CUI Global, Inc.
Form S-1
October 31, 2011

As filed with the Securities and Exchange Commission on October ___, 2011.

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

FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

CUI Global, Inc.

Commission File Number 0-29923

CUI Global, Inc.
(Name of Small Business Issuer in Its Charter)

Colorado	3670	84-1463284
(State or jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

20050 SW 112th Avenue
Tualatin, Oregon 97062
(503) 612-2300
(Address and Telephone Number of Principal Executive Offices)

William J. Clough, President
CUI Global, Inc.
20050 SW 112th Avenue
Tualatin, Oregon 97062
(503) 612-2300
(Name, Address and Telephone Number of Agent for Service)

Copies of all communications to:

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(Issuer's Counsel)

Approximate Date of Commencement of Proposed Sale to the Public: As soon as practicable after the 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 check the following box: x

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b2 of the Exchange Act.

Large accelerated filer ¨	Accelerated filer ¨
Non-accelerated filer o (Do not check if a smaller reporting company)	
	Smaller reporting company x

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be Registered (1)	Proposed maximum offering price per unit (2)	Proposed maximum aggregate offering price (2)	Amount of Registration fee
Common Stock par value $0.001 (1)			$ 10,000,000	$ 1,161.00
Total			$ 10,000,000	$ 1,161.00

(1) In accordance with Rule 416(a) , as amended (the "Securities Act") , the Registrant is also registering hereunder an indeterminate number of shares that may be issued and resold pursuant to Rule 416 to prevent dilution resulting from stock splits, stock dividends or similar transactions.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457 (c)(2) of the Securities Act. For purposes of this calculation the Company used the closing price of $__ for Common Stock on the OTC:BB on October __, 2011.

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 the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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

Preliminary Prospectus — Subject to Completion, Dated October __, 2011

___ Shares of Common Stock

CUI Global, Inc., a Colorado corporation, is offering ____________ shares of our common stock at a public offering price of $___ per share. Our common stock is currently quoted on the OTC Bulletin Board under the symbol "CUIG.OB." On August 17, 2011 we filed an application for listing our common stock on the Nasdaq Capital Market tier of The Nasdaq Stock Market which application has not yet been approved.

The underwriter is offering the shares of our common stock on a "firm commitment basis." We expect to deliver the shares of our common stock to purchasers on or about ____, 2011.

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page ___ .

	Per Share	Total
Offering price		$ 10,000,000
Underwriting Discount		$ 750,000
Proceeds, before expenses, to CUI Global		$ 9,250,000

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

Prospectus dated ___________ ___, 2011.

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You should rely only on the information contained in this prospectus and in any free writing prospectus. Neither we nor the underwriter has authorized anyone to provide you with information different from that contained in this prospectus. We, and the underwriter, are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of shares of our common stock.

Neither we nor the underwriter has done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the sales of common stock and the distribution of this prospectus outside of the United States.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this prospectus, other than statements of historical facts, that address future activities, events or developments, are forward-looking statements, including, but not limited to, statements containing the words "believe," "anticipate," "expect" and words of similar import. These statements are based on certain assumptions and analyses made by us in light of our experience and our assessment of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. Whether actual results will conform to the expectations and predictions of management, however, is subject to a number of risks and uncertainties that may cause actual results to differ materially. Such risks are in the section entitled "Risk Factors" on page __, and in our previous SEC filings.

Consequently, all of the forward-looking statements made in this prospectus are qualified by these cautionary statements and there can be no assurance that the actual results anticipated by management will be realized or, even if substantially realized, that they will have the expected consequences to or effects on our business operations.

PROSPECTUS SUMMARY

This summary contains basic information about us and this offering. The reader should read the entire prospectus carefully, especially the risks of investing in our common stock discussed under "Risk Factors." References to "we," "our," "us," the "Company," or "CUI Global" refer to CUI Global, Inc., a Colorado corporation.

Company Overview

We are an electronics platform company currently delivering more than 20,000 separate products into the marketplace. We are dedicated to, and focused on the acquisition, development, and commercialization of new, innovative electronic technologies/products to add to our product portfolio. We seek out market-ready technologies and, using our 20+ years experience in the electronics industry and our diversified platform of distribution, marketing, sales, R&D, and engineering support, we rapidly and efficiently bring that technology into the market place, joining our more than 20,000 current stock keeping units ("SKU's"). Our platform consists of a financial, marketing, sales, engineering and administrative group dedicated to directing and supporting three separate market silos. Those silos include: (1) Power Supply Units ("PSU"), which consists of industrial power supplies (both internal and external), branded under our V-Infinity product line, and our patented, proprietary technologies, Novum™ Advanced Power and Solus™ Power Topology. For its part, Novum incorporates our leading-edge digital power modules, providing programmable power chips to leading network and telecommunication companies. Solus enhances that capability by providing a significantly more efficient power supply source, currently in the form of a one quarter brick, but scalable to serve numerous customer needs; (2) Test & Measurement, which is the oldest part of our business and, along with providing probes and other test devices, incorporates our unique Inferential Gas Metering Technology and the GasPT2 device, which we have branded under the name Vergence™; and (3) Electronic Components, which includes our more than 20,000 SKU's and our proprietary motion control devices. From what we believe to be the world's smallest optical shaft encoder, to our innovative proprietary technology utilized in the AMT modular encoder, we are positioning ourselves as a preeminent source for motion control products. In sum, we have built, and continue to build a diversified portfolio of industry leading technologies that touch many markets. We focus on the original equipment manufacturer (OEM) market and supply higher levels of support, customer service, and a constantly expanding product line, in order to further differentiate with our competitors. This product line ranges from a $.02 connector to a $700 encoder – all different products for different customers.

We direct our extensive market knowledge, industry network, and reputation within the electronics industry into locating, identifying, and acquiring market-ready electronic technologies. Once identified, we put considerable effort into our due diligence process. That process is designed to ensure that we only acquire market-ready technologies which are synergistic to our diversified electronics portfolio. Once acquired, we assign a team of engineers, market specialists, and sales executives to implement our commercialization strategy. That strategy incorporates everything from branding, to market/product surveys, to identification of appropriate market partners and more.

We are lead by a management team and board of directors with substantial business experience and significant success in publicly traded companies. Our President & CEO, William Clough, a former California litigator and Hastings College of the Law Graduate, has been with the company for more than six years. Mr. Clough has extensive SEC experience and is the inventor/patent holder of one of the company's early thermal management patents. Along with his other responsibilities, Mr. Clough spearheads our Vergence™ Natural Gas Metering Division. The company's COO, Matt McKenzie has an extensive background in the electronics industry and is an expert in distribution, sales, and supply chain management. In conjunction with our CTO, Dwang Li, Mr. McKenzie developed one of our most successful and profitable business divisions and brands, V-Infinity product line. For his part, our CTO, Dwang Li, holds a doctoral degree in power electronics from Portland State University, for which he made contributions in advanced analysis of power conversion topologies and architectures. In his current role, Dr. Li has been responsible for defining the company's power technology road map and the establishment of a core IP portfolio in high performance power conversion that will serve as a foundation for future growth.

Our Products and Product Categories

PSU's

V-Infinity Power

Our current power line, V-Infinity, consists of external and embedded ac-dc power supplies, dc-dc converters, and basic digital point of load modules. This dynamic, broadly applicable product line accounts for a significant portion of our current revenue and recent revenue growth.

Novum™ Advanced Power

We have developed the first fully featured digital point of load dc-dc converter in the power market under our Novum Advanced Power line of products. This product is a next generation product targeted at the intermediate bus power architecture that is prolifically used in the telecom and networking communications market. In September of 2010 we released full production versions of two point of load modules. We were finalists for the prestigious Golden Mousetrap Award and EDN Innovation Award for these parts in 2010. With the shift towards smarter, smaller, and more energy efficient power requirements, engineers are seeking innovative solutions that allow them to keep pace with lower core voltages, faster transient response needs, and increasing thermal issues that they face in their designs. Our recently introduced Novum NDM2 modules, with a full suite of digital features, specifically address these growing system complexities through intelligent power management. The NDM2 series is the first to be designed by the company as part of the Ericsson cooperation announced in July. The agreement formalizes a plan between the two companies to offer a multi-source digital POL platform based on the Ericsson BMR46X series, with future plans to co-develop modules outside the existing range of 10~50A. We have also developed a middle ground product to ease the customer base into the benefits of digital in power. We developed a “smart module” that allows for the benefits of digital in the design cycle but when installed functions like a highly optimized analog unit.

Solus™ Power Topology

We have a proprietary patented power topology for designing unique power circuits. This topology allows for higher efficiencies, densities, response time, and price competitiveness that is otherwise unavailable. Our initial product designed using this topology is in the quarter brick dc-dc converter market. Solus is an entirely new topology, rich in features that accelerate the performance trend trajectories for the big-four power conversion needs in the telecom and server markets: greater efficiency; higher power density; reduced EMI (electro-magnetic interference); and faster transient response four times as fast. We have introduced the NQB2060 Novum® one quarter brick bus converter as a prime example of the benchmark 720 watts output power performance using the Solus Topology. Since the Solus Topology maintains it effectiveness independent of the control method used, it can operate with analog voltage mode control, analog current mode control, and various digital control profiles. That unique feature opens the door for the company to implement this topology in a wide variety of power supply product platforms. We believe that this topology will allow for at least a decade of new product designs and introductions.

As the large scale networking and telecommunications companies convert to digital power, our early entry into the market, our unique Solus Topology, and our relationship with Ericsson should enhance our ability to penetrate this (according to the Darnell Group) multi-billion dollar market.

Test & Measurement

Vergence™ GasPT2

The Vergence natural gas inferential metering device, the GasPT2, is a low cost solution to measuring natural gas quality. It can be connected to a natural gas system to provide a fast, accurate, close to real time measurement of the physical properties, such as thermal conductivity, speed of sound and carbon dioxide content. From these measurements it infers an effective gas mixture comprising four components: methane, propane, nitrogen, and measured carbon dioxide and then uses ISO6976 to calculate the gas quality characteristics of calorific value (CV), Wobbe index (WI), relative density (RD), and compression factor (Z)." An ISO, International Organization for Standardization, is a documented agreement containing technical specifications or other precise criteria to be used consistently as rules, guidelines, or definitions of characteristics to ensure that materials, products, processes and services are fit for their purpose.

This new and innovative technology has been certified for use in fiscal monitoring by Ofgem in the United Kingdom and SNAM RETE in Italy. At present, there is no equivalent product competition. There are instruments like gas chromatographs (“GC”), but they are slow, complicated to use, and as much as double the price of the GasPT2. Coupled with the patented Vergence V-Probe, the Vergence Technology reduces the natural gas analysis time of current probe/GC monitoring equipment from an industry best of 14 minutes or more to as little as three (3) seconds.

In addition, we have recently signed an exclusive distribution agreement for the United Kingdom with Orbital, the largest specialty gas engineering company in England. In conjunction with Orbital, we have introduced the combined Vergence GasPT2 unit and Vergence V-Probe to National Grid the largest gas transmission/distribution company in the UK. We plan to replicate this type of agreement with other large, regional gas engineering companies, such as Socrate s.p.a. in Italy and Sensus in North America.

By way of market/revenue size example, in the case of SNAM RETE, the Italian gas transmission company, there are seven (7) primary natural gas injection points for the SNAM RETE system. Those injection points will continue to use GC’s for monitoring. On the other hand, there are approximately 7,500 customer access points in the system. Those would include city gates, large industrial users, power generation plants and others. All of those 7,500 customer access ports would be applicable for the Vergence Technology. In the case of ENAGAS in Spain that ratio is 6 injection points to more than 300 access points.

In addition to these numbers, there are currently 8,000 gas turbines in operation worldwide. Each of those turbines are subject to variances in natural gas quality. Depending on the quality of the gas, those very expensive machines can be tuned to run more efficiently and therefore longer with much cleaner emissions. Currently, because of the delay in information from the GC’s, such tuning cannot be effectively accomplished. Operators attempt to deal with the delay by placing the monitoring station miles away from the turbine or creating large holding tanks to maintain the gas until an analysis can be completed. The use of the Vergence Technology, will enable those operators to place the Vergence GasPT2 units right next to the turbines and by interfacing them with the machine’s process control software, the tuning can be accomplished on almost a real-time basis; thus, allowing the turbines to run more efficiently, cleaner, and years longer.

Components

AMT™ Encoder

The company has an exclusive agreement to develop, sell, and distribute the AMT encoder worldwide. The AMT series modular encoder is designed with proprietary, capacitive, code-generating technology as opposed to optical or magnetic encoding. This unique device allows breakthroughs in selectable resolution, shaft-adaptation, and convenient mounting solutions to bring ease of installation, reduction in SKU’s, and economies of scale in purchasing. The AMT amounts to almost 2000 different encoders in one package. The company is selling and distributing the AMT through various customers. Moreover, the product is being marketed by multiple DC motor manufacturers. The AMT has been awarded several design wins from Motion Control OEM’s producing a wide range of products from cash machines to robotics.

Our Strategy

We have implemented a planned strategy to increase our name recognition as a technology company. Our plan includes:

- Increasing our customer base by redirecting our customers into the right channel.
- Developing a collaborative relationship with our customers.
- Developing new technologies and expanded manufacturing capabilities as needed.
- Growing our global sales and distribution.
- In regard to our Vergence GasPT2 Inferential Natural Gas Monitoring Device, our strategy has been to identify the large gas utility companies who would most likely provide opportunities for batch sales rather than single unit sales.

Risks Related to Our Business

Our business and our ability to execute our business strategy are subject to a number of risks that you should be aware of before you decide to buy our common stock. In particular you should consider the following risks which are discussed more fully in “Risk Factor:”

- We have a relatively new business model regarding our new product lines. This makes it difficult to evaluate our future prospects and may increase the risk that we will not continue to be successful.
- We are a relatively small specialty component and solutions business and face formidable competition
- Our revenues depend on a few major customers
- Acquisitions could result in operating difficulties, dilution and other harmful consequences.
- We will need to grow our organization and we may encounter difficulties in managing this growth, which could disrupt our operations.
- There is no assurance we will achieve profitability.
- Our operating results will vary over time and such fluctuations could cause the market price of our common stock to decline.
- Our operating expenses will increase as we make further expenditures to enhance and expand our operations in order to support additional growth in our business and national stock market reporting and compliance obligations.
- We rely on third party distributors to generate a substantial part of our revenue and, if we fail to expand and manage our distribution channels, our revenues could decline and our growth prospects could suffer.
- New entrants and the introduction of other distribution models in our markets may harm our competitive position.
- Adverse conditions in the global economy and disruption of financial markets may significantly restrict our ability to generate revenues or obtain debt or equity financing.
- Our subsidiary and certain suppliers are in Japan and located in areas subject to natural disasters or other events that could stop us from having our products made or shipped or could result in a substantial delay in our production or development activities.
- Our business depends on a strong brand and failing to maintain and enhance our brand would hurt our ability to expand our base of distributors, customers and end-users.
- Our international operations are subject to increased risks which could harm our business, operating results and financial condition.

Corporate Information

CUI Global, Inc., formerly known as Waytronx, Inc., is a Colorado corporation organized on April 21, 1998. The Company's principal place of business is located at 20050 SW 112 Avenue, Tualatin, Oregon 97062, phone (503) 612-2300.

Effective May 16, 2008, CUI Global, Inc. acquired the assets and liabilities of CUI, Inc., a Tualatin, Oregon based provider of electronic components. Through this acquisition the Company obtained a less than 10% ownership interest in Test Products International, Inc., a provider of handheld test and measurement equipment.

Effective July 1, 2009, CUI Global acquired all of Comex Instruments, Ltd., which we subsequently rebranded CUI Japan, and 49% of Comex Electronics, Ltd. Both companies are Japanese based DSP providers of digital to analog and analog to digital test and measurement systems and electronic components for original equipment manufacturer research and development. Effective July 1, 2011, CUI Global entered into an agreement to convey its 49% ownership interest in Comex Electronics to the owners of the remaining 51% who are the original founders and were the original owners of Comex Instruments, for $617,975 in the form of a five year note receivable bearing interest at 4% per annum, payable monthly beginning January 2012.

As of September 30, 2011, the Company, together with its consolidating subsidiaries, had fifty-eight full-time and eight part-time employees.

The Company relies on various intellectual property laws and contractual restrictions to protect its proprietary rights in products, services and trademarks. These include national and international patent and trademark registrations, confidentiality, invention assignment and nondisclosure agreements with its employees, contractors, suppliers and strategic partners.

Common Stock Reverse Split

On August 23, 2011 the Stockholders approved a proposal to effect a reverse stock split of the issued and outstanding shares of the Company's $0.001 par value common stock at any time prior to June 30, 2012 at a ratio of up to one for fifty (1 for 50), as determined by the board of directors in its sole discretion. The number of authorized common stock will remain unaffected and the par value will remain at $0.001 per share.

At a Board of Directors meeting held __, 2011, the directors set the common stock reverse split ratio of one share for ___ shares (1:__) which became effective at 12:01 a.m. on __, 2011.

Note: Unless noted otherwise herein, all reference to historical share numbers and values pertaining thereto PRIOR to the effective date of the one for __ (1:__) issued and outstanding common stock reverse split are NOT converted to reflect the reverse split. References contained herein SUBSEQUENT to the effective date of the __, 2011 reverse split ARE shown in post reverse split numbers, stock values and exercise prices.

Shares
As of September 30, 2011, the Company's outstanding shares consisted of 219,282,472 shares of common stock, 50,543 shares of Series A Convertible Preferred Stock and no shares of Series B and Series C Convertible Preferred Stock. A description of our common stock is set forth on page 69 of this prospectus.

Nasdaq Capital Market Listing
On August 17, 2011 the Company filed an application for listing our common stock on the Nasdaq Capital Market tier of The Nasdaq Stock Market (hereafter referred to as the "Nasdaq Capital Market") under the trading symbol "CUI". The process of "up-listing" its shares to the Nasdaq Capital Market is expected to provide the Company and its shareholders with, among other things:

- Immediate access to a much larger national financial market;
- Immediate access to institutional and other large scale investors;
- The ability to market and publicize performance, design wins, and other relevant information to a larger audience; and,
- The ability to provide our shareholders with access to a national stock exchange wherein their shares will be available to a much broader market.

Manner of Sale
The shares of our Common Stock may be sold from time to time in open market or negotiated transactions at prices determined from time to time by our underwriter. A description of the manner in which sales may be made is set forth in this prospectus under "Underwriting" beginning on page 73 of this prospectus.

Use of Net Proceeds
We intend to use the net proceeds from this offering for working capital and general corporate purposes. For additional information, please see the section of the prospectus entitled "Use of Proceeds".

The Offering
(All values are post reverse split)

Securities being offered by CUI Global, Inc.	__ shares of common stock, $0.001 par value
Offering price:	__ per share
Company capitalization	Common Stock: 325,000,000 shares authorized; ____ shares issued and outstanding as of the date of this prospectus. Preferred Stock: Series A: 5,000,000 shares authorized; 50,543 issued and outstanding as of the date of this prospectus. Series B: 30,000 shares authorized; no shares issued and outstanding as of the date of this prospectus. Series C: 10,000 shares authorized; no shares issued and outstanding as of the date of this prospectus.
Number of shares outstanding before the offering (1)	___ shares of common stock, $0.001 par value
Number of shares outstanding after the offering, assuming all of the shares are sold (2)	__ value
Use of proceeds	We estimate that the proceeds to us from this offering will be up to $9,159,839 after payment of underwriter commissions and costs, based on an assumed offering price of up to $___ per share and based upon the sale of a sufficient number of shares to attain $10,000,000. See "Use of Proceeds" and the other information in this prospectus for a more complete discussion of the factors you should consider before deciding to invest in shares of our Common Stock.
Lack of escrow account	There are no arrangements or plans to place the proceeds from this offering into an escrow, trust or similar account. All proceeds from this offering will be available immediately to us for general corporate use, regardless of whether we are able to place the entire offering.
Risk factors	See "Risk Factors" and the other information in this prospectus for a discussion of the factors you should consider before deciding to invest in shares of our Common Stock.

(1) Based on the number of shares outstanding as of October __, 2011 subsequent to a reverse stock split that became effective _________.
(2) The increase in the number of shares outstanding after the offering assumes that all shares of common stock registered under this registration statement are sold.

Summary of Financial Information

The following tables set forth our summary financial data. The summary financial data for the years ended December 31, 2010, 2009 and 2008 are derived from our audited consolidated financial statements appearing elsewhere in this prospectus. The financial statement data for the quarter ended has been derived from our financial statements prepared in accordance with accounting principles generally accepted in the United States of America and the rules and regulations of the United States Securities and Exchange Commission for interim financial information which includes condensed financial statements. Accordingly, they do not include all the information and footnotes necessary for a comprehensive presentation of financial position and results of operations and should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," our financial statements and the related notes included in this prospectus.

Consolidated Statement of Operations and Comprehensive Loss

	For the six months ended June 30,		For the year ended December 31,	
	2011 (Unaudited)	2010 (Unaudited)	2010	2009
Revenues:				
Product sales	$ 19,382,311	$ 16,484,496	$ 37,502,779	$ 26,260,899
Revenue from freight	37,102	36,414	72,378	103,733
Total revenue	19,419,413	16,520,910	37,575,157	26,364,632
Cost of revenues	11,858,968	10,074,192	22,727,210	16,153,061
Gross profit (loss)	7,560,445	6,446,718	14,847,947	10,211,571
Operating expenses:				
Selling, general and administrative	6,842,136	5,618,958	11,991,976	10,431,636
Research and development	330,261	196,406	740,396	56,042
Bad debt	15,449	14,945	64,684	114,197
Impairment of intangible, patent pending technology	-	-	-	210,403
Impairment of intangible, customer list	-	-	-	246,237
Impairment of goodwill	-	-	-	10,241,529
Impairment of technology rights	-	-	3,105,956	-
Impairment of patents	-	-	418,185	136,811
Total operating expenses	7,187,846	5,830,309	16,321,197	21,436,855
Profit (loss) from operations	372,599	616,409	(1,473,250)	(11,225,284)
Other income (expense)				
Other income	24,766	69,259	87,178	193,165
Other expense	(9,100)	(80,303)	(158,618)	(331,757)
Derivative income	-	-	-	-
Investment income (loss)	4,571	21,872	78,074	(41,424)
Interest expense - intrinsic value of convertible debt, amortization of debt offering costs and amortization of debt discount	(297,247)	(3,248,699)	(3,859,342)	(3,096,641)
Interest expense	(456,854)	(650,642)	(1,151,617)	(1,520,447)
Total other income (expense), net	(733,864)	(3,888,513)	(5,004,325)	(4,797,104)
Profit (loss) before taxes	(361,265)	(3,272,104)	(6,477,575)	(16,022,388)
Provision for taxes	(15,343)	(4,418)	(111,138)	-
Consolidated Net (loss) from continuing operations	(376,608)	(3,276,522)	(6,588,713)	(16,022,388)
Profit (loss) from discontinued operations				
Profit (loss) from discontinued operations	(131,830)	(37,070)	(900,541)	9,913
Impairment of intangibles from discontinued operations – Comex Electronics	(185,290)	-	-	-
Gain on debt extinguishments from discontinued operations	475,689	-	-	-
Other income (loss) from discontinued operations	(28,323)	(42,803)	28,738	(31,072)

Net profit (loss) from discontinued operations	130,246	(79,873)	(871,803)	(21,159)
Consolidated Net (loss)	(246,362)	(3,356,395)	(7,460,516)	(16,043,547)
Less: Net profit (loss) from continuing operations - noncontrolling interest	-	-	-	-
Less: Net profit (loss) from discontinued operations - noncontrolling interest	67,872	(41,345)	(444,620)	(10,791)
Net profit (loss) from discontinued operations - attributable to CUI Global, Inc.	62,374	(38,528)	(427,183)	(10,368)
Net (loss) allocable to common stockholders	$ (314,234)	$ (3,315,050)	$ (7,015,896)	$ (16,032,756)
Other comprehensive profit (loss)				
Foreign currency translation adjustment	36,174	(18,338)	(22,617)	(28,193)
Comprehensive (loss)	$ (278,060)	$ (3,333,388)	$ (7,038,513)	$ (16,060,949)
Basic and diluted (loss) per common share from continuing operations	$ (0.00)	$ (0.02)	$ (0.03)	$ (0.10)
Basic and diluted profit (loss) per common share from discontinued operations - attributable to CUI Global, Inc.	$ 0.00	$ (0.00)	$ (0.00)	$ (0.00)
Basic and diluted (loss) per common share	$ (0.00)	$ (0.02)	$ (0.04)	$ (0.10)
Basic and diluted weighted average common and common equivalent shares outstanding	215,628,368	177,446,475	188,567,994	168,531,862

Condensed Consolidated Balance Sheet

	As of June 30, ,2011		
	Actual (Unaudited)	Pro Forma (Unaudited) (2)	Pro Form as Admjusted (Unaudited) (1) (2)
Cash and cash equivalents	$ 214,058		
Total current assets	12,045,151		
Total assets	35,679,749		
Total current liabilities	9,447,123		
Total liabilities	23,750,806		
Total stockholders' equity	12,207,415		
Noncontrolling interest	(278,472)		

(1) A $1.00 increase (decrease) in the assumed public offering price of $___ per share, the mid-point of the price range set forth on the cover page of this prospectus, would increase (decrease) each of cash and cash equivalents, total current assets, total assets and total stockholders' equity by approximately $___, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(2) Net of costs and expenses, assuming all $10,000,000 is raised.

The pro forma balance sheet data as of June 30, 2011 above gives effect to our receipt of the estimated net proceeds from the sale of shares of common stock by us in this offering at an assumed public offering price of $___ per share, the mid-point of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

RISK FACTORS

An investment in our common stock involves a significant degree of risk. You should carefully consider the following risk factors and all other information contained in or incorporated by reference into this prospectus before purchasing our common stock. If any of the risks discussed in this prospectus actually occur, our business, financial condition and results of operations could be materially and adversely affected. If this were to happen, the price of our shares could decline significantly and you may lose all or a part of your investment The risk factors described below are not the only ones that may affect us. This prospectus contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "PSLRA") and are made pursuant to the safe harbors of the PSLRA. All statements, other than statements of historical facts, contained in this prospectus, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans and objectives of management, are forward-looking statements. We generally identify forward-looking statements by terminology such as "may," "will," "would," "should," "expects," "plans," "anticipates," "could," "intends," "targ "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar w although not all forward-looking statements contain these identifying words.

Risks Related to Our Business

We may allocate the net proceeds from this offering in ways that you and other stockholders may not approve.
We currently plan to use the net proceeds of this offering to fund working capital, capital expenditures and other general corporate purposes, including the repayment of the principal loan balance as it comes due under the $4.0 million term note with the Business Credit division of Wells Fargo Capital Finance, Wells Fargo Bank, N.A. Because of the number and variability of factors that will determine our use of the proceeds from this offering, their ultimate use may vary substantially from their currently intended use. As such, our management will have broad discretion in the application of the net proceeds from this offering and could spend the proceeds in ways that do not necessarily improve our operating results or enhance the value of our common stock. For a further description of our intended use of the proceeds of the offering, see "Use of Proceeds."

We have a relatively new business model regarding our recent acquisitions. This could limit our ability to evaluate our future prospects and may increase the risk that we will not continue to be successful.
In May 2008 CUI Global acquired the assets of CUI, Inc., an Oregon based provider of electronic components including power supplies, transformers, converters, connectors and industrial controls for Original Equipment Manufacturers. It is the intention of management that the marketing, sales and distribution organization of CUI will be beneficial to the future of our electronic component technologies. Notwithstanding that CUI has in recent years generated positive cash flow, there is no assurance that the synergy between the Company and CUI will result in a financial advantage for future operations.

In July 2009 CUI Global acquired, as a wholly owned subsidiary, Comex Instruments, Ltd. which we subsequently rebranded CUI Japan and 49% of Comex Electronics, Ltd. Both companies are Japanese based providers of electronic components. Effective July 1, 2011, CUI Global entered into an agreement to convey its 49% ownership interest in Comex Electronics to the owners of the remaining 51% who are the original founders and were the original owners of Comex Instruments, for $617,975 in the form of a five year note receivable bearing interest at 4% per annum, payable monthly beginning January 2012. CUI Japan is not affected by this divestment. There is no assurance that the synergy between the Company and CUI Japan will result in a financial advantage for future operations in the United States or Japan.

We will encounter risks and difficulties as a company operating in a new and rapidly evolving market. We may not be able to successfully address these risks and difficulties, which could materially harm our business and operating results.

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Our international operations are subject to increased risks which could harm our business, operating results and financial condition.

Our ability to manage our business and conduct our operations internationally requires considerable management attention and resources and is subject to a number of risks, including the following:

- challenges caused by distance, language and cultural differences and by doing business with foreign agencies and governments;
- longer payment cycles in some countries;
- uncertainty regarding liability for services and content;
- credit risk and higher levels of payment fraud;
- currency exchange rate fluctuations and our ability to manage these fluctuations;
- foreign exchange controls that might prevent us from repatriating cash earned in countries outside the U.S.;
- import and export requirements that may prevent us from shipping products or providing services to a particular market and may increase our operating costs;
- potentially adverse tax consequences;
- higher costs associated with doing business internationally; and
- different employee/employer relationships and the existence of workers' councils and labor unions.

In addition, compliance with complex foreign and U.S. laws and regulations that apply to our international operations increases our cost of doing business in international venues and could expose us or our employees to fines and penalties. These numerous and sometimes conflicting laws and regulations include import and export requirements, content requirements, trade restrictions, tax laws, sanctions, internal and disclosure control rules, data privacy requirements, labor relations laws, U.S. laws such as the Foreign Corrupt Practices Act, and local laws prohibiting corrupt payments to governmental officials. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers or our employees, prohibitions on the conduct of our business and damage to our reputation. Although we have policies and procedures designed to ensure compliance with these laws, there can be no assurance that our employees, contractors or agents will not violate our policies. Any such violations could include prohibitions on our ability to offer our products and services to one or more countries, and could also materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, our business and our operating results.

We are a relatively small specialty component and solutions business and face formidable competition

CUI defines its specialty solutions business into three categories: PSU (power supply units) that include our V-Infinity Power, Novum digital power and Solus advanced power; test and measurement equipment that includes our Vergence GasPT2; and components including our AMT modular encoder. We are a relatively small company with limited capitalization in comparison to many of our international competitors. Because of our size and capitalization, we believe that we have not yet established sufficient market awareness in the specialty electronic component and solutions business that is essential to our continued growth and success in all of our markets. We face formidable competition in every aspect of our specialty component and solutions business from other companies and we expect competition to intensify in the future. The market for our specialty component and solutions business is emerging and is characterized by rapid technological change, evolving industry standards, frequent new product introductions and shortening product life cycles. Our future success in keeping pace with technological developments and achieving product acceptance depends upon our ability to enhance our current products and to continue to develop and introduce new product offerings and enhanced performance features and functionality on a timely basis at competitive prices. We must respond quickly and effectively to new technological developments, and the failure to do so could have a material and adverse effect on our results of operations. There is no assurance we will be able to maintain the fast competitive pace that is necessary for our success.

Our revenues depend on a few major customers

The Company’s major product lines in 2010 and 2009 were external power, internal power, electro-mechanical and DSP based digital to analog and analog to digital test and measurement systems.

During 2010, 53% of revenues were derived from five customers: 43%, 3%, 3%, 2% and 2%. During 2009, 48% of revenues were derived from six customers at 34%, 4%, 3%, 3%, 2% and 2%. At December 31, 2010, of the gross trade accounts receivable from continuing operations totaling $3,947,735, 47% was due from seven customers: 28%, 4%, 4%, 3%, 3%, 3%, and 2%. At December 31, 2009, of the gross trade accounts receivable from continuing operations totaling $3,316,863, 40% was due from four customers: 21%, 8%, 8%, and 3%.

There is no assurance that we will continue to trade with all of our existing customers in the future. Should we, for any reason, discontinue our business relationship with any one of these customers, the impact to our revenue stream would be substantial.

There is no assurance that we will meet the minimum requirements to remove the "going concern" limitation from our financial statements

Our financial statements have been prepared on the assumption that CUI Global will continue as a going concern. As reflected in our financial statements, we had a net loss from continuing operations of $376,608 for the six months ended June 30, 2011, had an accumulated deficit of $73,910,972 and working capital from continuing operations of $2,371,617 as of June 30, 2011. These factors raise substantial doubt about our ability to continue as a going concern which is dependent upon the ability to bring additional technologies and products to market, generate increased sales, obtain positive cash flow from operations and raise additional capital. The financial statements do not include any adjustments that may result from the outcome of this uncertainty. If necessary, we will continue to raise additional capital to provide sufficient cash to meet the funding required to develop and commercialize our technology product lines. As we continue to expand and develop technology and product lines, additional funding may be required. There have been negative cash flows from operations and incurred net losses in the past and there can be no assurance as to the availability or terms upon which additional financing and capital might be available if needed.

One of the conditions for our listing on the Nasdaq Capital Market is our receipt of a comfort letter from our independent auditors allowing us to remove the "going concern" language from our financial documentation. We are not certain that we will be successful in selling sufficient shares of common stock, increasing existing sales, or expanding our product line successfully in order to raise additional capital and satisfy this requirement.

Acquisitions could result in operating difficulties, dilution and other harmful consequences.

We continue our process of integrating recent acquisitions into our own business model and we expect to continue to evaluate and enter into discussions regarding a wide array of potential strategic transactions. These transactions could be material to our financial condition and results of operations. The process of integrating an acquired company, business or technologies may create unforeseen operating difficulties and expenditures. The areas where we face risks include:

- implementation or remediation of controls, procedures and policies of the acquired company;
- diversion of management time and focus from operating our business to acquisition integration challenges;
- coordination of product, engineering and sales and marketing functions;
- transition of operations, users and customers into our existing customs;
- cultural challenges associated with integrating employees from the acquired company into our organization;
- retention of employees from the businesses we acquire;
- integration of the acquired company's accounting, management information, human resource and other administrative systems;
- liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities;
- litigation or other claims in connection with the acquired company, including claims from terminated employees, customers, former stockholders, or other third parties;
- in the case of foreign acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries; and
- failure to successfully further develop the acquired technologies
- Other as yet unknown risks that may impact our business.

Our failure to address these risks or other problems encountered in connection with our past or future acquisitions could cause us to fail to realize the anticipated benefits of such acquisitions incur unanticipated liabilities and harm our business generally.

Future acquisitions could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortization expenses, or write-offs of goodwill, any of which could harm our financial condition. Also, the anticipated benefit of many of our acquisitions may not materialize.

We will need to grow our organization and we may encounter difficulties in managing this growth.
As of September 30, 2011, the Company, together with its consolidated subsidiaries, had fifty-eight full-time and eight part-time employees. We expect to experience significant growth in the number of our employees and the scope of our operations. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Also, our management may need to divert a disproportionate amount of its attention away from our day-to-day activities and devote a substantial amount of time to managing these growth activities. Due to our limited resources, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel, which may result in weaknesses in our infrastructure, give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. The physical expansion of our operations may lead to significant costs and may divert financial resources from other projects, such as the development of new products. If our management is unable to effectively manage our expected growth, our expenses may increase more than expected, our ability to generate or increase our revenue could be reduced and we may not be able to implement our business strategy. Our future financial performance and our ability to commercialize new products including the Vergence GasPT2, Novum digital power and Solus advanced power, and compete effectively will depend, in part, on our ability to effectively manage any future growth.

There is no assurance we will achieve profitability.
For the year ended 2010 we had a net loss of $7,015,896. We will need to generate significant revenues to offset current operational and development losses if we are to cover our current overhead expenses, including further development costs and marketing expenses. There is no assurance that the Company will achieve profitability.

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During 2010 and 2009, we funded our operations with net proceeds of $3,516,885 and $682,053, respectively, received from financing activities. For the six months ended June 30, 2011 and 2010, CUI Global funded our operations with net proceeds of $340,295 and $66,667, respectively. The Company believes that additional equity financing or debt may be necessary to fund its operations until revenue streams are sufficient to fund operations; however, the terms and timing of such additional equity or debt cannot be predicted. The Company cannot assure that its revenues will be sufficient to cover all operating and other expenses of the Company. If revenues are not sufficient to cover all operating and other expenses, the Company will require additional funding, or may have to scale back operations, reduce spending, etc.

Our operating results will vary over time and such fluctuations could cause the market price of our common stock to decline.
Until recent quarters, our operating results fluctuated significantly due to a variety of factors, many of which are outside of our control. Because revenues for any future period are not predictable with any significant degree of certainty, you should not rely on our past results as an indication of our future performance. If our revenues or operating results fall below the expectations of investors or securities analysts or below any estimates we may provide to the market, the price of our common shares would likely decline substantially. Factors that could cause our operating results and stock price to fluctuate include:

- varying demand for our products due to the financial and operating condition of our distributors and their customers, distributor inventory management practices and general economic conditions;
- inability of our contract manufacturers and suppliers to meet our demand;
- success and timing of new product introductions by us and the performance of our products generally;
- announcements by us or our competitors regarding products, promotions or other transactions;
- costs related to responding to government inquiries related to regulatory compliance;
- our ability to control and reduce product costs;
- changes in the manner in which we sell products;
- volatility in foreign exchange rates, changes in interest rates and/or the availability and cost of financing or other working capital to our distributors and their customers; and
- The impact of write downs of excess and obsolete inventory.

Our operating expenses will increase as we make further expenditures to enhance and expand our operations in order to support additional growth in our business and national stock market reporting and compliance obligations. Historically, we limited our investment in operations, but in the future, we expect our operations and marketing investments to increase substantially to support our anticipated growth and as a result of our anticipated listing on the Nasdaq Capital Market. We are making significant investments in using more professional services and expanding our operations outside the United States. We intend to make additional investments in personnel and continue to expand our operations to support anticipated growth in our business. In addition, we may determine the need in the future to build a direct sales force to market and sell our products or provide additional resources or cooperative funds to our distributors. Such changes to our existing sales model would likely result in higher selling, general and administrative expenses as a percentage of our revenues. We expect our increased investments to adversely affect operating income in the short term while providing long term benefit.

We rely on third party distributors to generate a substantial part of our revenue and, if we fail to expand and manage our distribution channels, our revenues could decline and our growth prospects could suffer.
We derive a substantial portion of our revenues from sales of our electronic component products through distributors and we expect that sales through these distributors will represent a substantial portion of our revenues for the foreseeable future. Our ability to expand our distribution channels depends in part on our ability to educate our distributors about our products, which are complex. Our agreements with our distributors are generally non-exclusive and many of our distributors have established relationships with our competitors. If our distributors choose to place greater emphasis on products and services of their own or those offered by our competitors, our ability to grow our business and sell our products may be adversely affected. If our distributors do not effectively market and sell our products, or if they fail to meet the needs of our customers, then our ability to grow our business and sell our products may be adversely affected. The loss of one or more of our larger distributors, who may cease marketing our products with limited, or no notice, and our possible inability to replace them could adversely affect our sales. Our failure to recruit additional distributors or any reduction or delay in their sales of our products or conflicts between distributor sales and our direct sales and marketing activities could materially and adversely affect our results of operations.

Our business depends on a strong brand and failing to maintain and enhance our brand would hurt our ability to expand our base of distributors, customers and end-users.
We believe that we have not yet established sufficient market awareness in the electronic component market. Market awareness of our capabilities and products is essential to our continued growth and our success in all of our markets. We expect the brand identity that we have developed through CUI, Vergence, Novum, AMT, Solus, V-Infinity and CUI Japan to significantly contribute to the success of our business. Maintaining and enhancing these brands is critical to expanding our base of distributors, customers and end-users. If we fail to maintain and enhance our brands, or if we incur excessive expenses in this effort, our business, operating results and financial condition will be materially and adversely affected. Maintaining and enhancing our brands will depend largely on our ability to be a technology leader and continue to provide high-quality products, which we may not do successfully.

New entrants and the introduction of other distribution models in our markets may harm our competitive position.
The markets for development, distribution and sale of our products are rapidly evolving. New entrants seeking to gain market share by introducing new technology and new products may make it more difficult for us to sell our products, and could create increased pricing pressure, reduced profit margins, increased sales and marketing expenses or the loss of market share or expected market share, any of which may significantly harm our business, operating results and financial condition.

Adverse conditions in the global economy and disruption of financial markets may significantly restrict our ability to generate revenues or obtain debt or equity financing.
The global economy continues to experience volatility and uncertainty. Such conditions could reduce demand for our products and services which would significantly jeopardize our ability to achieve our sales targets. These conditions could also affect our potential strategic partners, which, in turn, could make it more difficult to execute a strategic collaboration. Moreover, volatility and disruption of financial markets could limit our customers' ability to obtain adequate financing or credit to purchase and pay for our products and services in a timely manner, or to maintain operations, and result in a decrease in sales volume. General concerns about the fundamental soundness of domestic and international economies may also cause customers to reduce purchases. Changes in governmental banking, monetary and fiscal policies to restore liquidity and increase credit availability may not be effective. Economic conditions and market turbulence may also impact our suppliers' ability to supply sufficient quantities of product components in a timely manner, which could impair our ability to fulfill sales orders. It is difficult to determine the extent of the economic and financial market problems and the many ways in which they may affect our suppliers, customers, investors, and business in general. Continuation or further deterioration of these financial and macroeconomic conditions could significantly harm sales, profitability and results of operations.

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Our subsidiary and certain suppliers are in Japan and located in areas subject to natural disasters or other events that could stop us from having our products made or shipped or could result in a substantial delay in our production or development activities.
We have research, development and manufacturing resources in Japan. The risk of earthquakes, typhoons and other natural disasters in this geographic area is significant due to the proximity of major earthquake fault lines. Despite precautions taken by us and our third-party providers, over which we have no control, a natural disaster or other unanticipated problems at our location in Japan or a third-party provider could cause interruptions in the products that we provide. Earthquakes, fire, flooding or other natural disasters could result in the disruption of our development, manufacturing, assembly, testing or shipping capacity. Any disruption resulting from these events could cause significant delays in product development or shipments of our products until we are able to shift our development, manufacturing, assembly or testing from the affected contractor to another third party vendor or our research and development activities to another location. We cannot assure you that alternative capacity could be obtained on favorable terms, if at all.

Risks Related to our Products

We face intense competition, especially from larger, better-known companies and we may lack sufficient financial or other resources to maintain or improve our competitive position.
We face formidable competition in every aspect of our electromechanical component business from other companies and we expect competition to intensify in the future. Many of our existing and potential competitors may have substantial competitive advantages such as:

- greater name recognition and longer operating histories;
- larger sales and marketing budgets and resources;
- broader distribution networks and more established relationships with distributors and customers;
- access to larger customer bases;
- greater customer support resources;
- greater resources to make acquisitions;
- greater resources to develop and introduce products that compete with our products;
- lower labor and development costs; and
- substantially greater financial, technical and other resources.

In addition, some of our larger competitors have substantially broader product offerings and leverage their relationships based on other products or incorporate functionality into existing products in a manner that discourages customers from purchasing our products. Customers may elect to accept a bundled product offering from our competitors, even if it has more limited functionality than our product offering, instead of adding the additional appliances required to implement our offering. These larger competitors often are also in a better position to withstand any significant reduction in capital spending; therefore, will not be as susceptible to economic downturns. Conditions in our markets could change rapidly and significantly as a result of technological advancements or continuing market consolidation.

Our current and potential competitors may also establish cooperative relationships among themselves or with third parties that may further enhance their resources. Current or potential competitors may be acquired by third parties with greater available resources.

We may not be able to enhance our products to keep pace with technological and market developments, or develop new products in a timely manner or at competitive prices.

The market for our electronic components is emerging and is characterized by rapid technological change, evolving industry standards, frequent new product introductions and shortening product life cycles. Our future success in keeping pace with technological developments and achieving product acceptance depends upon our ability to enhance our current products and to continue to develop and introduce new product offerings and enhanced performance features and functionality on a timely basis at competitive prices. Our inability, for technological or other reasons, to enhance, develop, introduce or deliver compelling products in a timely manner, or at all, in response to changing market conditions, technologies or customer expectations could have a material adverse effect on our operating results. Our ability to compete successfully will depend in large measure on our ability to maintain a technically skilled development and engineering staff and to adapt to technological changes and advances in the industry, including providing for the continued compatibility of our products with evolving industry standards and protocols and competitive environments.

Development and delivery schedules for our electronic component products are difficult to predict. We may fail to introduce new versions of our products in a timely fashion. If new releases of our products are delayed, our distributors may curtail their efforts to market and promote our products and customers may switch to competing products, any of which would result in a delay or loss of revenues and could harm our business. In addition, we cannot assure you that the technologies and related products that we develop will be brought to market by us as quickly as anticipated or that they will achieve broad acceptance among end users.

Defects in our products could harm our reputation and business.

Our electronic component products are complex and have contained and may contain undetected defects or errors, especially when first introduced or when new versions are released. Defects in our products may lead to product returns and require us to implement design changes or updates.

Any defects or errors in our electronic component products, or the perception of such defects or errors, could result in:

- expenditure of significant financial and product development resources in efforts to analyze, correct, eliminate or work around errors or defects;
- loss of existing or potential customers or distributors;
- delayed or lost revenue;
- delay or failure to attain market acceptance;