

VIEWPOINT CORP
Form 8-K
October 18, 2007

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 18, 2007

VIEWPOINT CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

0-27168

95-4102687

(state or other juris-
diction of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

498 Seventh Avenue, Suite 1810, New York, NY

10018

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (212) 201-0800

N/A

(Former name or former address, if changed since last report)

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.
Purchase Agreement with respect to Springbox Ltd.**

On October 18, 2007, Viewpoint Corporation entered into a Purchase Agreement to acquire all of the outstanding partnership interests of Springbox, Ltd. Based on unaudited financial statements, Springbox Ltd. is expected to generate approximately \$6.0 million in gross revenue in 2007. The agreement contains customary representations, warranties and covenants of the sellers and Viewpoint. The transaction is also subject to customary closing conditions and is expected to close by the end of October, 2007.

Under the terms of the agreement, Viewpoint will be obligated, at the closing, to pay \$4,950,000 in cash and issue an aggregate number of shares of common stock equal to \$550,000 divided by the applicable price, which is the volume weighted average price of the common stock on The NASDAQ Stock Market for the 10 trading days prior to October 18, 2007 (the date of entry into definitive documentation). The amount of cash payable by Viewpoint is subject to adjustment based on the net book value of Springbox Ltd. as of the closing date of the transaction and (ii) the subsequent receipt by Viewpoint of accounts receivable outstanding on the closing date of the transaction. To the extent the net book value as of the closing date is greater than \$1.3 million Viewpoint is required to pay additional funds to the sellers and to the extent that the net book value of Springbox Ltd. at the closing is less than \$1.3 million, the sellers are required to pay Viewpoint the difference. In addition, the sellers of Springbox are entitled to an EBITDA based earnout. Viewpoint has the option to pay shares of common stock or the fair market value of such shares in order to satisfy any obligation pursuant to the earnout.

Viewpoint will also assume outstanding debt of approximately \$200,000.

The foregoing is a summary of the terms of the Purchase Agreement and does not purport to be complete and is qualified in its entirety by reference to the full text of the Purchase Agreement a copy of which is filed as Exhibit 2.1 hereto and is incorporated herein by reference.

Securities Purchase Agreement

In addition, Viewpoint Corporation entered into a Securities Purchase Agreement with certain accredited investors, dated as of October 18, 2007, under which Viewpoint issued 15,714,285 shares of Viewpoint common stock in a private placement to such accredited investors at a purchase price of \$0.70 per share (resulting in aggregate gross proceeds of \$11,000,000). The investors in the transaction also received warrants to purchase an additional 4,714,286 shares of common stock at an exercise price of \$0.84 per share (subject to certain adjustments). Such warrants are not exercisable for six months following issuance and have an aggregate term of five and one-half years.

The securities offered and sold in the private placement have not been registered under the Securities Act of 1933, as amended, and were sold in reliance upon the exemption from securities registration afforded by Regulation D. Each investor represented to Viewpoint that it is an Accredited Investor, as defined in Rule 501 of Regulation D under the Securities Act. In connection with the private placement, Viewpoint entered into a Registration Rights Agreement

Edgar Filing: VIEWPOINT CORP - Form 8-K

with the investors pursuant to which Viewpoint is required to file a registration statement with the SEC covering the shares within 45 days of the closing of the private placement.

The foregoing is a summary of the terms of the Securities Purchase Agreement, the Registration Rights Agreement and the Warrants and does not purport to be complete and is qualified in its entirety by reference to the full text of the Securities Purchase Agreement, the Registration Rights Agreement and the Form of Warrant, copies of which are filed as Exhibit 10.1, Exhibit 10.2 and Exhibit 10.3. and are incorporated herein by reference.

Viewpoint issued a press release announcing the execution of the definitive documentation with respect to the Springbox acquisition and the closing of the private placement transaction on October 18, 2007. A copy of the press release is attached hereto as Exhibit 99.1.

Item 3.02 Unregistered Sale of Equity Securities

The disclosures set forth under Item 1.01 of this Current Report on Form 8-K are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

The following exhibits are filed herewith:

- 2.1 Purchase Agreement, dated as of October 18, 2007 by and among Springbox GP, LLC, the limited partners set forth on Schedule A attached thereto and Viewpoint Corporation.
 - 10.1 Securities Purchase Agreement, dated as of October 18, 2007, by and between Viewpoint Corporation and the investors listed on the Schedule of Purchasers attached thereto.
 - 10.2 Registration Rights Agreement, dated as of October 18, 2007, by and between Viewpoint Corporation and the investors listed on the signature pages attached thereto.
 - 10.3 Form of Warrant for Common Stock of Viewpoint Corporation.
 - 99.1 Press release issued by Viewpoint Corporation on October 18, 2007.
-

Edgar Filing: VIEWPOINT CORP - Form 8-K

SIGNATURES

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.

VIEWPOINT CORPORATION

/s/ Christopher C. Duignan

Christopher C. Duignan
Chief Financial Officer

Dated: October 18, 2007
