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PATRON SYSTEMS INC
Form 8-K
April 05, 2005

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): March 30, 2005

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.)

500 NORTH MICHIGAN AVENUE, SUITE 300
CHICAGO, ILLINOIS 60611
(Address of Principal Executive Offices/Zip Code)

(312) 396-4031
(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 (SEE General Instruction A.2. below):

- 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.
ITEM 2.01. COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS.
ITEM 2.03. CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION

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ITEM 3.02. UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT.
UNREGISTERED SALES OF EQUITY SECURITIES.

On March 30, 2005, pursuant to the filing of an Amended and Restated Agreement and Plan of Merger, Patron Systems, Inc.'s (the "Registrant") merger with Entelagent Software Corp. ("Entelagent") became effective. The Amended and Restated Agreement and Plan of Merger amended and restated the Agreement and Plan of Merger entered into by the parties on November 24, 2002. The merger was consummated pursuant to a definitive Amended and Restated Supplemental Agreement entered into as of February 24, 2005, and the Amended and Restated Agreement and Plan of Merger, each among the Registrant, ESC Acquisition, Inc., a wholly-owned subsidiary of the Registrant and Entelagent. Pursuant to the terms of the Amended and Restated Supplemental Agreement and the Amended and Restated Agreement and Plan of Merger with Entelagent, ESC Acquisition, Inc. merged with and into Entelagent, with Entelagent surviving the merger as a wholly-owned subsidiary of the Registrant. In connection with the Entelagent merger, the Registrant issued 3,000,000 shares of Common Stock in exchange for the outstanding shares of the capital stock of Entelagent.

The Registrant has agreed to register the resale of the 3,000,000 shares of Common Stock issuable to the holders of the outstanding capital stock of Entelagent at such time as the Registrant next files a registration statement with the Securities and Exchange Commission ("SEC"). In addition, pursuant to the terms of the Amended and Restated Supplemental Agreement, the Registrant will also (i) issue to certain officers, directors, shareholders and creditors of Entelagent, in consideration of amounts owed by Entelagent to such parties, promissory notes in the aggregate principal amount of approximately \$2,640,000, with interest payable thereon at a rate of 8% per annum and maturing on February 28, 2006, and (ii) repay approximately \$1,351,000 in outstanding liabilities of Entelagent.

The issuance and sale of the securities issued or issuable in connection with the Entelagent merger were exempt from the registration and prospectus delivery requirements of the Securities Act of 1933, as amended (the "Securities Act") pursuant to Section 4(2) of the Securities Act as transactions not involving any public offering.

The press release announcing this transaction is furnished as Exhibit 99.1 to this report and is incorporated herein by reference.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements of business acquired.

It is impracticable at this time for the Registrant to provide the financial statements of the business acquired that are required to be included herein. The Registrant undertakes to file such required financial statements as soon as practicable, but in no event later than June 15, 2005.

(b) Pro forma Financial Information.

It is impracticable at this time for the Registrant to provide the pro forma financial information that is required to be included herein. The Registrant undertakes to file such required pro forma financial information as soon as practicable, but in no event later than June 15, 2005.

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(c) Exhibits.

The following exhibits are filed herewith:

EXHIBIT NUMBER -----	DESCRIPTION -----
10.1	Agreement and Plan of Merger dated March 30, 2005, among Patron Systems, Inc., ESC Acquisition, Inc. and Entelagent Software Corp.
10.2	Registration Rights Agreement dated March 30, 2005, among Patron Systems, Inc. and each of the former Entelagent Software Corp. shareholders signatory thereto.
10.3	Form of Promissory Note issued to certain creditors of Entelagent Software Corp.
99.1	Press Release dated April 1, 2005, published by Patron Systems, Inc., announcing the acquisition of Entelagent Software Corp.

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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.

PATRON SYSTEMS, INC.

Date: April 5, 2005

By: /s/ Robert Cross

Robert Cross
Chief Executive Officer

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EXHIBIT INDEX

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Patron Systems, Inc. and each of the former Entelagent Software Corp. shareholders signatory thereto.

10.3 Form of Promissory Note issued to certain creditors of Entelagent Software Corp.

99.1 Press Release dated April 1, 2005, published by Patron Systems, Inc., announcing the acquisition of Entelagent Software Corp.