

MARTIN STEVEN L
 Form 4
 July 12, 2005

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 MARTIN STEVEN L

(Last) (First) (Middle)

153 EAST 53RD STREET, 26TH FLOOR

(Street)

NEW YORK, NY 10022

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 PERFECTDATA CORP [PERF]

3. Date of Earliest Transaction
 (Month/Day/Year)
 07/08/2005

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director 10% Owner
 ____ Officer (give title below) ____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ____ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | | (A) or (D) | Code V Amount (D) Price | | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | Date Exercisable | Expiration Date | Title | Amount |
|--------------------------------------|------------------------------|------------------|------------|--|------------------|-----------------|--------|------------------|
| | | | Code | (A) | (D) | | | Number of Shares |
| Series B Convertible Preferred Stock | (1) | 07/08/2005 | P | 152,400 | 07/08/2005 | (2) | Common | 152,400 |
| Warrant | \$ 1,968 | 07/08/2005 | P | 38,100 | 07/08/2005 | 06/20/2009 | Common | 38,100 |
| Series B Convertible Preferred Stock | (1) | 07/08/2005 | P | 76,200 | 07/08/2005 | (2) | Common | 76,200 |
| Warrant | \$ 1,968 | 07/08/2005 | P | 19,050 | 07/08/2005 | 06/20/2005 | Common | 19,050 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| MARTIN STEVEN L 153 EAST 53RD STREET 26TH FLOOR NEW YORK, NY 10022 | | X | | |

Signatures

Steven L. Martin
07/12/2005

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) This zero is a placeholder only that is required by the EDGAR system. The Series B Convertible Preferred Stock is convertible into Common Stock is at a ratio of 1,000 shares of Common Stock for each share of Series B Convertible Preferred Stock.
- (2) There is no expiration date.
- (3) This zero is a placeholder only that is required by the EDGAR system. The aggregate price paid for the Series B Convertible Preferred Stock and Warrants purchased in the transaction reported on this Form 4 was \$300,000.
- (4) These securities are directly beneficially owned by Mr. Martin's wife and indirectly beneficially owned by him.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.