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RATEXCHANGE CORP Form 8-K March 16, 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): March 12, 2001

RATEXCHANGE CORPORATION (Exact Name of Registrant as Specified in Charter)

001-15831 DELAWARE 001-12831 11-2936371 _____ _____

State or Other Jurisdiction (Commission (IRS Employer of Incorporation) File Number) Identification No.)

185 BERRY STREET, SUITE 3515, SAN FRANCISCO, CALIFORNIA 94107 ______ (Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (415) 371-9800

Not applicable _____

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

Item 5. Other Events

On March 12, 2001 RateXchange Corporation completed the acquisition of Xpit.com, Inc., a privately held Idaho corporation. The acquisition enables RateXchange to offer trading and risk management systems to the futures industry. Xpit will operate as a wholly-owned subsidiary of RateXchange. Under the terms of the transaction, RateXchange has acquired 100% of Xpit in exchange for \$500,000 in cash; a \$500,000 two-year note bearing interest at 7%; 2,000,000 Convertible Preferred Shares with a cumulative dividend of 6% based on a share price of \$2.75 per share; and \$4.9 million in royalty payments tied to the achievement of Xpit's projected revenues from 2001 through 2003. The Convertible Preferred Shares will convert on a one-for-one basis into common shares of RateXchange at the discretion of the holders.

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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.

RATEXCHANGE CORPORATION

Date: March 15, 2001 By: /s/ MICHAEL CAIRNS

Michael Cairns

Senior VP of Finance and Chief Accounting Officer