

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) - May 6, 1997

Embassy Acquisition Corp.

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(Exact name of registrant as specified in its charter)

Florida	0-27836	65-0643773
(State or other juris-	(Commission File	(IRS Employer
diction of incorporation)	Number)	Identification No.)

1428 Brickell Avenue, Suite 105	
Miami, Florida	33131

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(Address or principal executive offices) (zip code)

Registrant's telephone number, including area code: (305) 374-6700  
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NONE

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(Former name or former address, if changed since last report)

ITEM 1. CHANGES IN CONTROL OF REGISTRANT

Not Applicable

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

Not Applicable

ITEM 3. BANKRUPTCY OR RECEIVERSHIP

Not Applicable

ITEM 4. CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not Applicable

ITEM 5. OTHER EVENTS

On May 6, 1997, Embassy Acquisition Corp. (the "Company")

entered into a letter of intent with Orthodontix, Inc., a Florida corporation ("Orthodontix"), regarding a business combination of the Company or its wholly-owned subsidiary and Orthodontix (the "Transaction").

The intended principal business activity of Orthodontix is providing practice management services to orthodontic practices. Orthodontix has conducted no operations to date other than in connection with its agreements in principle to acquire certain assets, assume certain liabilities, and provide long-term management services to certain orthodontic practices (the "Practices") in exchange for cash and shares of common stock of Orthodontix (the "Practice Acquisitions"). The Company was formed in November 1995 to effect a business combination with a business entity.

Under the terms of the letter of intent, upon the closing of the Transaction, each share, or right to receive a share, of common stock of Orthodontix (after giving effect to the closing of the Practice Acquisitions) would be converted into the right to receive one share, or right to receive a share, of common stock of the Company. Orthodontix has advised the Company that, at the closing of the Transaction, (i) the Practices will, in the aggregate, have generated gross revenue of no less than \$20.0 million for the year ended December 31, 1996; and (ii) in connection with the Practice Acquisitions, Orthodontix shall deliver aggregate consideration of no more than \$1.20 of value (consisting of up to 10% cash consideration and the remainder consideration in stock, which stock will be valued at the average of the closing bid and ask price of the Common Stock of the Company for the 15 trading days immediately preceding the closing of the Practice Acquisitions) for each \$1.00 of gross revenue generated by each of the Practices for the year ended December 31, 1996. Based upon the price per share of the common stock of the Company as of May 6, 1997, at the closing of the Practice Acquisitions (assuming the Practice Acquisitions represent orthodontic practices totaling \$20 million of revenue) and the Transaction, the Company would be obligated to issue approximately 2.8 million shares of Common Stock and expend up to approximately \$2.5 million in consideration for the Transaction. The Company currently has outstanding 2,540,000 shares of Common Stock and warrants entitling the holder to purchase an additional 120,000 shares of Common Stock. The Transaction is contemplated to be tax-free to the Company and its shareholders. Upon effectiveness of the Transaction, the Company would change its name to "Orthodontix, Inc.," Stephen J. Dresnick, M.D., President and Chief Executive Officer of Sterling Healthcare Group, Inc. and Vice Chairman of the Board of FPA Medical Management, Inc., would become Chairman of the Board of Directors of the surviving entity of the Transaction, three of the members of that Board of Directors would be appointed by Orthodontix and two of the members of that Board of Directors would be appointed by the Company.

The closing of the Transaction is subject to, among other conditions, the execution of a definitive agreement by 5:00 p.m., EST on August 30, 1997 (unless that date is extended by mutual agreement of the parties), approval of the Transaction by the shareholders of the Company, Orthodontix, and each of the Practices, certain regulatory and third party approvals

and consents, and the closing, simultaneously with the closing of the Transaction, of the Practice Acquisitions. There can be no assurance that the proposed Transaction will be consummated on these or any other terms.

ITEM 6. RESIGNATIONS OF REGISTRANT'S DIRECTORS

Not Applicable

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial statements of businesses acquired

None

(b) Pro forma financial information

None

(c) Exhibits

99.1 Press release dated May 6, 1997

ITEM 8. CHANGE IN FISCAL YEAR

Not Applicable

ITEM 9. SALES OF EQUITY SECURITIES PURSUANT TO REGULATION S

Not Applicable

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EMBASSY ACQUISITION CORP.  
(Registrant)

Dated: May 6, 1997

By: /s/ Glenn L. Halpryn  
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Glenn L. Halpryn, President



EMBASSY ACQUISITION CORP.  
AND  
ORTHODONTIX, INC.  
ENTER INTO LETTER OF INTENT  
FOR BUSINESS COMBINATION

Miami, Florida and Coral Gables, Florida (May 6, 1997)..... Embassy Acquisition Corp. ("Embassy") (OTC: MBCA) and Orthodontix, Inc. ("Orthodontix") together announce they have entered into a letter of intent regarding a business combination of Orthodontix and Embassy (the "Transaction"). Orthodontix was founded in September 1996 by Stephen Grussmark, DDS and F.W. Mort Guilford to provide practice management services to orthodontic practices. Embassy is a publicly held corporation formed in November 1995 to effect a business combination with a business entity.

Orthodontix has reached agreements in principle to acquire certain assets and assume certain liabilities and provide long term management services to orthodontic practices in exchange for cash and shares of common stock (the "Practice Acquisitions"). Orthodontix has conducted no operations to date other than in connection with the Practice Acquisitions. Concurrently with and as a condition to, the closing of the Transaction, Orthodontix shall consummate the Practice Acquisitions.

Under the terms of the proposed Transaction, at the closing of the Transaction, Orthodontix will become a wholly owned subsidiary of Embassy and (i) each share of Orthodontix capital stock outstanding (after giving effect to the closing of the Practice Acquisitions") shall be converted into one share of Common Stock of Embassy; and (ii) each option to purchase shares of Orthodontix Common Stock outstanding shall be converted into an option to purchase an identical number of shares of Embassy at an identical price per share and on identical terms. Based on the current price per share of Embassy Common Stock (\$9.25 per share), at the closing of the Practice Acquisitions (assuming the Practice Acquisitions represent orthodontic practices totaling \$20 million of revenue) and the Transaction, Embassy would be obligated to issue approximately 2.8 million shares of Common Stock and expend up to approximately \$2.5 million in consideration for the Transaction. Embassy currently has outstanding 2,540,000 shares of Common Stock and warrants entitling the holder to purchase an additional 120,000 shares of Common Stock.

Embassy Board member, Stephen J. Dresnick, M.D., has agreed to become Chairman of the Board of Directors of the combined companies. Dr. Dresnick will continue to serve as President and CEO of Sterling Healthcare Group, Inc., a position he has held since he founded Sterling in 1987 and will continue as the Vice Chairman of the Board of FPA Medical Management, Inc. a national physician practice management company.

The closing of the Transaction is subject to, among other things, the consummation by Orthodontix of Practice Acquisitions consisting of orthodontic practices that had generated no less than \$20 million in gross revenue for the year ended December 31, 1996, the execution of a definitive agreement, the approval of the Transaction by the Board of Directors and shareholders of Embassy and Orthodontix and the registration with the Securities and Exchange Commission of among other securities, the shares of Embassy Common Stock to be issued in the Transaction. The letter of intent may be terminated by either party if a definitive agreement has not been executed by August 30, 1997.

For further information, please contact Glenn L. Halpryn, President of Embassy Acquisition Corp. at (305) 374-6700 and F.W. Mort Guilford, President of Orthodontix at (305) 446-8661.

