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PAID INC
Form 8-K
February 05, 2008

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

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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): April 3, 2007

PAID, INC.
(Exact name of Registrant as Specified in Charter)

Delaware (State or other Jurisdiction of Incorporation)	0-28720 (Commission File Number)	73-1479833 (IRS Employer Identification No.)
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4 Brussels Street, Worcester, Massachusetts 01610
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (508) 791-6710

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

Item 4.02. Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Report

Response - On March 28, 2007, as part of its audit review of the Company's proposed Annual Report on Form 10-KSB for the year ended December 31, 2006, our independent registered accountants identified a possible issue related to the accounting treatment of certain call options received by the Company in 2005. On April 3, 2007, Management determined, based on the advice of its independent registered accountants on that date, that a restatement of previously filed quarterly reports for the quarters ended, June 30, 2005 and September 30, 2005, and the year ended December 31, 2005, and for the quarters ended March 31, 2006, June 30, 2006, and September 30, 2006 was required to correct the treatment of the accounting for the call options.

The change in accounting treatment is described in full detail in Note 14 to the Audited Consolidated Financial Statements, Part II, Item 7, of the Company's Annual Report on Form 10-KSB, filed on April 4, 2007 ("Note 14"). As a brief summary, the Company determined that the cash received from the sale price of

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the call options should have been recorded as an increase to additional paid-in capital. As a result, the Company restated its statements of operations to remove the effects of this change from operations and to treat the original transaction and any subsequent transactions related to it as capital transactions. Note 14 provides more detailed information regarding this change.

SIGNATURE

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.

PAID, INC.

Date: February 4, 2008

By: /s/ Greg Rotman

Greg Rotman, President