THE COMPANY

General

Medix Resources, Inc., a Colorado corporation, sold its supplemental staffing business, which operated under the tradenames "National Care Resources" and "TherAmerica" on February 19, 2000, and now principally develops software for Internet-based communications and information management for medical service providers, through its wholly-owned subsidiary, Cymedix Lynx Corporation.

We acquired the Cymedix business in January of 1998. Cymedix has developed Internet-based communications and information management product, which we began marketing to medical professionals in select markets nationwide. Growth of the medical information management marketplace is being driven by the need to share significant amounts of clinical and patient information between physicians, their outpatient service providers, hospitals, insurance companies and managed care organizations. This market is one of the fastest-growing sectors in healthcare today, commanding a projected two-thirds of health care capital investments. The Cymedix(R)software contains patented elements that can be used to develop secure medical communications products that make use of the Internet. Using the Cymedix software, medical professionals can order, prescribe and access medical information from participating insurance companies and managed care organizations, as well as from any participating outpatient service provider, such as a laboratory, radiology center, pharmacy or hospital. We will provide the software at minimal charges to physicians and clinics, and will collect user fees whenever these products are used to provide services on the Internet. The products' relational database technology will provide physicians with a permanent, ongoing record of each patient's name, address, insurance or managed care affiliation, referral status, medical history, personalized notes and an audit trail of past encounters. Physicians will be able to electronically order medical procedures, receive and store test results, check patient eligibility, make medical referrals, request authorizations, and report financial and encounter information in a cost-effective, secure and timely manner.

Our principal executive office is located at The Graybar Building, 420 Lexington Ave., Suite 1830 New York, NY 10170, and its telephone number is (212) 697-2509. Our principal administrative office is at 7100 East Belleview Ave., Greenwood

Village, CO 80111, and its telephone number is (303) 741-2045. We also have offices in California and Georgia.

Recent Developments

The introduction of our next generation of proprietary, point-of-care products, Cymedix(R)III, is proceeding with our six active sponsors. Our improved suite of software products is based upon a robust and device-neutral architecture that leverages proven workstation, handheld and wireless technologies and is being installed and tested for Pharmacy, Laboratory and PlanConnect services. We continue to be in the development and testing phase with each of our active contracts, and therefore receive no revenue. Revenue will begin when we reach certain milestones under each contract and we enter the production phase of the contract. The marketing and development of our Cymedix suite of software products is our sole business at this time, and a substantial portion of our net operating loss is due to such efforts. We are funding such expenses as well as our administrative expenses through the sale of our securities. We have no significant debt financing available to us.

During 2001, our wholly-owned subsidiary, Automated Design Concepts, Inc. (ADC) ceased operations in connection with our cost reduction program, which had been brought on by our inability to raise budgeted capital. It was determined that the business of the subsidiary was not part of our core business operations and therefore did not justify our continued financial support. In connection with the termination of our subsidiaries operations we took a write-off of goodwill in the amount of $443,000. We also determined that our license of proprietary software from Zirmed.com had no value to us and had no more than a nominal market value. As a result, we wrote-off the unamortized value of the related intangible asset, which was $668,000. We had acquired ADC in early 2000 from an officer and director of the Company for cash and stock valued at $474,000. He resigned his positions with us on March 2, 2001.

We had approximately $305,000 in cash as of March 31, 2002 with a net working capital deficit of approximately $1,624,000. During 2001, net cash used in operating activities was approximately $5,397,000. During the year, we raised approximately $5,205,000 from the exercise of options and warrants, and the issuance of common stock, net of offering expenses, and debt. Since December 31, 2001 to March 31, 2002, we have used approximately $1,470,000 in our operating activities, and raised approximately $1,887,000 from the exercise of options and warrants, and the issuance of common stock, net of offering expenses, and debt. We have been delinquent, from time to time, in the payment of our current obligations, including payments of withholding and other tax obligations. We continue in discussions and negotiations with institutional sources regarding debt and equity financings to fund our operations and to permit us to remove the "going concern" qualification in our auditor's report in connection with the audit of our annual financial statements. There can be no assurance that additional investments or financings will be available to us as needed. Failure to obtain such capital on a timely basis could result in lost business opportunities, the sale of the Cymedix business at a distressed price or our financial failure.

We executed an Amended and Restated Common Stock Purchase Warrant with WellPoint Pharmacy Management, dated February 18, 2002, to restructure our obligations to issue warrants to WellPoint. Under that Warrant, we are obligated to issue up to 7,000,000 shares of our common stock at exercise prices of $0.30 per share for 3,000,000, $0.50 per share for 3,000,000 shares and $1.75 per share for 1,000,000 shares, if various performance related vesting requirements are satisfied by WellPoint. Currently, WellPoint has satisfied certain of these requirements giving WellPoint the right to purchase 1,850,000 shares of our common stock at $0.30 per share have been earned by WellPoint. WellPoint's rights to purchase our shares under the Warrant expire on September 8, 2004. The Warrant grants to WellPoint certain registration rights to require us to register with the SEC the shares issued to WellPoint for resale to the public. In the Warrant, WellPoint has agreed to restrict sales to the public of these shares during the first year after they have been issued to 200,000 shares per month and 100,000 shares in any five trading days. The Warrant contains anti-dilution provisions providing that the number of shares that may be purchased by WellPoint under the Warrant my be adjusted in certain circumstances.

We entered into a secured convertible loan agreement with WellPoint, dated February 19, 2002, pursuant to which we borrowed $1,000,000 from WellPoint Health Networks Inc. The loan becomes payable on February 19, 2003, if not converted into our common stock. The loan earns annual interest at a floating rate of 300 basis points over prime, as it is adjusted from time to time, which is also payable at maturity and may be converted into common stock. Conversion into common stock is at the option of either WellPoint or Medix at a contingent conversion price. The conversion price will be either (i) at the price at which additional shares are sold to other private placement investors if Medix obtains written commitments for at least an additional $4,000,000 of equity by the close of business on September 30, 2002, from persons not affiliates of WellPoint, and if such sales are closed by the maturity date of the loan, or (ii) at a price equal to 80% of the then-current Fair Market Value (as defined below) if Medix is unable to obtain a written commitment for the additional equity investment by the close of business on September 30, 2002 or close the sales by the maturity date. For this purpose, "Fair Market Value" shall be the average closing price of Medix common stock for the twenty trading days ending on the day prior to the day of the conversion. The loan is secured by the grant of a security interest in all Medix's intellectual property, including its patent, copyrights and trademarks. While Medix can cure a default in the repayment of the loan at the fixed maturity date by the forced conversion of the loan into its common stock, a cross default, breach of representation or warranty, and bankruptcy or similar event of default will trigger the foreclosure provision of the security agreement.

EQUITY LINE OF CREDIT

Agreement

We have entered into an Equity Line of Credit Agreement with Cornell Capital Partners, L.P.
("Cornell"), and Dutchess Private Equities Fund, L.P. ("Dutchess"), dated as of June 12, 2001. Under the agreement, the two providers have committed to advance to us funds in an amount of up to $10,000,000, as requested by us, over a 24-month period in return for common stock issued by us to the providers. As of March 25, 2001, we had received $2,584,910 in advances, from which offering expenses of $191,278 were paid, under the financing, and had issued to the providers 4,468,629 shares of our common stock relating to the advances and an additional 542,847 shares to their affiliates as fees for arranging the equity line facility. The shares issued pursuant to the equity line advances to date have been priced from $0.46 to $0.77 per share.

The amount that may be advanced at any time under the equity line is limited as follows (which conditions may be waived by the providers):

- There must be thirteen stock market trading days between any two of our requests for advances.
- We can only request an advance if the volume weighted average price of the common stock, as reported by Bloomberg L.P. for the day before our request, is equal to or greater than the volume weighted average price as reported by Bloomberg L.P. for the 22 trading days before we make a request.
- We will not be able to receive an advance amount that is greater than 175% of the average daily volume of our common stock over the 40 trading days prior to our advance request <u>multiplied</u> by the purchase price (calculated

as provided in the next sentence).

The purchase price of our common stock issued in each advance will be equal to 91% of the three lowest daily volume weighted average prices during the 22 trading days before we make a request for an advance. Our agreement with the providers of our equity line financing contains mutual indemnities against loses, costs and expenses arising out of misrepresentations, breaches of warranties and agreements or other actions or inactions by the other party.

Advances will be made as requested by us, with 90% of an advance coming from Cornell, and 10% coming from Dutchess. We will receive the amount we have requested as an advance within 10 days of our request, subject to satisfying standard closing conditions. The issuance of our shares of common stock to Cornell and Dutchess in connection with the equity line financing will be exempt from registration under the Securities Act of 1933 pursuant to Section 4(2) thereof. The sale of such shares by those providers of our equity line financing is being registered under this Registration Statement. We have agreed that our executive officers and directors will not sell any shares of our common stock during the ten trading days following any advance request by us.

Registration Rights

We have agreed to maintain an effective registration statement for the sale of the shares issued to the providers of our equity line financing, as described above. If, at any time, the number of shares available under a registration statement is insufficient to cover all securities issued to the providers, we have agreed to use our best efforts to cause an amendment or new registration statement containing those shares to be declared effective. Our agreement with the providers of our equity line financing contains mutual indemnities against loses, costs and expenses arising out of the violation of by the other party of state and Federal securities laws. Insofar as indemnification for liabilities under the Securities Act of 1933, as amended, may be permitted under such agreement, we have been informed that in the opinion of the U.S. Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. Our agreements as to registration rights are only with the providers of our equity line financing and we have no obligations to assist or indemnify any other holder of the shares sold by them or to any underwriter designated by such holders.

Compensation

We are selling our shares to the providers of our equity line financing at a 9% discount from the market price as described above. Yorkville Advisors's Management, LLC, an affiliate of Cornell, has been and will be paid by us 2.31% of each amount advanced to us under the equity line financing. Dutchess Advisors Limited an affiliate of Dutchess, has been and will be paid by us 4.69% of each amount advanced to us under the equity line financing. Through March 25, 2002, we have paid an aggregate of $168,778 in such fees. Furthermore, our contracts with Yorkville Advisors and Dutchess Advisors required us to, upon the effective date of this Registration Statement, issue to Yorkville Advisors, 65,347 shares of our common stock, and to Dutchess Advisors, 132,673 shares of our common stock (of which 29,703 shares were directed to Dutchess), and on December 9, 2001, issue to Yorkville Advisors 113,793 shares of our common stock, and to Dutchess Advisors 231,034 shares of our common stock. In addition, through March 25, 2002, we have paid $15,000, in the aggregate, to counsels to Cornell and Dutchess, and paid $7,500 for escrow fees and other expenses in connection with this transaction.

USE OF PROCEEDS

The net proceeds from the sale of shares will be received by the selling shareholders. Medix will not receive any of the proceeds from any sale of the shares by the selling shareholders. However, Medix will receive the proceeds from the advances under the equity line of credit and the exercise of warrants to purchase the shares to be sold hereunder. If all these warrants are exercised, Medix would receive proceeds of $25,000. Such proceeds will be used as working capital.

SELLING SHAREHOLDERS

The table below sets forth information with respect to the selling shareholders, including names, holdings of shares of common stock prior to the offering of the shares, the number of shares being offered for each account, and the number and percentage of shares of common stock to be owned by the selling shareholders immediately following the sale of the shares, assuming all of the offered shares are sold.

Name	Shares of Common Stock Beneficially Owned Before the Offering	Shares of Common Stock Being Offered	Shares of Common Stock to be Beneficially Owned After the Offering	
			Number	Percentage
Cornell Capital Partners, L.P.	8,000,000	8,000,000	0	0%
Dutchess Private Equities Fund, L.P.	1,500,000	1,500,000	0	0%
Dutchess Advisors Limited	600,000	600,000	0	0%
Yorkville Advisors Management LLC	300,000	300,000	0	0%
Fritz & Miller, P.C.	5,467	5,467	0	0%
Shapiro Forman Allen & Miller LLP	11,200	11,200	0	0%
Guli R. Rajani	11,111	11,111	0	0%
Nicole S. Rajani	11,111	11,111	0	0%
Ajay G. Rajani	11,111	11,111	0	0%
Total	10,450,000	10,450,000		

Relationship Between Medix and the Selling Shareholders

The selling shareholders have or will acquire the shares of common stock indicated above in one of the following ways: (i) upon advancing funds to the Company under a equity line financing, (ii) in payment of certain of the Company's fee obligations in connection with the equity line financing, and (iii) upon the exercise of warrants issued in settlement of litigation. None of the persons listed above are affiliates or controlled by affiliates of the Company. We have a separate contractual obligation to file this registration with each of the selling shareholders, which was part of the inducement for them to invest in the Company.

Cornell Capital Partners, L.P. and Dutchess Private Equities Fund, L.P., who are the providers of the equity line financing, are statutory underwriters under Section 2a(11) of the Securities Act of 1933, as amended. The principals of Cornell Capital Partners, L.P. are Yorkville Advisors Management LLC, its general partner, and Mark Angelo, Joseph Donohue, Robert Ferrell, Matthew Beckman and Meir Levin. The principals of Dutchess Private Equities Fund, L.P. are Dutchess Capital Management LLC, its general partner, and Michael A. Novielli and Douglas H. Leighton, managing members and principal owners of the general partner.

The other selling shareholders received their warrants to purchase shares as a result of the settlement of a litigation against us, Guli R. Rajani v. Medix Resources, Inc. Mr. Rajani was issued warrants to purchase 137,500 shares of our common stock at the exercise price of $0.50 per share. Mr. Rajani has directed a portion of the warrants he received in the settlement to his wife and son and to the counsel who represented him in his litigation against us. The remaining shares covered by Mr. Rajani's settlement warrants are being registered in another registration statement.

DESCRIPTION OF SECURITIES

Our authorized capital consists of 100,000,000 shares of common stock, par value $.001 per share, and 2,500,000 shares of preferred stock. As of March 25, 2002, we had outstanding 58,386,516 shares of common stock, 1 share of 1996 Preferred Stock, 50 shares of 1999 Series B Preferred Stock and 375 shares of 1999 Series C Preferred Stock. As of such date, our common stock was held of record by approximately 400 persons and beneficially owned by approximately 9,000 persons.

Common Stock

Each share of common stock is entitled to one vote at all meetings of shareholders. Shareholders are not permitted to cumulate votes in the election of directors. Currently, the Board of Directors consists of six directors, who serve for staggered terms of three years, with at least two directors elected at every annual meeting. All shares of common stock are equal to each other with respect to liquidation rights and dividend rights. There are no preemptive rights to purchase any additional common stock. In the event of liquidation, dissolution or winding up of Medix, holders of the common stock will be entitled to receive on a pro rata basis all assets of Medix remaining after satisfaction of all liabilities and preferences of the outstanding preferred stock. The outstanding shares of common stock and the shares of common stock issuable upon conversion or exercise of derivative securities are or will be, as the case may be, duly and validly issued, fully paid and non-assessable.

Transfer Agent and Registrar

We have retained Computershare Trust Company, Inc., 350 Indiana Street, Suite 800, Golden, Colorado 80401, as Transfer Agent and Registrar, for the our common stock, at telephone number (303) 262-0600.

PLAN OF DISTRIBUTION

The selling shareholders and any of their pledgees, donees, assignees and successors-in-interest may, from time to time, sell any or all of their shares of Common Stock on any stock exchange, market or trading facility on which the shares are traded. These sales may be at fixed or negotiated prices. The selling shareholders may use any one or more of the following methods when selling shares:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer

for its account;

- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- short sales;
- broker-dealers may agree with the selling shareholders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

The selling shareholders may also sell shares under Rule 144 under the Securities Act, if available, rather than under this prospectus.

The selling shareholders may also engage in short sales against the box, puts and calls and other transactions in securities of the Company or derivatives of Company securities and may sell or deliver shares in connection with these trades. The selling shareholders may pledge their shares to their brokers under the margin provisions of customer agreements. If a selling shareholder defaults on a margin loan, the broker may, from time to time, offer and sell the pledged shares. The selling shareholders have advised the Company that they have not entered into any agreements, understandings or arrangements with any underwriters or broker-dealers regarding the sale of their shares other than ordinary course brokerage arrangements, nor is there an underwriter or coordinating broker acting in connection with the proposed sale of shares by the selling shareholders.

Broker-dealers engaged by the selling shareholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the selling shareholders (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated. The selling shareholders do not expect these commissions and discounts to exceed what is customary in the types of transactions involved.

Cornell Capital Partners, L.P. and Dutchess Private Equities Fund, L.P., and their affiliates, Yorkville Advisors Management LLC and Dutchess Advisors Limited, are each an "underwriter" under Section 2a(11) of the Securities Act of 1933, in connection with the resale of common stock under the Equity Line of Credit Agreement. Cornell Capital Partners, L.P.and Dutchess Private Equities Fund, L.P. will pay us 91% of the average of the 3 lowest closing bid price of our common stock for the 22 days immediately preceding the advance date. The discount on the purchase of the common stock to be received by them will be an underwriting discount. We retained Yorkville Advisors Management, LLC and Dutchess Advisors Limited as our consultants in connection with the equity line of credit financing. See "Equity Line of Credit."

Other selling shareholders and any broker-dealers or agents that are involved in selling the shares may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

The Company is required to pay all fees and expenses incident to the registration of the shares, including fees and disbursements of counsel to certain of the selling shareholders. Otherwise, all discounts, commissions or fees incurred in connection with the sale of the common stock offered hereby will be paid by the selling shareholders. The Company has agreed to indemnify certain selling shareholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

Upon the Company being notified by a selling shareholder that any material arrangement has been entered into with a broker-dealer for the sale of shares through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker or dealer, a supplement to this prospectus will be filed, if required, pursuant to Rule 424(b) under the Securities Act, disclosing (i) the name of each such selling shareholder and of the participating broker-dealer(s), (ii) the number of shares involved, (iii) the price at which such shares were sold, (iv) the commissions paid or discounts or concessions allowed to such broker-dealer(s), where applicable, (v) that such broker-dealer(s) did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus, and (vi) other facts material to the transaction.

In order to comply with the securities laws of certain states, if applicable, the shares will be sold in such jurisdictions, if required, only through registered or licensed brokers or dealers. In addition, in certain states the shares may not be sold unless the Shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and complied with.

The Company has advised the selling shareholders that the anti-manipulative provisions of Regulation M promulgated under the Exchange Act may apply to their sales of the shares offered hereby.

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Article 109 of the Colorado Business Corporation Act generally provides that Medix may indemnify its directors, officers, employees and agents against liabilities in any action, suit or proceeding whether civil, criminal, administrative or investigative and whether formal or informal (a "Proceeding"), by reason of being or having been a director, officer, employee, fiduciary or agent of Medix, if such person acted in good faith and reasonably believed that his conduct, in his official capacity, was in the best interests of Medix (or, with respect to employee benefit plans, was in the best interests of the participants of the plan), and in all other cases that his conduct was at least not opposed to Medix's best interests. In the case of a criminal proceeding, the director, officer, employee or agent must have had no reasonable cause to believe that his conduct was unlawful. Under Colorado Law, Medix may not indemnify a director, officer, employee or agent in connection with a proceeding by or in the right of Medix if the director is adjudged liable to Medix, or in a proceeding in which the directors, officer employee or agent is adjudged liable for an improper personal benefit.

Our Articles of Incorporation provide that we shall indemnify its directors, and officers, employees and agents to the extent and in the manner permitted by the provisions of the laws of the State of Colorado, as amended from time to time, subject to any permissible expansion or limitation of such indemnification, as may be set forth in any shareholders' or directors' resolution or by contract.

Insofar as indemnification for liabilities under the Securities Act of 1933, as amended (the "Securities Act"), may be permitted to directors, officers or persons controlling Medix pursuant to the foregoing provisions, Medix has been informed that in the opinion of the Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

AVAILABLE INFORMATION

We are a reporting company and file our annual, quarterly and current reports, proxy material and other information with the SEC. Reports, proxy statements and other information concerning Medix filed with the Commission may be inspected and copied at the Public Reference Room maintained by the Commission at its office, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such material can be obtained from the Public Reference Room of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. The public may obtain information about the Public reference room in Washington, D.C. by calling the SEC at 1-800-SEC-0330. Our SEC filings are also available at the SEC's Website at "http:\\www.sec.gov".

We have filed a registration statement under the Securities Act, with respect to the securities offered pursuant to this Prospectus. This Prospectus does not contain all of the information set forth in the registration statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information, reference is made to the registration statement and the exhibits filed as a part thereof, which may be found at the locations and Website referred to above.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to "incorporate by reference" information that we file with them, which means that we can disclose important information to you by referring you to the documents filed with the SEC that contains that information. The information incorporated by reference is an important part of this Prospectus, and it is important that you review it before making your investment decision. We hereby incorporate by reference the documents listed below:

(a) a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2001, filed with the SEC on April 1, 2002;

(b) copies of the our Forms 8-K, filed with the SEC on January 18, March 4 and March 25, 2002.

We are delivering with this Prospectus a copy of the Form 10-K referred to above. Any statement contained in a document incorporated or deemed to be incorporated by reference in this Prospectus, or made herein, shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any subsequently filed document, which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

All other documents filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended, subsequent to the date of this Prospectus and prior to the termination of the Offering pursuant to this Prospectus shall be deemed to be incorporated by reference and to be a part of this Prospectus from the date of filing of such documents.

We will provide without charge to each person, including any beneficial owner, to whom a copy of this Prospectus is delivered, upon oral or written request of any such person, a copy of any or all of the documents incorporated herein by reference, other than the exhibits to such documents (unless such exhibits are specifically incorporated by reference into the information that this Prospectus incorporates). Requests should be directed to Investor Relations Department, Medix Resources, Inc., 7100 E. Belleview Avenue, Suite 301, Greenwood Village, Colorado 80111, telephone (303) 741-2045.

LEGAL MATTERS

The validity of the shares offered hereby is being passed upon for us by Lyle B. Stewart, P.C. Lyle B. Stewart, P.C. has been granted options to purchase 25,000 shares of Medix common stock at an exercise price of $0.26 per share, and Mr. Stewart, individually, has been granted options to purchase 100,000 and 75,000 shares of Medix common stock at exercise prices of $3.38 and $0.92 per share, respectively.

EXPERTS

The consolidated financial statements of Medix as of December 31, 2001, and for each of the three years in the period ended December 31, 2001 appearing in our 2001 Form 10-K have been audited by Ehrhardt Keefe Steiner & Hottman P.C., independent auditors, as stated in their report appearing therein, and have been incorporated herein by reference in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The following is a list of the estimated expenses to be incurred by the Registrant in connection with the issuance and distribution of the Shares being registered hereby.

SEC Registration Fee	$2,491
Blue Sky Filing Fees and Expenses	1,000*
Accountants' Fees and Expenses	2,000*
Legal Fees and Expenses	45,000*
Miscellaneous	0*
TOTAL	$50,491*

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* Estimated, subject to change.

The Company will bear all of the above expenses of the registration of the Shares.

Item 15. Indemnification of Directors and Officers.

See "INDEMNIFICATION OF OFFICERS AND DIRECTORS" in the Prospectus.

Item 16. Exhibits.

Exhibit Number	**Description**
5.1	Opinion of Lyle B. Stewart, Esq*
10.1	Equity Line of Credit Agreement, dated June 12, 2001, between the Company, Cornell Capital Partners, L.P., and Dutchess Private Equities L.P.*
10.2	Registration Rights Agreement, dated June 12, 2001, between the Company, Cornell Capital Partners, L.P., and Dutchess Private Equities L.P.*

10.3	Escrow Agreement, dated June 12, 2001, between the Company, Cornell Capital Partners, L.P., and Dutchess Private Equities L.P., Butler Gonzalez LLP, and First Union National Bank*
10.4	Consulting Services Agreement, dated June 12, 2001, between the Company and Yorkville Advisors Management, LLC*
23.1	Consent of Ehrhardt Keefe Steiner & Hottman P.C.
23.2	Consent of Lyle B. Stewart, Esq. (included in Exhibit 5.1)*
24.	Power of Attorney (included on signature page)

* Previously Filed

Item 17. Undertakings.

A. The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the "Act");

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high and of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

provided, however, that paragraphs (A)(1)(i) and (A)(1)(ii) do not apply if the Registration Statement is on Form S-3, Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Securities and Exchange Commission (the "Commission") by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. Insofar as indemnification for liabilities arising under the Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-2 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in New York, New York on March 28, 2002.

MEDIX RESOURCES, INC.

By /s/Johm R. Prufeta
John R. Prufeta,
President and CEO

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Each person whose signature appears below in so signing also makes, constitutes and appoints John R. Prufeta and Gary L. Smith, and each of them, his or her true and lawful attorney-in-fact, with full power of substitution, for him in any and all capacities, to execute and cause to be filed with the Securities and Exchange Commission any and all amendments and post-effective amendments to this Registration Statement, with exhibits thereto and other documents in connection therewith, and hereby ratifies and confirms all that said attorney-in-fact or his substitute or substitutes may do or cause to be done by virtue hereof.

Signature	Title	Date
/s/John R. Prufeta John R. Prufeta	President, Chief Executive Officer and Director (Principal Executive Officer)	March 28, 2002
/s/Gary L. Smith Gary L. Smith	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 28, 2002
/s/David B. Skinner David B. Skinner	Director	March 28,2002

/s/John T. Lane John T. Lane	Director	March 28, 2002
/s/Samuel H. Havens Samuel H. Havens	Director	March 28, 2002
/s/Joan E. Herman Joan E. Herman	Director	March 28, 2002
/s/Patrick W. Jeffries Patrick W. Jeffries	Director	March 28, 2002
/s/Guy L. Scalzi Guy L. Scalzi	Director	March 28, 2002

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24.1	Power of Attorney (included on signature page)

*Previously Filed

100,000 104,774

Northampton County, PA, General Purpose Authority Hospital Rev. (St. Luke s Hospital), A , 5.5%, 2035

100,000 88,835

Northampton County, PA, General Purpose Authority Hospital Rev. (St. Luke s Hospital), A , 5.5%, 2040

115,000 100,397

Orange County, FL, Health Facilities Authority Hospital Rev. (Orlando Regional Healthcare), 5.75%, 2012 (c)

150,000 163,220

Orange County, FL, Health Facilities Authority, Hospital Rev. (Orlando Regional Healthcare), C , ETM, NATL, 6.25%, 2013 (c)

1,740,000 1,969,019

Palomar Pomerado Health Care District, CA, COP, 6.75%, 2039

340,000 340,180

Philadelphia, PA, Hospitals & Higher Education Facilities Authority Rev. (Temple University Health System), A , 6.625%, 2023

335,000 335,003

Philadelphia, PA, Hospitals & Higher Education Facilities Authority Rev. (Temple University Health System), A , 5.5%, 2030

395,000 347,501

Rhode Island Health & Educational Building Corp. Rev., Hospital Financing (Lifespan Obligated Group), 6.375%, 2012 (c)

435,000 461,561

Rhode Island Health & Educational Building Corp. Rev., Hospital Financing (Lifespan Obligated Group), A , ASSD GTY, 7%, 2039

855,000 922,263

Richmond, IN, Hospital Authority Rev. (Reid Hospital & Health Center Services), A , 6.625%, 2039

525,000 542,887

Royal Oak, MI, Hospital Finance Authority Rev. (William Beaumont Hospital), 8.25%, 2039

230,000 260,721

Scioto County, OH, Hospital Facilities Rev. (Southern Ohio Medical Center), 5.75%, 2038

555,000 539,438

Scottsdale, AZ, Industrial Development Authority, Hospital Rev. (Scottsdale Healthcare), C , ASSD GTY, 5%, 2035

140,000 128,932

Skagit County, WA, Public Hospital District No. 001 Rev. (Skagit Valley Hospital), 5.75%, 2032

535,000 483,394

South Carolina Jobs & Economic Development Authority (Bon Secours - Venice Healthcare Corp.), 5.5%, 2023

390,000 392,036

South Lake County, FL, Hospital District Rev. (South Lake Hospital), A , 6%, 2029

105,000 102,063

South Lake County, FL, Hospital District Rev. (South Lake Hospital), A , 6.25%, 2039

155,000 149,825

Southwestern, IL, Development Authority Rev. (Anderson Hospital), 5.375%, 2015

325,000 325,790

Southwestern, IL, Development Authority Rev. (Anderson Hospital), 5.125%, 2036

1,000,000 792,490

St. Paul, MN, Housing & Redevelopment Authority Healthcare Facilities Rev. (Healthpartners Obligated Group), 5.25%, 2023

325,000 308,948

St. Paul, MN, Housing & Redevelopment Authority Healthcare Facilities Rev. (Healthpartners Obligated Group), 5.25%, 2036

615,000 522,276

Sullivan County, TN, Health, Educational & Housing Facilities Board Hospital Rev. (Wellmont Health Systems Project), C , 5.25%, 2026

1,365,000 1,269,150

Sullivan County, TN, Health, Educational & Housing Facilities Board Hospital Rev. (Wellmont Health Systems Project), C , 5.25%, 2036

135,000 110,944

MFS Investment Grade Municipal Trust

PORTFOLIO OF INVESTMENTS (unaudited) 2/28/11 - continued

Issuer	Shares/Par	Value ($)
Municipal Bonds continued		
Healthcare Revenue - Hospitals continued		
Sumner County, TN, Health, Educational & Housing Facilities Board Rev. (Sumner Regional Health Systems, Inc.), A , 5.5%, 2046 (a)	$ 1,000,000	$ 55,000
Tyler, TX, Health Facilities Development Corp. (East Texas Medical Center), A , 5.25%, 2032	265,000	211,157
Tyler, TX, Health Facilities Development Corp. (East Texas Medical Center), A , 5.375%, 2037	220,000	172,029
Upland, CA, COP (San Antonio Community Hospital), 6.5%, 2041	85,000	84,436
Washington Health Care Facilities Authority Rev. (Highline Medical Center), FHA, 6.25%, 2036	695,000	754,033
Washington Health Care Facilities Authority Rev. (Virginia Mason Medical Center), A , 6.25%, 2042	570,000	529,502
West Virginia Hospital Finance Authority, Hospital Rev. (Thomas Health System), 6.5%, 2038	285,000	255,907
Wisconsin Health & Educational Facilities Authority Rev. (Aurora Health Care, Inc.), 6.4%, 2033	175,000	177,258
Wisconsin Health & Educational Facilities Authority Rev. (Fort Healthcare, Inc. Project), 5.375%, 2018	385,000	382,825
Wisconsin Health & Educational Facilities Authority Rev. (ProHealth Care, Inc. Obligated Group), 6.625%, 2032	195,000	199,085
Wisconsin Health & Educational Facilities Authority Rev. (ProHealth Care, Inc. Obligated Group), 6.625%, 2039	100,000	103,966
Wisconsin Health & Educational Facilities Authority Rev. (Wheaton Franciscan Services), 5.25%, 2034	695,000	582,375
		$ 27,931,942
Healthcare Revenue - Long Term Care 8.3%		
ABAG Finance Authority for Non-Profit Corps., CA, Rev. (Casa de las Campanas), CALHF, 6%, 2037	$ 70,000	$ 66,364
Abilene, TX, Health Facilities Development Corp., Retirement Facilities Rev. (Sears Methodist Retirement Systems, Inc.), A , 7%, 2033	500,000	417,200
Bucks County, PA, Industrial Development Authority Retirement Community Rev. (Ann s Choice, Inc.), A , 6.125%, 2025	500,000	467,450
Capital Projects Finance Authority, FL (Glenridge on Palmer Ranch), A , 8%, 2012 (c)	500,000	550,900
Chartiers Valley, PA, Industrial & Commercial Development Authority Rev. (Friendship Village South), A , 5.25%, 2013	500,000	514,555
Chester County, PA, Industrial Development Authority Rev. (RHA Nursing Home), 8.5%, 2032	705,000	613,604
Cumberland County, PA, Municipal Authority Rev. (Diakon Lutheran Social Ministries), 6.125%, 2029	570,000	572,576
Fulton County, GA, Residential Care Facilities, Elderly Authority Rev. (Canterbury Court), A , 6.125%, 2034	250,000	210,463
Hamden, CT, Facility Rev. (Whitney Center Project), A , 7.625%, 2030	35,000	35,915
Hamden, CT, Facility Rev. (Whitney Center Project), A , 7.75%, 2043	205,000	208,809
Hawaii Department of Budget & Finance, Special Purpose Rev. (15 Craigside Project), A , 9%, 2044	115,000	127,641
Illinois Finance Authority Rev. (Hoosier Care, Inc.), A , 7.125%, 2034	415,000	358,979
Illinois Finance Authority Rev. (Smith Village), A , 6.25%, 2035	500,000	409,980
Illinois Health Facilities Authority Rev. (Lutheran Senior Ministries, Inc.), 7.375%, 2011 (c)	250,000	260,185
Illinois Health Facilities Authority Rev. (Smith Crossing), A , 7%, 2032	250,000	216,610
La Verne, CA, COP (Brethren Hillcrest Homes), B , 6.625%, 2025	350,000	333,337
Maryland Health & Higher Educational Facilities Authority Rev. (Charlestown Community), 6.25%, 2041	190,000	181,593
Massachusetts Development Finance Agency Rev. (Loomis Communities, Inc.), A , 5.625%, 2015	150,000	149,663

MFS Investment Grade Municipal Trust

PORTFOLIO OF INVESTMENTS (unaudited) 2/28/11 - continued

Issuer	Shares/Par	Value ($)
Municipal Bonds continued		
Healthcare Revenue - Long Term Care continued		
Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care), 6.125%, 2028	$ 200,000	$ 168,644
Montgomery County, PA, Industrial Development Authority Rev. (Whitemarsh Continuing Care), 6.25%, 2035	300,000	245,496
New Jersey Economic Development Authority Rev. (Lions Gate), A , 5.75%, 2025	310,000	279,288
New Jersey Economic Development Authority Rev. (Lions Gate), A , 5.875%, 2037	100,000	81,074
Savannah, GA, Economic Development Authority, First Mortgage (Marshes of Skidway), A , 7.4%, 2024	250,000	240,053
Shelby County, TN, Health, Educational & Housing Facilities Board Rev. (Germantown Village), A , 7.25%, 2034	150,000	137,651
South Carolina Jobs & Economic Development Authority, Health Facilities Rev. (Wesley Commons), 5.3%, 2036	250,000	183,343
St. John s County, FL, Industrial Development Authority Rev. (Presbyterian Retirement), A , 6%, 2045	400,000	376,252
Suffolk County, NY, Industrial Development Agency, Civic Facilities Rev. (Gurwin Jewish Phase II), 6.7%, 2039	490,000	456,660
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Air Force Village), 6.125%, 2029	40,000	37,807
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Air Force Village), 6.375%, 2044	315,000	290,742
Tarrant County, TX, Cultural Education Facilities Finance Corp. Retirement Facility (Stayton at Museum Way), 8.25%, 2044	500,000	479,685
		$ 8,672,519
Healthcare Revenue - Other 0.3%		
Massachusetts Health & Educational Facilities Authority Rev. (Civic Investments, Inc.), A , 9%, 2012 (c)	$ 250,000	$ 281,608
Human Services 0.2%		
Massachusetts Development Finance Agency Rev. (Evergreen Center, Inc.), 5%, 2024	$ 250,000	$ 222,683
Industrial Revenue - Airlines 0.4%		
Clayton County, GA, Development Authority Special Facilities Rev. (Delta Airlines, Inc.), A , 8.75%, 2029	$ 125,000	$ 140,136
Clayton County, GA, Development Authority Special Facilities Rev. (Delta Airlines, Inc.), B , 9%, 2035	95,000	101,105
New Jersey Economic Development Authority, Special Facilities Rev. (Continental Airlines, Inc.), 6.25%, 2029	105,000	98,127
New York, NY, City Industrial Development Agencies Rev. (American Airlines, Inc.), 7.5%, 2016	115,000	117,594
		$ 456,962
Industrial Revenue - Chemicals 1.1%		
Brazos River, TX, Harbor Navigation District (Dow Chemical Co.), B-2 , 4.95%, 2033	$ 590,000	$ 542,971
Michigan Strategic Fund Ltd. Obligation Rev. (Dow Chemical Co.), 6.25%, 2014	525,000	567,042
		$ 1,110,013
Industrial Revenue - Environmental Services 0.7%		
California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Republic Services, Inc.), B , 5.25%, 2023 (b)	$ 135,000	$ 135,826
California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Waste Management, Inc.), A , 5%, 2022	305,000	305,503
California Pollution Control Financing Authority, Solid Waste Disposal Rev. (Waste Management, Inc.), C , 5.125%, 2023	335,000	336,196

$ 777,525

5

MFS Investment Grade Municipal Trust

PORTFOLIO OF INVESTMENTS (unaudited) 2/28/11 - continued

Issuer	Shares/Par	Value ($)
Municipal Bonds continued		
Industrial Revenue - Other 3.2%		
California Statewide Communities, Development Authority Facilities (Microgy Holdings Project), 9%, 2038 (d)	$ 26,773	$ 1,539
Gulf Coast, TX, Industrial Development Authority Rev. (CITGO Petroleum Corp.), 8%, 2028	250,000	242,748
Houston, TX, Industrial Development Corp. (United Parcel Service, Inc.), 6%, 2023	315,000	294,068
Indianapolis, IN, Airport Authority Rev., Special Facilities (FedEx Corp.), 5.1%, 2017	250,000	264,510
Michigan Strategic Fund Ltd. Obligation Rev. (Michigan Sugar Co., Carrollton), 6.55%, 2025	250,000	204,658
New Jersey Economic Development Authority Rev. (GMT Realty LLC), B , 6.875%, 2037	500,000	422,275
Pennsylvania Economic Development Financing Authority, Finance Authority Facilities Rev. (Amtrak), A , 6.25%, 2031	180,000	180,819
Toledo Lucas County, OH, Authority Port Rev., Facilities (CSX, Inc. Project), 6.45%, 2021	1,000,000	1,084,030
Tooele County, UT, Hazardous Waste Treatment Rev. (Union Pacific Corp.), 5.7%, 2026	680,000	680,095
		$ 3,374,742
Industrial Revenue - Paper 1.3%		
Camden, AL, Industrial Development Board Exempt Facilities Rev., B (Weyerhaeuser Co.), 6.375%, 2013 (c)	$ 275,000	$ 310,351
Effingham County, GA, Development Authority, Solid Waste Disposal Rev. (Fort James), 5.625%, 2018	225,000	218,351
Escambia County, FL, Environmental Improvement Rev. (International Paper Co.), A , 5.75%, 2027	250,000	236,408
Rockdale County, GA, Development Authority Project Rev. (Visy Paper Project), A , 6.125%, 2034	320,000	281,690
Sabine River Authority Rev., Louisiana Water Facilities (International Paper Co.), 6.2%, 2025	310,000	313,140
		$ 1,359,940
Miscellaneous Revenue - Entertainment & Tourism 1.2%		
Brooklyn, NY, Arena Local Development Corp. (Barclays Center Project), 6%, 2030	$ 200,000	$ 194,412
Brooklyn, NY, Arena Local Development Corp. (Barclays Center Project), 6.25%, 2040	130,000	126,915
Brooklyn, NY, Arena Local Development Corp. (Barclays Center Project), 6.375%, 2043	90,000	88,718
Cow Creek Band of Umpqua Tribe of Indians, OR, C , 5.625%, 2026 (n)	350,000	270,729
New York Liberty Development Corp. Rev. (National Sports Museum), A , 6.125%, 2019 (d)	220,000	2
New York, NY, City Industrial Development Agency Rev. (Queens Baseball Stadium), ASSD GTY, 6.125%, 2029	65,000	70,077
New York, NY, City Industrial Development Agency Rev. (Queens Baseball Stadium), ASSD GTY, 6.375%, 2039	45,000	47,502
New York, NY, City Industrial Development Agency Rev. (Queens Baseball Stadium), ASSD GTY, 6.5%, 2046	195,000	207,377
Seminole Tribe, FL, Special Obligation Rev., A , 5.75%, 2022 (n)	250,000	238,213
		$ 1,243,945
Miscellaneous Revenue - Other 2.9%		
Austin, TX, Convention Center (Convention Enterprises, Inc.), A , SYNCORA, 5.25%, 2017	$ 95,000	$ 96,037
Austin, TX, Convention Center (Convention Enterprises, Inc.), A , SYNCORA, 5.25%, 2019	190,000	186,405
Austin, TX, Convention Center (Convention Enterprises, Inc.), A , SYNCORA, 5.25%, 2020	155,000	149,057
Austin, TX, Convention Center (Convention Enterprises, Inc.), A , SYNCORA, 5.25%, 2024	90,000	80,955

MFS Investment Grade Municipal Trust

PORTFOLIO OF INVESTMENTS (unaudited) 2/28/11 - continued

Issuer	Shares/Par	Value ($)
Municipal Bonds continued		
Miscellaneous Revenue - Other continued		
Cleveland-Cuyahoga County, OH, Port Authority Rev., 7%, 2040	$ 95,000	$ 94,054
Dallas, TX, Civic Center Convention Complex Rev., ASSD GTY, 5.25%, 2034	465,000	467,506
New Orleans, LA, Aviation Board Gulf Opportunity Zone CFC Rev. (Consolidated Rental Car), A , 6.25%, 2030	185,000	186,458
New York Liberty Development Corp., Liberty Rev. (One Bryant Park LLC), 6.375%, 2049	770,000	766,096
Oklahoma Industries Authority Rev. (Oklahoma Medical Research Foundation Project), 5.5%, 2029	600,000	604,266
Summit County, OH, Port Authority Building Rev. (Flats East Development Recovery Zone Facility Bonds), 6.875%, 2040	35,000	34,626
Summit County, OH, Port Authority Building Rev. (Seville Project), A , 5.1%, 2025	415,000	341,138
V Lakes Utility District, MS, Water Systems Rev., 7%, 2037	85,000	71,970
		$ 3,078,568
Multi-Family Housing Revenue 3.7%		
Broward County, FL, Housing Finance Authority Rev. (Chaves Lakes Apartments Ltd.), A , 7.5%, 2040	$ 500,000	$ 460,380
Capital Trust Agency, FL, Housing Rev. (Atlantic Housing Foundation), B , 7%, 2032 (q)	355,000	173,481
Charter Mac Equity Issuer Trust, FHLMC, 6.3%, 2019 (n)	500,000	523,930
District of Columbia Housing Finance Agency (Henson Ridge), E , FHA, 5.1%, 2037	500,000	469,710
Durham, NC, Durham Housing Authority Rev. (Magnolia Pointe Apartments), 5.65%, 2038 (b)	368,906	272,640
Minneapolis, MN, Student Housing Rev. (Riverton Community Housing Project), A , 5.7%, 2040	250,000	183,290
MuniMae TE Bond Subsidiary LLC, 5.5%, 2049 (b)(z)	1,000,000	620,640
Resolution Trust Corp., Pass-Through Certificates, 1993 , 8.5%, 2016 (z)	227,741	215,518
Tacoma, WA, Housing Authority Multi-Family Rev. (Redwood/Juniper, Pine Tree Harbor, & Conifer South), GNMA, 5.05%, 2037	1,040,000	937,425
		$ 3,857,014
Sales & Excise Tax Revenue 3.0%		
Bolingbrook, IL, Sales Tax Rev., 6.25%, 2024	$ 250,000	$ 152,640
Massachusetts Bay Transportation Authority, Sales Tax Rev., A-1 , 5.25%, 2029	350,000	385,277
Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., Capital Appreciation, A , 0%, 2032	375,000	303,128
Regional Transportation District, CO, Private Activity Rev. (Denver Transportation Partners), 6.5%, 2030	560,000	561,887
Regional Transportation District, CO, Private Activity Rev. (Denver Transportation Partners), 6%, 2034	480,000	446,203
Regional Transportation District, CO, Private Activity Rev. (Denver Transportation Partners), 6%, 2041	245,000	223,540
Tampa Bay, FL, Sports Authority Rev. (Sales Tax-Tampa Bay Arena), NATL, 5.75%, 2025	1,000,000	1,014,710
		$ 3,087,385
Single Family Housing - Local 0.8%		
Minneapolis & St. Paul Housing Authority Rev. (City Living), A-2 , GNMA, 5%, 2038	$ 333,129	$ 305,996
Pittsburgh, PA, Urban Redevelopment Authority Rev., C , GNMA, 4.8%, 2028	500,000	478,070
		$ 784,066
Single Family Housing - State 2.4%		
California Housing Finance Agency Rev., G , 5.5%, 2042	$ 315,000	$ 314,814
Colorado Housing & Finance Authority, A , 5.5%, 2029	915,000	939,266
Colorado Housing & Finance Authority, B-2 , 7.25%, 2031	30,000	30,540
Maine Housing Authority Mortgage, A-2 , 4.95%, 2027	445,000	419,123

Montana Board Housing (Single Family Mortgage), A , 5%, 2036	705,000	640,098

7

MFS Investment Grade Municipal Trust

PORTFOLIO OF INVESTMENTS (unaudited) 2/28/11 - continued

Issuer	Shares/Par	Value ($)
Municipal Bonds continued		
Single Family Housing - State continued		
North Dakota Housing Finance Agency Rev., A , 4.85%, 2021	$ 215,000	$ 214,123
		$ 2,557,964
Solid Waste Revenue 1.9%		
Delaware County, PA, Industrial Development Authority Rev. (American Ref-Fuel), A , 6.1%, 2013	$ 670,000	$ 670,389
Massachusetts Industrial Finance Agency, Resource Recovery Rev. (Ogden Haverhill Associates), A , 5.45%, 2012	1,250,000	1,253,063
Pennsylvania Economic Development Financing Authority, Sewer Sludge Disposal Rev. (Philadelphia Biosolids Facility), 6.25%, 2032	55,000	56,266
		$ 1,979,718
State & Agency - Other 0.2%		
Commonwealth of Puerto Rico (Mepsi Campus), A , 6.25%, 2024	$ 100,000	$ 95,337
Commonwealth of Puerto Rico (Mepsi Campus), A , 6.5%, 2037	100,000	90,771
		$ 186,108
State & Local Agencies 18.1%		
Berkeley County, SC, School District Installment Lease (Securing Assets for Education), 5%, 2028	$ 500,000	$ 501,740
Dorchester County, SC, School District No. 2, Growth Remedy Opportunity Tax Hike, 5.25%, 2029	250,000	256,550
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, A , 5%, 2045	420,000	333,841
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, B , 5.5%, 2013 (c)	500,000	549,690
Guam Government Department of Education (John F. Kennedy High School), A , COP, 6.875%, 2040	65,000	62,184
Indiana Office Building Commission Correction Facilities Program Rev. (Women s Prison), B , AMBAC, 6.25%, 2016	2,820,000	3,145,174
Lancaster, SC, Educational Assistance Program, Inc., School District Lancaster County Project, 5%, 2026	550,000	526,257
Laurens County, SC, School District No. 55, Installment Purchase Rev., 5.25%, 2030	350,000	340,330
Los Angeles County, CA, Schools (Regionalized Business Service Corp.), Pooled Financing, Capital Appreciation, A , AMBAC, 0%, 2021	2,135,000	1,112,527
Metropolitan Government of Nashville & Davidson County, TN, Health & Educational Facilities Board Rev. (Meharry Medical College), AMBAC, 6%, 2016	1,575,000	1,717,711
New York Dormitory Authority Rev. (City University) A , 5.75%, 2018	5,000,000	5,623,100
New York Urban Development Corp. Rev. (State Facilities), 5.6%, 2015	1,000,000	1,085,640
Newberry, SC, Investing in Children s Education (Newberry County School District Program), 5%, 2030	350,000	321,360
Philadelphia, PA, Municipal Authority Rev., 6.5%, 2034	105,000	106,905
Riverside, MO, Tax Increment Rev. (L-385 Levee Project), 5.25%, 2020	500,000	508,175
St. Louis, MO, Industrial Development Authority Leasehold Rev. (Convention Center Hotel), Capital Appreciation, AMBAC, 0%, 2018	300,000	198,153
Utah Building Ownership Authority Lease Rev. (State Facilities Master Lease Program), C , AGM, 5.5%, 2019 (f)	1,750,000	2,007,355
West Virginia Building Commission, Lease Rev. (WV Regional Jail), A , AMBAC, 5.375%, 2018	500,000	521,630
		$ 18,918,322
Student Loan Revenue 0.4%		
Massachusetts Educational Financing Authority, Education Loan Rev., H , ASSD GTY, 6.35%, 2030	$ 390,000	$ 393,884

Tax - Other 2.6%		
Dallas County, TX, Flood Control District, 7.25%, 2032	$ 500,000	$ 512,395
New York, NY, Transitional Finance Authority Rev., A , 5%, 2026	1,960,000	2,023,426

MFS Investment Grade Municipal Trust

PORTFOLIO OF INVESTMENTS (unaudited) 2/28/11 - continued

Issuer	Shares/Par	Value ($)
Municipal Bonds continued		
Tax - Other continued		
Virgin Islands Public Finance Authority Rev. (Diageo Project), A , 6.75%, 2037	$ 160,000	$ 163,325
		$ 2,699,146
Tax Assessment 3.9%		
Atlanta, GA, Tax Allocation (Eastside Project), A , 5.625%, 2016	$ 245,000	$ 252,894
Celebration Community Development District, FL, A , 6.4%, 2034	220,000	217,100
Chicago, IL, Tax Increment Allocation (Pilsen Redevelopment), B , 6.75%, 2022	610,000	602,741
Du Page County, IL, Special Service Area (Monarch Landing Project), 5.4%, 2016	160,000	153,712
Heritage Harbour North Community Development District, FL, Capital Improvement Rev., 6.375%, 2038	130,000	102,337
Huntington Beach, CA, Community Facilities District, Special Tax (Grand Coast Resort), 2000-1 , 6.45%, 2031	300,000	291,378
Lincoln, CA, Special Tax (Community Facilities District), 2003-1 , 5.55%, 2013 (c)	445,000	503,322
Lincolnshire, IL, Special Service Area No. 1 (Sedgebrook Project), 6.25%, 2034	225,000	192,872
Magnolia Park Community Development District, FL, Special Assessment, A , 6.15%, 2039	180,000	143,089
Plano, IL, Special Service Area No. 4 (Lakewood Springs Project Unit 5-B), 6%, 2035	729,000	614,481
Seven Oaks, FL, Community Development District II Special Assessment Rev., A , 5.875%, 2035	455,000	304,104
Tolomato Community Development District, FL, Special Assessment, 6.65%, 2040	100,000	69,115
Volo Village, IL, Special Service Area No. 3, Special Tax (Symphony Meadows Project), 1 , 6%, 2036	249,000	174,449
West Villages Improvement District, FL, Special Assessment Rev. (Unit of Development No. 3), 5.5%, 2037	480,000	223,181
Westridge, FL, Community Development District, Capital Improvement Rev., 5.8%, 2037 (d)	480,000	182,400
		$ 4,027,175
Tobacco 5.1%		
Badger, WI, Tobacco Asset Securitization Corp., 6.375%, 2012 (c)	$ 250,000	$ 267,838
Buckeye, OH, Tobacco Settlement Financing Authority, A-2 , 5.125%, 2024	1,780,000	1,329,607
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1 , 6.25%, 2013 (c)	555,000	600,815
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1 , 5.75%, 2047	425,000	284,780
Inland Empire, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Asset Backed, Capital Appreciation, C-1 , 0%, 2036	250,000	16,628
Louisiana Tobacco Settlement Authority Rev., 2001-B , 5.875%, 2039	300,000	271,233
New Jersey Tobacco Settlement Financing Corp., 1-A , 5%, 2041	1,610,000	964,841
Railsplitter Tobacco Settlement Authority, IL, 5.5%, 2023	150,000	143,295
Railsplitter Tobacco Settlement Authority, IL, 6%, 2028	1,050,000	1,021,335
Washington Tobacco Settlement Authority Rev., 6.625%, 2032	460,000	449,443
		$ 5,349,815
Toll Roads 3.7%		
North Texas Tollway Authority Rev., 6%, 2038	$ 620,000	$ 624,055
Northwest Parkway, CO, Public Highway Authority (First Tier), D , 7.125%, 2011 (c)	490,000	509,090
Pennsylvania Turnpike Commission, Capital Appreciation, C , AGM, 0% to 2016, 6.25% to 2033	1,180,000	907,231
San Joaquin Hills, CA, Transportation Corridor Agency, Toll Road Rev., Capital Appreciation, A , NATL, 0%, 2015	2,000,000	1,572,920
Texas Private Activity Bond, Surface Transportation Corp., 7%, 2040	255,000	258,272
		$ 3,871,568

Transportation - Special Tax 1.4%		
Mid-Bay Bridge Authority, FL, Springing Lien Rev., A , 7.25%, 2040	$ 175,000	$ 174,984

MFS Investment Grade Municipal Trust

PORTFOLIO OF INVESTMENTS (unaudited) 2/28/11 - continued

Issuer	Shares/Par	Value ($)
Municipal Bonds continued		
Transportation - Special Tax continued		
Regional Transportation Authority, IL, C , FGIC, 7.75%, 2020	$ 1,000,000	$ 1,262,390
		$ 1,437,374
Universities - Colleges 26.6%		
Anderson, IN, Economic Development Rev. (Anderson University Project), 5%, 2028	$ 225,000	$ 181,442
California Educational Facilities Authority Rev. (California Lutheran University), 5.75%, 2038	350,000	323,659
California Educational Facilities Authority Rev. (Claremont Graduate University), A , 5%, 2042	530,000	435,459
California Educational Facilities Authority Rev. (University of San Francisco), 6.125%, 2036	75,000	76,127
California Educational Facilities Authority Rev. (University of Southern California), A , 5.25%, 2038	535,000	539,970
California Municipal Finance Authority Rev. (Biola University), 5.8%, 2028	100,000	99,017
California Municipal Finance Authority Rev. (University of La Verne), A , 6.25%, 2040	70,000	66,402
District of Columbia Rev. (Georgetown University), Capital Appreciation, BHAC, 0% to 2018, 5% to 2040	1,430,000	806,306
Douglas County, NE, Educational Facilities Rev. (Creighton University), A , 5.875%, 2040	645,000	647,928
Grand Valley, MI, State University Rev., 5.5%, 2027	115,000	118,991
Grand Valley, MI, State University Rev., 5.625%, 2029	55,000	56,583
Harris County, TX, Cultural Education Facilities Rev. (Baylor College of Medicine), D , 5.625%, 2032	490,000	445,675
Illinois Finance Authority Rev. (Illinois Institute of Technology), A , 5%, 2031	335,000	252,443
Illinois Finance Authority Rev. (Illinois Institute of Technology), A , 5%, 2036	335,000	240,349
Illinois Finance Authority Rev. (Roosevelt University Project), 6.25%, 2029	545,000	530,034
Illinois Finance Authority Rev. (Roosevelt University Project), 6.5%, 2039	125,000	121,693
Lubbock, TX, Educational Facilities Authority Rev. (Lubbock Christian University), 5.125%, 2027	285,000	253,428
Lubbock, TX, Educational Facilities Authority Rev. (Lubbock Christian University), 5.25%, 2037	255,000	213,863
Marietta, GA, Development Facilities Authority Rev. (Life University), 7%, 2030	100,000	93,200
Marietta, GA, Development Facilities Authority Rev. (Life University), 7%, 2039	100,000	91,116
Massachusetts Development Finance Agency Rev. (Simmons College), SYNCORA, 5.25%, 2026	125,000	119,485
Massachusetts Development Finance Agency Rev. (Western New England College), 6.125%, 2012 (c)	315,000	345,590
Massachusetts Health & Educational Facilities Authority Rev. (Simmons College), I , 8%, 2029	225,000	248,722
Massachusetts Health & Educational Facilities Authority Rev. (Springfield College), 5.625%, 2040	90,000	82,901
Massachusetts Health & Educational Facilities Authority Rev. (Suffolk University), A , 6.25%, 2030	415,000	421,408
Massachusetts Health & Educational Facilities Authority Rev. (Suffolk University), A , 5.75%, 2039	370,000	355,008
Miami-Dade County, FL, Educational Facilities Authority Rev. (University of Miami), A , 5.75%, 2028	125,000	126,086
Michigan Higher Education Facilities Authority Rev. (College for Creative Studies), 6.125%, 2037	475,000	449,051
New Jersey Educational Facilities Authority Rev. (University of Medicine & Dentistry), B , 7.5%, 2032	460,000	500,871
New York Dormitory Authority Rev. (Columbia University), 5%, 2038 (u)	15,000,000	15,256,650
Pennsylvania Higher Educational Facilities Authority Rev. (Lasalle University), A , 5.25%, 2027	45,000	41,711
San Leanna, TX, Educational Facilities Corp., Higher Education Rev. (St. Edwards University), 5.125%, 2036	115,000	95,748

MFS Investment Grade Municipal Trust

PORTFOLIO OF INVESTMENTS (unaudited) 2/28/11 - continued

Issuer	Shares/Par	Value ($)
Municipal Bonds continued		
Universities - Colleges continued		
Tulsa, OK, Industrial Authority Rev. (University of Tulsa), 6%, 2027	$ 535,000	$ 578,512
University of Minnesota, A , ETM, 5.75%, 2014 (c)	500,000	574,695
University of Minnesota, A , ETM, 5.5%, 2021 (c)	2,000,000	2,322,360
University of Southern Indiana Rev. (Student Fee), J , ASSD GTY, 5.75%, 2028	210,000	223,732
University of Southern Mississippi Educational Building Corp. Rev. (Campus Facilities Project), 5.25%, 2032	190,000	195,107
University of Southern Mississippi Educational Building Corp. Rev. (Campus Facilities Project), 5.375%, 2036	65,000	66,130
Washington Higher Education Facilities Authority Rev. (Whitworth University), 5.875%, 2034	225,000	215,183
		$ 27,812,635
Universities - Dormitories 1.2%		
Bowling Green, OH, Student Housing Rev. (State University Project), 6%, 2045	$ 285,000	$ 260,427
California Statewide Communities Development Authority Rev. (Lancer Educational Student Housing Project), 5.625%, 2033	500,000	399,235
California Statewide Communities Development Authority Rev. (Student Housing, SUCI East Campus), 6%, 2040	220,000	209,803
Maryland Economic Development Corp. Student Housing (University of Maryland - College Park), 5.875%, 2043	130,000	122,233
Pennsylvania Higher Education Facilities Authority Rev. (East Stroudsburg University), 5%, 2042	200,000	158,496
Pennsylvania Higher Education Facilities Authority Rev. (Edinboro University Foundation), 5.8%, 2030	65,000	62,300
Pennsylvania Higher Education Facilities Authority Rev. (Edinboro University Foundation), 6%, 2043	85,000	81,263
		$ 1,293,757
Universities - Secondary Schools 0.9%		
Clifton, TX, Higher Education Finance Corp. Rev. (Uplift Education), A , 6.125%, 2040	$ 100,000	$ 87,756
Clifton, TX, Higher Education Finance Corp. Rev. (Uplift Education), A , 6.25%, 2045	70,000	61,786
Colorado Educational & Cultural Facilities Authority Rev. (Academy of Charter Schools Project), 5.625%, 2040	230,000	215,471
La Vernia, TX, Higher Education Finance Corp. Rev. (KIPP, Inc.), A , 6.25%, 2039	150,000	147,836
La Vernia, TX, Higher Education Finance Corp., Education Rev. (Lifeschool of Dallas), A , 7.5%, 2041	385,000	383,602
		$ 896,451
Utilities - Cogeneration 1.0%		
Pennsylvania Economic Development Financing Authority Rev., Resource Recovery Rev. (Colver), G , 5.125%, 2015	$ 275,000	$ 271,059
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Central Facilities (Cogeneration Facilities - AES Puerto Rico Project), 6.625%, 2026	320,000	320,954
Suffolk County, NY, Industrial Development Agency Rev. (Nissequoque Cogeneration Partners Facilities), 5.5%, 2023	550,000	485,122
		$ 1,077,135
Utilities - Investor Owned 10.9%		
Brazos River Authority, TX, Pollution Control Rev. (TXU Electric Co. LLC), C , 5.75%, 2036 (b)	$ 65,000	$ 60,601
Brazos River Authority, TX, Pollution Control Rev. (TXU Electric Co. LLC), C , 6.75%, 2038	270,000	91,824

Chula Vista, CA, Industrial Development Rev. (San Diego Gas), 5.875%, 2034	195,000	201,735
Clark County, NV, Industrial Development Rev. (Southwest Gas Corp. Project), E , 5.8%, 2038 (b)	250,000	258,788
Farmington, NM, Pollution Control Rev. (Public Service New Mexico), D , 5.9%, 2040	400,000	383,844
Hawaii Department of Budget & Finance Special Purpose Rev. (Hawaiian Electric Co. & Subsidiary), 6.5%, 2039	410,000	412,304

MFS Investment Grade Municipal Trust

PORTFOLIO OF INVESTMENTS (unaudited) 2/28/11 - continued

Issuer	Shares/Par	Value ($)
Municipal Bonds continued		
Utilities - Investor Owned continued		
Maricopa County, AZ, Pollution Control Corp., Pollution Control Rev. (Arizona Public Service Co.), D , 6%, 2029 (b)	$ 195,000	$ 210,003
Massachusetts Development Finance Agency, Solid Waste Disposal Rev. (Dominion Energy Brayton), 5.75%, 2042 (b)	70,000	72,435
Matagorda County, TX, Navigation District 1 (Houston Lighting.), AMBAC, 5.125%, 2028	2,000,000	1,749,540
Michigan Strategic Fund, Ltd. Obligation Rev. (Detroit Edison), A , NATL, 5.55%, 2029	3,000,000	3,015,510
Mississippi Business Finance Corp., Pollution Control Rev. (Systems Energy Resources Project), 5.875%, 2022	1,000,000	975,740
New Hampshire Business Finance Authority, Pollution Control Rev. (Public Service of New Hampshire), B , NATL, 4.75%, 2021	250,000	245,638
Pennsylvania Economic Development Financing Authority (Allegheny Energy Supply Co. LLC), 7%, 2039	495,000	519,839
Petersburg, IN, Pollution Control Rev. (Indianapolis Power & Light), NATL, 5.4%, 2017	2,500,000	2,685,875
Pima County, AZ, Industrial Development Authority Rev. (Tucson Electric Power Co.), 5.75%, 2029	485,000	480,640
		$ 11,364,316
Utilities - Other 3.6%		
Georgia Main Street Natural Gas, Inc., Gas Project Rev., A , 5.5%, 2026	$ 120,000	$ 116,225
Georgia Main Street Natural Gas, Inc., Gas Project Rev., A , 5.5%, 2028	250,000	231,855
Indiana Bond Bank Special Program, Gas Rev., A , 5.25%, 2018	190,000	200,598
Public Authority for Colorado Energy Natural Gas Purchase Rev., 6.5%, 2038	425,000	440,003
Salt Verde Financial Corp., AZ, Senior Gas Rev., 5%, 2032	795,000	677,555
Salt Verde Financial Corp., AZ, Senior Gas Rev., 5%, 2037	790,000	662,692
Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 2017	180,000	181,476
Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 2022	205,000	200,334
Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 2023	300,000	292,230
Tennessee Energy Acquisition Corp., Gas Rev., A , 5.25%, 2026	610,000	578,195
Tennessee Energy Acquisition Corp., Gas Rev., C , 5%, 2025	185,000	175,241
		$ 3,756,404
Water & Sewer Utility Revenue 2.0%		
Atlanta, GA, Water & Wastewater Rev., A , 6%, 2022	$ 290,000	$ 325,093
Commonwealth of Puerto Rico Aqueduct & Sewer Authority Rev., A , 6%, 2038	505,000	473,473
Commonwealth of Puerto Rico Aqueduct & Sewer Authority Rev., A , 6%, 2044	195,000	181,011
Detroit, MI, Sewer Disposal System Rev., B , AGM, 7.5%, 2033	410,000	480,303
Massachusetts Water Resources Authority, B , AGM, 5.25%, 2029	600,000	660,666
		$ 2,120,546
Total Municipal Bonds		**$ 154,687,470**
Money Market Funds (v) 4.5%		
MFS Institutional Money Market Portfolio, 0.2%, at Net Asset Value	4,679,360	$ 4,679,360
Total Investments		**$ 159,366,830**
Other Assets, Less Liabilities (5.9)%		(6,120,913)

Preferred shares (Issued by the Fund)	**(46.6)%**	(48,750,000)
Net assets applicable to common shares	**100.0%**	**$ 104,495,917**

(a) Non-income producing security.
(b) Mandatory tender date is earlier than stated maturity date.
(c) Refunded bond.
(d) Non-income producing security - in default.
(f) All or a portion of the security has been segregated as collateral for open futures contracts.
(n) Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be sold in the ordinary course of business in transactions exempt from registration, normally to qualified institutional buyers. At period end, the aggregate value of these securities was $1,032,872 representing 1.0% of net assets applicable to common shares.

MFS Investment Grade Municipal Trust

PORTFOLIO OF INVESTMENTS (unaudited) 2/28/11 - continued

(q) Interest received was less than stated coupon rate.
(u) Underlying security deposited into special purpose trust (the trust) by investment banker upon creation of self-deposited inverse floaters.
(v) Underlying affiliated fund that is available only to investment companies managed by MFS. The rate quoted is the annualized seven-day yield of the fund at period end.
(z) Restricted securities are not registered under the Securities Act of 1933 and are subject to legal restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are subsequently registered. Disposal of these securities may involve time-consuming negotiations and prompt sale at an acceptable price may be difficult. The fund holds the following restricted securities:

Restricted Securities	Acquisition Date	Cost	Value
MuniMae TE Bond Subsidiary LLC, 5.5%, 2049	11/02/05	$ 1,000,000	$ 620,640
Resolution Trust Corp., Pass-Through Certificates, 1993 , 8.5%, 2016	8/27/93	229,885	215,518
Total Restricted Securities			$ 836,158
% of net assets applicable to common shares			0.8%

The following abbreviations are used in this report and are defined:

COP	Certificate of Participation
ETM	Escrowed to Maturity
LOC	Letter of Credit

Insurers

AGM	Assured Guaranty Municipal
AMBAC	AMBAC Indemnity Corp.
ASSD GTY	Assured Guaranty Insurance Co.
BHAC	Berkshire Hathaway Assurance Corp.
CALHF	California Housing Finance Agency
FGIC	Financial Guaranty Insurance Co.
FHA	Federal Housing Administration
FHLMC	Federal Home Loan Mortgage Corp.
GNMA	Government National Mortgage Assn.
NATL	National Public Finance Guarantee Corp.
SYNCORA	Syncora Guarantee Inc.

See attached supplemental information. For more information see notes to financial statements as disclosed in the most recent semiannual or annual report.

MFS Investment Grade Municipal Trust

Supplemental Information (Unaudited) 2/28/11

(1) Investment Valuations

Debt instruments and floating rate loans (other than short-term instruments), including restricted debt instruments, are generally valued at an evaluated or composite bid as provided by a third-party pricing service. Short-term instruments with a maturity at issuance of 60 days or less generally are valued at amortized cost, which approximates market value. Futures contracts are generally valued at last posted settlement price as provided by a third-party pricing service on the market on which they are primarily traded. Futures contracts for which there were no trades that day for a particular position are generally valued at the closing bid quotation as provided by a third-party pricing service on the market on which such futures contracts are primarily traded. Open-end investment companies are generally valued at net asset value per share. Securities and other assets generally valued on the basis of information from a third-party pricing service may also be valued at a broker/dealer bid quotation. Values obtained from third-party pricing services can utilize both transaction data and market information such as yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data.

The Board of Trustees has delegated primary responsibility for determining or causing to be determined the value of the fund s investments (including any fair valuation) to the adviser pursuant to valuation policies and procedures approved by the Board. If the adviser determines that reliable market quotations are not readily available, investments are valued at fair value as determined in good faith by the adviser in accordance with such procedures under the oversight of the Board of Trustees. Under the fund s valuation policies and procedures, market quotations are not considered to be readily available for most types of debt instruments and floating rate loans and many types of derivatives. These investments are generally valued at fair value based on information from third-party pricing services. In addition, investments may be valued at fair value if the adviser determines that an investment s value has been materially effected by events occurring after the close of the exchange or market on which the investment is principally traded (such as foreign exchange or market) and prior to the determination of the fund s net asset value, or after the halting of trading of a specific security where trading does not resume prior to the close of the exchange or market on which the security is principally traded. The adviser generally relies on third-party pricing services or other information (such as the correlation with price movements of similar securities in the same or other markets; the type, cost and investment characteristics of the security; the business and financial condition of the issuer; and trading and other market data) to assist in determining whether to fair value and at what value to fair value an investment. The value of an investment for purposes of calculating the fund s net asset value can differ depending on the source and method used to determine value. When fair valuation is used, the value of an investment used to determine the fund s net asset value may differ from quoted or published prices for the same investment. There can be no assurance that the fund could obtain the fair value assigned to an investment if it were to sell the investment at the same time at which the fund determines its net asset value per share.

Various inputs are used in determining the value of the fund s assets or liabilities. These inputs are categorized into three broad levels. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fund s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes other significant observable market-based inputs (including quoted prices for similar securities, interest rates, prepayment speed, and credit risk). Level 3 includes unobservable inputs, which may include the adviser s own assumptions in determining the fair value of investments. Other financial instruments are derivative instruments not reflected in total investments, such as futures. The following is a summary of the levels used as of February 28, 2011 in valuing the fund s assets or liabilities:

Investments at Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Municipal Bonds		154,687,470		154,687,470
Mutual Funds	4,679,360			4,679,360
Total Investments	$ 4,679,360	$ 154,687,470	$	$ 159,366,830
Other Financial Instruments				
Futures	$ (39,357)	$	$	$ (39,357)

For further information regarding security characteristics, see the Portfolio of Investments.

(2) Portfolio Securities

The cost and unrealized appreciation and depreciation in the value of the investments owned by the fund, as computed on a federal income tax basis, are as follows:

Aggregate cost	$ 152,255,905
Gross unrealized appreciation	$ 5,753,981
Gross unrealized depreciation	(6,143,056)
Net unrealized appreciation (depreciation)	$ (389,075)

The aggregate cost above includes prior fiscal year end tax adjustments, if applicable.

MFS Investment Grade Municipal Trust

Supplemental Information (Unaudited) 2/28/11 - continued

(3) Derivative Contracts at 2/28/11

Futures Contracts Outstanding at 2/28/11

Description	Currency	Contracts