

PERFECTDATA CORP
Form 8-K/A
July 05, 2005
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

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 19, 2005

PERFECTDATA CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-12817
(Commission File Number)

825 Third Avenue, 32nd Floor, New York, New York
(Address of Principal Executive Offices)

95-3087593
(I.R.S. Employer
Identification No.)
10022
(Zip Code)

(866) 274-4040

(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-d(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Forward-Looking Statements

This Form 8-K and other reports filed by Registrant from time to time with the Securities and Exchange Commission (collectively the "Filings") contain or may contain forward-looking statements and information that are based upon beliefs of, and information currently available to, Registrant's management as well as estimates and assumptions made by Registrant's management. When used in the Filings the words "anticipate", "believe", "estimate", "expect", "future", "intend", "plan" or the negative of these terms and similar expressions as they relate to Registrant or Registrant's management identify forward-looking statements. Such statements reflect the current view of Registrant with respect to future events and are subject to risks, uncertainties, assumptions and other factors relating to Registrant's industry, Registrant's operations and results of operations and any businesses that may be acquired by Registrant. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned. Although Registrant believes that the expectations reflected in the forward-looking statements are reasonable, Registrant cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, Registrant does not intend to update any of the forward-looking statements to conform these statements to actual results.

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INFORMATION TO BE INCLUDED IN REPORT

Section 1 – Registrant's Business and Operations

Item 2.01. Completion of Acquisition or Disposition of Assets.

Reference is made to the Current Report on Form 8-K, dated April 19, 2005, filed by PerfectData Corporation ("PerfectData" or the "Registrant") on April 21, 2005 regarding the consummation of a merger transaction to which PerfectData was a party (the "Merger"). As described in therein, as well as in a Current Report on Form 8-K, dated March 7, 2005, filed by PerfectData on March 11, 2005, reporting that PerfectData had entered into a definitive agreement, on April 19, 2005, Sona Mobile, Inc., a State of Washington corporation ("Old Sona"), merged with and into PerfectData Acquisition Corporation (the "Merger Sub"), a newly-formed, wholly-owned subsidiary of the PerfectData formed under the laws of the State of Delaware. In connection with the Merger, (a) Merger Sub changed its name to Sona Mobile, Inc.; (b) the former shareholders of Old Sona received 539,733 shares of the Registrant's Series A Convertible Preferred Stock, par value \$.01 per share (the "Series A Preferred Stock"), which are convertible into 25,397,414 shares of the Registrant's common stock, par value \$.01 per share (the "Common Stock"); (c) Old Sona's advisor (the "Advisor") in connection with the Merger received 28,407 shares of Series A Preferred Stock, convertible into 1,336,706 shares of Common Stock; (d) four of the five members of the Registrant's existing board of directors (the "Board") resigned as well as its President and Chief Executive Officer; (e) three designees of Old Sona were appointed to the Board and Old Sona's senior executives were appointed as the senior officers of the Registrant; and (f) the Registrant changed its fiscal year from March 31 to December 31.

If the Registrant achieves certain performance goals in the current fiscal year or over the two-year period including the current fiscal year and the subsequent fiscal year, the former shareholders of Old Sona will be entitled to receive additional shares of the Registrant increasing their aggregate ownership in the Registrant from 80% to 85% (taking into account the shares owned by the Advisor).

Copies of the Agreement and Plan of Merger, dated as of March 7, 2005, among the Registrant, the Merger Sub and Old Sona and the Certificate of Designations, Rights and Preferences with respect to the Series A Preferred Stock have been previously filed with the Commission.

Section 5 – Corporate Governance and Management

Security Ownership of Beneficial Owners and Management.

The following table sets forth, as of the date hereof, information with respect to the beneficial ownership of the outstanding shares of the Registrant's Common Stock immediately following the Merger (assuming conversion of the Series A Preferred Stock) by (i) each person known by the Company to beneficially own 5% or more of the outstanding shares; (ii) the Company's officers and directors; and (iii) the Company's officers and directors as a group. This information modifies and supersedes the information on the beneficial ownership of management as set forth in the Current Report on Form 8-K filed on April 21, 2005.

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Name and Address of Beneficial Owner	Without Additional Shares		With Additional Shares (2)	
	Number of Shares of Common Stock Beneficially Owned	Percentage of Common Stock Beneficially Owned(1)	Number of Shares of Common Stock Beneficially Owned	Percentage of Shares of Common Stock Beneficially Owned
Shawn Kreloff(3) c/o Sona Mobile, Inc. 825 Third Avenue, 32 nd Floor New York, NY 10022	2,879,911	8.49%	4,143,030	9.14%
John Bush(4) c/o Sona Mobile, Inc. 825 Third Avenue, 32 nd Floor New York, NY 10022	6,233,554(5)	18.38%	8,967,568(6)	19.79%
Nicholas H. Glinsman(7) c/o Sona Mobile, Inc. 825 Third Avenue, 32 nd Floor New York, NY 10022	2,405,579	7.09%	3,460,658	7.64%
Lance Yu c/o Sona Mobile, Inc. 44 Victoria Street, Suite 801 Toronto M5C1Y2 CANADA	1,178,734	3.48%	1,695,722	3.74%
Irene J. Marino(8) c/o PerfectData Corporation 1445 East Los Angeles Avenue Simi Valley, CA 93065	15,816(8)	Less than 1%	15,816(8)	Less than 1%
Bryan Maizlish(9) 9705 Conestoga Way Potomac, MD 20854	64,256(10)	Less than 1%	64,256(10)	Less than 1%

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All directors and officers as a group (6 in number)	12,777,850	37.32%	18,347,050	40.21
Lohrey LLC c/o Harlowe & Hitt LLP One Tacoma Avenue North Tacoma, WA 98403	3,961,190	11.68%	5,698,554	12.58%

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- (1)Effect is given, pursuant to Rule 13-d(1)(i) under the Exchange Act, to shares issuable upon the exercise of options or warrants currently exercisable or exercisable within 60 days of the date of this Report.
- (2)Reflects beneficial ownership if the former shareholders of Old Sona increase their equity position in the Registrant to 85% (including the shares issuable to the Advisor) in accordance with the Merger Agreement.
- (3)Mr. Kreloff became the Chairman of the Board and a director of the Registrant effective with the Merger.
- (4)Mr. Bush became the President, the Chief Executive Officer and a director of the Registrant effective with the Merger.
- (5)Includes 80,168 shares owned by Mr. Bush's wife.
- (6)Includes 115,358 shares owned by Mr. Bush's wife.

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- (7)Mr. Glinsman became the Secretary and a director of the Registrant effective with the Merger.
- (8)Ms. Marino retired on May 31, 2005.
- (9)Includes 12,500 shares issuable upon exercise of options under the PerfectData Option Plan. These options expire on April 19, 2008.
- (10)Mr. Maizlish continues to serve as a director of the Company.
- (11)Includes 60,000 shares issuable upon the exercise of an option under the PerfectData Option Plan. All these options expire on April 19, 2008.
- Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired. The financial statements of Old Sona for the years ended December 31, 2003 and 2004 are included in this Form 8-K/A beginning on page F-2.

(b) Pro Forma Financial Information. Pro forma financial information reflecting the Merger is included in this Form 8-K/A beginning on page F-19.

(c) Exhibits.

Number	Description of Exhibit
3(i)(1)	Certificate of Incorporation of the Company. ⁽¹⁾
3(i)(2)	Certificate of Designations, Preferences and Rights of Series A Preferred Stock. ⁽²⁾ Agreement and Plan of Merger dated as of March 7, 2005 by and among the Registrant,
10.1	Merger Sub and Old Sona. ⁽²⁾
23	Consent of Independent Registered Accounting Firm ⁽³⁾

99.1 Press Release dated April 20, 2005.⁽⁴⁾

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- (1)Filed by incorporation by reference to the Company's definitive Consent Solicitation Statement dated October 26, 2004 as filed on November 1, 2004.
(2)Filed by incorporation by reference to the Company's report on Form 8-K filed March 11, 2005.
(3)Incorporated by reference to the Registrant's registration statement on Form S-8, File No. 333-51774.
(4)Filed by incorporation by reference to the Company's report on Form 8-K filed April 21, 2005.

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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.

Date: July 5, 2005

PERFECTDATA CORPORATION

(Registrant)

By: /s/ John Bush

John Bush

President and Chief Executive Officer

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Sona Mobile, Inc. and Subsidiary Consolidated Financial Statements

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Sona Mobile, Inc. and Subsidiary
Consolidated Balance Sheets

	As at March 31, 2005 (unaudited)	As at December 31, 2004 (audited)
Assets		
Current		
Cash	\$ 163,011	\$ 113,629
Accounts receivable	335,236	131,630
Scientific development tax credits receivable	90,433	90,433
Prepaid expenses	10,655	17,852
Total current assets	599,335	353,544
Software rights, net	217,279	415,936
Equipment, net	17,126	11,294
	\$ 833,740	\$ 780,774
Liabilities and Shareholders' Deficiency		
Current		
Accounts payable	\$ 400,135	\$ 207,163
Accrued liabilities	49,100	52,190
Deferred revenue	105,809	1,432
Note payable and other short term loans	—	55,325
Redeemable preference shares	280,000	280,000
Due to shareholder	221,249	209,651
Total current liabilities	\$ 1,056,293	\$ 805,761
Convertible note payable	—	85,630
Total liabilities	\$ 1,056,293	\$ 891,391
Shareholders' deficiency		
Share capital		
Authorized – 7,000,000 preference shares, no par value; 3,000,000 Series A preference shares; 10,000,000 common shares, no par value		

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Issued and outstanding		
2,004,407 and 1,558,177 common shares	1,071,584	450,459
Other paid-in capital	205,555	205,555
Accumulated other comprehensive income (loss)	(3,668)	(25,651)
Accumulated deficit	(1,496,024)	(740,980)
Total shareholders' deficiency		