

Edgar Filing: PATRON SYSTEMS INC - Form 8-K

PATRON SYSTEMS INC
Form 8-K
November 30, 2007

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 14, 2007

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

| | | |
|---|--------------------------|---|
| DELAWARE | 000-25675 | 74-3055158 |
| (State or other jurisdiction of incorporation) | (Commission File Number) | (I.R.S. Employer Identification No.) |

5775 FLATIRON PARKWAY, SUITE 230
BOULDER, COLORADO 80301
(Address of Principal Executive Offices/Zip Code)

(303) 541-1005
(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:

- 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-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

See Item 2.03

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ITEM 1.03 BANKRUPTCY OR RECEIVERSHIP.

On November 14, 2007, the Registrant filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Colorado. This Court has jurisdiction over this proceeding as of the date of the filing of the petition. The Registrant will continue to operate its business as a "debtor-in-possession" under the jurisdiction of the Court and in accordance with the applicable provisions of the Bankruptcy Code and the orders of the Court.

Under the terms of this voluntary petition under Chapter 11, Patron and the its secured creditors, Apex Investment Fund V, L.P. and Laidlaw FSP, Inc. have agreed to seek Bankruptcy Court approval for the sale of Patron's assets, including the FormStream(TM) mobile field reporting software business to Laidlaw FSP, Inc. The investors in this new company will be investing substantial new capital to fund the operations and future development of FormStream software. Investors included in this new company will be Apex Investment V, L.P. who is today Patron's largest shareholder and the holder of Patron's secured debt. Operating under the provisions of Chapter 11 allows the operational activities of FormStream to continue while the sale of FormStream(TM) and the financial disposition of Patron is completed. Although Patron and Laidlaw FSP, Inc. have entered into an Asset Purchase Agreement, other parties will be entitled to bid on Patron's assets in accordance with procedures approved by the Bankruptcy Court. Any party seeking additional information may contact Patron's Chapter 11 Bankruptcy counsel, Jeffrey S. Brinen, Esq., at Kutner Miller Brinen, P.C., 303 E. 17th Avenue, Suite 500, Denver, Colorado 80203.

ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT

On November 14, 2007, the Registrant entered into a Bankruptcy Court approved debtor-in-possession ("DIP") financing arrangement with Laidlaw FSP, Inc. ("FSP") whereby FSP will loan to the Registrant up to \$500,000. Interest on the DIP financing is simple interest accruing on the unpaid principal amount at 10% per annum.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) EXHIBITS

| EXHIBIT NUMBER | DESCRIPTION |
|-------------------|-------------|
| ----- | ----- |

| | |
|------|---|
| 99.1 | PRESS RELEASE DATED NOVEMBER 16, 2007, REGARDING THE COMPANY'S FILINGS UNDER THE BANKRUPTCY CODE. |
|------|---|

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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.

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PATRON SYSTEMS, INC.

Date: November 30, 2007

By: /S/ ROBERT CROSS

Robert Cross
Chairman of the Board of Directors and
Acting Chief Executive Officer

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EXHIBIT INDEX

| EXHIBIT NUMBER ----- | DESCRIPTION ----- |
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