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SONIC FOUNDRY INC
Form 8-K
October 30, 2001

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) October 30, 2001

SONIC FOUNDRY, INC.

(Exact name of registrant as specified in its charter)

----- MARYLAND -----	----- 1-14007 -----	----- 39-1783372 -----
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

1617 Sherman Avenue, Madison, WI 53704

(Address of principal executive offices)

(608) 256-3133

(Issuer's telephone number)

Item 2. Acquisition or Disposition of Assets

As of the date of this filing, the registrant Sonic Foundry, Inc. ("Sonic") has not determined if the acquisition described herein (the "Acquisition") involves a "significant" amount of assets and thus whether such Acquisition should be disclosed under Item 2 or Item 5 of Form 8-K. Such determination shall be made before Sonic would be required to file a Form 8-K/A as discussed in Item 7 herein, and the final treatment of the Acquisition will be reflected on such Form 8-K/A.

On October 15, 2001, Sonic Foundry Systems Group, Inc. (formally known as MediaSite Acquisition, Inc.) ("SFSG"), a Maryland corporation and a wholly owned subsidiary of Sonic purchased substantially all of the assets and assumed certain liabilities of MediaSite, Inc.

("MediaSite") pursuant to an Asset Purchase Agreement and Plan of Asset Transfer and Reorganization (the "Purchase Agreement") dated September 6, 2001 by and among Sonic, SFSG and MediaSite.

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Pursuant to the Purchase Agreement, the following consideration was paid: (a) 3,780,000 shares of Sonic's common stock; and (b) assumption of certain scheduled liabilities of MediaSite. Of the shares issued, 3,420,000 shares were issued at closing, and an additional 360,000 shares were issued shortly after closing, in exchange for MediaSite securing total reductions of approximately \$430,000 on approximately \$800,000 in accounts payables. The total approximate amount of trade accounts payable that SFSG is assuming under the Purchase Agreement is approximately \$1,550,000, as well as approximately \$696,000 of amounts owed certain of the former shareholders of MediaSite. Sonic intends to continue to operate MediaSite's business within SFSG, as a separate subsidiary from Sonic and does not intend to integrate its assets into the assets of Sonic.

Sonic has agreed to register for resale under the Securities Act of 1933, as amended, the shares of its common stock issued in the Acquisition. The registration will apply to the resale of the shares by the shareholders of MediaSite, though certain key shareholders agreed to additional resale restrictions pursuant to a Stock Restriction and Registration Agreement. Sonic plans to file the registration statement within 60 days after the Closing Date.

The Acquisition has been accounted for as a purchase. Results of operations for MediaSite will be included in Sonic's consolidated operating results beginning October 1, 2001.

SFSG offers automated rich media publishing, management, and access solutions. The MediaSite technology acquired by SFSG comes from a Carnegie Mellon University research effort funded by leading government agencies and private corporations. SFSG provides proven technology for the indexing, searching and retrieving of digital media.

The description of the Purchase Agreement herein, which is incorporated herein by reference as an Exhibit to this Form 8-K, does not purport to be complete and is qualified in its entirety by the provisions of the Purchase Agreement.

Item 7. Financial Statements

(a). Financial Statements Of Business Acquired.

If Sonic determines the Acquisition constitutes the purchase of a significant amount of assets, the financial information required to be filed pursuant to Item 7(a) of Form 8-K will be filed on a Form 8-K/A as soon as practicable, but in no event later than 60 days after the date this Current Report on Form 8-K is required to be filed.

(b). Pro Forma Financial Information.

If Sonic determines the Acquisition constitutes the purchase of a significant amount of assets, the pro forma financial information required to be filed pursuant to Item 7(b) of Form 8-K will be filed on a Form 8-K/A as soon as practicable, but in no event later than 60 days after the date this Current Report on Form 8-K is required to be filed.

EXHIBIT LIST

NUMBER	DESCRIPTION
2.1	Asset Purchase Agreement and Plan of Asset Transfer and Reorganization dated September 6, 2001 by and among Sonic Foundry, Inc., Sonic Foundry Systems Group, Inc. (formally known as MediaSite

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Acquisition, Inc.), and MediaSite, Inc.

- 99.1 Press Release dated October 17, 2001 regarding closing of MediaSite, Inc. acquisition.
- 99.2 Press Release dated September 7, 2001 regarding signing of letter of intent to acquire MediaSite, Inc.

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 thereunto duly authorized.

Sonic Foundry, Inc.

(Registrant)

October 30, 2001

By: /s/ Kenneth A. Minor

Kenneth A. Minor
Chief Financial Officer