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MINDARROW SYSTEMS INC
Form 8-K
June 18, 2001

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): June 18, 2001

MINDARROW SYSTEMS, INC.
(Exact name of registrant as specified in its charter)

| | | |
|--|-------------------------------------|---|
| Delaware (State or other jurisdiction of incorporation) | 0-28403 (Commission File Number) | 77-0511097 (I.R.S. Employer Identification No.) |
|--|-------------------------------------|---|

| | |
|--|---------------------|
| 101 Enterprise, Suite 340, Aliso Viejo, California (Address of principal executive offices) | 92656 (Zip Code) |
|--|---------------------|

Registrant's telephone number, including area code: (949) 916-8705

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

Item 5. OTHER EVENTS

On June 18, 2001, MindArrow Systems, Inc. (the "Company") announced that it had completed its acquisition of Control Commerce, Inc. ("Control Commerce"), a privately-held Delaware corporation. Under the terms of the merger agreement, a wholly-owned subsidiary of the Company was merged with and into Control Commerce, with Control Commerce surviving the merger and becoming a wholly-owned subsidiary of the Company.

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In the merger, the shareholders of Control Commerce received in exchange for all of their issued and outstanding capital stock of Control Commerce an aggregate of (i) 60,000 shares of the Company's Series C preferred stock, (ii) 800,000 shares of the Company's common stock and (iii) warrants to purchase 12,000 shares of the Company's common stock at a price of \$12.50 per share (collectively, the "Merger Consideration"). In addition, in the event the Company closes a round of financing on or before December 15, 2001 involving the issuance of shares of a series of the Company's preferred stock with a liquidation preference senior to that of the Company's Series C preferred stock (or a liquidation preference equal to the Series C preferred stock if fifty percent or more of the new series is sold to existing holders of the Company's Series B or Series C preferred stock), the merger agreement permits the Control Commerce shareholders to exchange the Merger Consideration for consideration consisting of a combination of shares of the new series of stock and the Company's common stock.

| Exhibit No. | Description |
|-------------|-------------|
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| 99.1 | Text of press release of MindArrow Systems, Inc. issued June 18, 2001. |
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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.

MINDARROW SYSTEMS, INC.

By: /s/ MICHAEL R. FRIEDL

Michael R. Friedl

Date: June 18, 2001

Chief Financial Officer and Treasurer

EXHIBIT INDEX

| Exhibit No. | Description |
|-------------|-------------|
| ----- | ----- |

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