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GLOBAL MATRECHS, INC.

Form 8-K

October 19, 2004

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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): October 19, 2004

GLOBAL MATRECHS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

0-29204

58-2153309

(State or Other Jurisdiction
of Incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

90 Grove Street, Suite 201 Ridgefield, Connecticut

06877

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (203) 431-6665

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))

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ITEM 3.02 UNREGISTERED SALES OF EQUITY SECURITIES.

Global Matrechs, Inc., a Delaware corporation (the "Company"), and Southridge Partners LP entered into a securities purchase agreement dated October 19, 2004 relating to the private placement of a 2% secured convertible promissory note in the aggregate principal amount of \$250,000 with a maturity of two (2) years (the "Note") and a warrant to purchase 10,000,000 shares of its common stock at an exercise price of \$0.025 per share, which expires in five years (the "Warrant"). The Company granted the initial purchaser a 120-day option to purchase an additional note in an aggregate principal amount of up to \$1,000,000 on the same terms and conditions as the Note.

The Note is convertible, at the option of the holder, into shares of common stock of the Company at a conversion price of \$0.02 per share. The holder of the Note may require the Company to repurchase some or all of its Note if the market price of the common stock of the Company falls below \$0.03 per share for ten (10) consecutive trading days, at a repurchase price equal to 140% of the principal amount of the Note.

The Company expects to receive approximately \$225,000 in proceeds after deducting offering expenses. The Company intends to use the proceeds for general corporate purposes. The private placement was exempt from registration under Section 4(2) of the Securities Act of 1993, as amended.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

Number	Title
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4.1	2% Secured Convertible Promissory Note dated October 19, 2004 issued to Southridge Partners LP
99.1	Securities Purchase Agreement dated October 19, 2004 between Global Matrechs, Inc. and Southridge Partners LP
99.2	Common Stock Purchase Warrant dated October 19, 2004 issued to Southridge Partners LP
99.3	Press Release dated October 19, 2004 entitled, "Global Matrechs, Inc. Secures Financing"

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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.

Global Matrechs, INC.

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Date: October 18, 2004

By: /s/ Michael Sheppard

Michael Sheppard
President, Chief Executive Officer,
Chief Operating Officer and Acting
Chief Financial Officer

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EXHIBIT INDEX

Number	Title
4.1	2% Secured Convertible Promissory Note dated October 19, 2004 issued to Southridge Partners LP
99.1	Securities Purchase Agreement dated October 19, 2004 between Global Matrechs, Inc. and Southridge Partners LP
99.2	Common Stock Purchase Warrant dated October 19, 2004 issued to Southridge Partners LP
99.3	Press Release dated October 19, 2004 entitled, "Global Matrechs, Inc. Secures Financing"

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