

Edgar Filing: TAG IT PACIFIC INC - Form 8-K

TAG IT PACIFIC INC
Form 8-K
November 12, 2004

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): November 10, 2004

TAG-IT PACIFIC, INC.
(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation)	1-13669 (Commission File Number)	95-4654481 (I.R.S. Employer Identification No.)
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21900 BURBANK BOULEVARD, SUITE 270
WOODLAND HILLS, CA 91367
(Address of Principal Executive Offices/Zip Code)

(818) 444-4100
(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))

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ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

ITEM 2.03. CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN

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OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT.

ITEM 3.02. UNREGISTERED SALES OF EQUITY SECURITIES.

On November 10, 2004, Tag-It Pacific, Inc. completed a \$12.5 million financing through the issuance of (i) 6% Convertible Promissory Notes and (ii) Warrants to purchase up to 171,235 shares of our Common Stock. Prior to maturity, the Convertible Promissory Notes may be converted into our Common Stock at a price of \$3.65 per share. The Warrants have a term of five years and an exercise price of \$3.65 per share. The Convertible Promissory Notes pay interest at a rate of 6% per annum and have a term of three years. We sold these securities to the following investors: The Pinnacle Fund, L.P.; Westpark Capital, L.P.; Flyline Holdings Limited; Ritchie Maple Trading, Ltd.; Atlas Capital Master Fund; Atlas Capital (Q.P.), L.P.; ACM Partners, L.P. and Southwell Partners, L.P., all of which are existing shareholders of ours.

We have agreed to file with the SEC a registration statement for the resale of the restricted shares of our Common Stock issuable upon conversion of the Convertible Promissory Notes and exercise of the Warrants.

Sanders Morris Harris Inc. acted as placement agent in the financing. For its services, we paid the placement agent an aggregate of \$704,000 in cash, including the reimbursement of costs, and issued to them five year warrants to purchase up to 215,754 shares of our common stock at an exercise price of \$3.65 per share.

Each of the investors in the financing and Sanders Morris Harris Inc. represented to us that such party was an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act of 1933, and that such investor was receiving the securities for investment and not in connection with a distribution thereof. The issuance and sale of these securities was exempt from the registration and prospectus delivery requirements of the Securities Act pursuant to Section 4(2) of the Securities Act and Rule 506 thereunder as a transaction not involving any public offering.

The press release announcing these financings 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.

Not applicable.

(b) Pro Forma Financial Information.

Not applicable.

(c) Exhibits.

The following exhibits are filed herewith:

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EXHIBIT NUMBER	DESCRIPTION
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99.1	Press Release dated November 11, 2004, published by
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Tag-It Pacific, Inc.

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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.

TAG-IT PACIFIC, INC.

Date: November 12, 2004

By: /S/ COLIN DYNE

Colin Dyne
Chief Executive Officer

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EXHIBIT INDEX

EXHIBIT NUMBER -----	DESCRIPTION -----
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