

TUCOWS INC /PA/
Form 8-K
November 06, 2008

UNITED STATES
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): **November 4, 2008**

TUCOWS INC.

(Exact Name of Registrant Specified in Charter)

Pennsylvania
(State or Other

0-28284
(Commission File

23-2707366
(IRS Employer

Jurisdiction of

Number)

Identification No.)

Incorporation)

96 Mowat Avenue, Toronto, Ontario, Canada
(Address of Principal Executive Offices)

M6K 3M1
(Zip Code)

Registrant's telephone number, including area code: **(416) 535-0123**

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

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):

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

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

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

 - o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry Into a Material Definitive Agreement.

On November 4, 2008, Tu cows (Delaware) Inc. (Tu cows DE), a wholly owned subsidiary of Tu cows Inc., entered into a Stock Redemption Agreement (the Redemption Agreement) with Afili as Limited, an Irish company limited by shares (Afili as), whereby Tu cows DE agreed to sell to Afili as, and Afili as agreed to redeem and purchase from Tu cows DE, a total of 353,722 Class A ordinary shares (the Shares) of Afili as for an aggregate amount of \$7,502,444, or \$21.21 per share (the Gross Purchase Price), subject to certain conditions set forth below. The Gross Purchase Price will be reduced by an amount equal to \$37,512, which represents one-half of the total stamp duty required to be paid in connection with a share transfer under Irish law.

The closing of the transactions contemplated by the Redemption Agreement are expected to occur as follows:

1. The first closing will be completed within thirty days following the date of the Redemption Agreement (the First Closing). Afili as has agreed to purchase a total of 153,722 shares of Class A ordinary shares of Afili as owned by Tu cows DE at the First Closing for an aggregate purchase price of \$3,244,141.40.
2. On or before June 30, 2009 (the Second Closing Date), Afili as shall redeem and purchase an additional 100,000 shares of Class A ordinary shares of Afili as owned by Tu cows DE, for an aggregate purchase price of \$2,110,395 (the Second Closing). The Second Closing is contingent upon Afili as having distributable reserves sufficient to complete the acquisition of the additional 100,000 shares of Class A ordinary shares as of the Second Closing Date.
3. On or before December 31, 2009 (Third Closing Date), Afili as shall redeem and purchase an additional 100,000 shares of Class A ordinary shares of Afili as owned by Tu cows DE for an aggregate purchase price of \$2,110,395 (the Third Closing). The Third Closing is contingent upon Afili as having distributable reserves sufficient to complete the acquisition of the additional 100,000 shares of Class A ordinary shares as of the Third Closing Date.

Tu cows DE and Afili as have each made customary representations, warranties and covenants in the Redemption Agreement.

A copy of the Redemption Agreement is attached hereto as Exhibit 10.1 and is incorporated herein by reference. The foregoing description of the Redemption Agreement is qualified in its entirety by reference to the full text of the Redemption Agreement.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

10.1 Stock Redemption Agreement, dated November 4, 2008, between Tu cows (Delaware) Inc. and Afili as Limited

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.

TUCOWS INC.

By:

/s/ Elliot Noss
Elliot Noss
President and Chief Executive Officer

Dated: November 6, 2008

EXHIBIT INDEX

Exhibit Number	Description
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