

WARP TECHNOLOGY HOLDINGS INC  
Form 8-K/A  
January 11, 2006

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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 8-K/A

### 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 26, 2005

# WARP TECHNOLOGY HOLDINGS, INC.

(Exact Name of Registrant as Specified in Charter)

**Nevada**  
(State of Incorporation)

**000-33197**  
(Commission File No.)

**88-0467845**  
(I.R.S. Employer

Identification  
Number)

**200 Railroad Avenue, Greenwich, Connecticut 06830**

(Address of Principal Executive Offices)

**(203) 422-2950**

(Registrant's Telephone Number, including area code)

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## Edgar Filing: WARP TECHNOLOGY HOLDINGS INC - Form 8-K/A

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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The registrant, Warp Technology Holdings, Inc. operating under the name Halo Technology Holdings (the Company or Halo ) hereby amends its Current Report on Form 8-K filed November 1, 2005 to provide the required financial statements and pro forma financial information relating to the acquisition by the Company of (i) Tesseract Corporation, and (ii) the David Corporation, ProfitKey International, LLC, Foresight Software, Inc. and Process Software, LLC, as described in such Current Report.

**Section 9 Financial Statements and Exhibits**

**Item 9.01 Financial Statements and Exhibits**

(a) Financial statements of business acquired.

The following financial statements of the acquired businesses (i) Tesseract Corporation, and (ii) the David Corporation, ProfitKey International, LLC, Foresight Software, Inc. and Process Software, LLC, are submitted at the end of this Amendment to Current Report on Form 8-K/A, and are filed herewith and incorporated herein by reference:

<b>Financial Statements</b>	<b>Page</b>
Financial Statements of Tesseract Corporation for the Years ended June 30, 2005 and June 30, 2004.	F-1
Financial Statements of Process Software, LLC and Affiliates (consisting of David Corporation, ProfitKey International, LLC, Foresight Software, Inc. and Process Software, LLC) for the Years ended June 30, 2005 and June 30, 2004.	F-17

(b) Pro forma financial information.

The following pro forma financial information of the Company and the acquired businesses (i) Tesseract Corporation, and (ii) the David Corporation, ProfitKey International, LLC, Foresight Software, Inc. and Process Software, LLC, is submitted at the end of this Amendment to Current Report on Form 8-K/A, and is filed herewith and incorporated herein by reference:

<b>Pro Forma Financial Information</b>	<b>Page</b>
Warp Technology Holdings, Inc. and Tesseract Corporation, the David Corporation, ProfitKey International, LLC, Foresight Software, Inc. and Process Software, LLC Unaudited Pro Forma Consolidated Condensed Financial Statements.	F-36

**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.

Dated: *January 9, 2006*

**Warp Technology Holdings, Inc.**

By: */s/ Ernest C. Mysogland*

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Name: Ernest C. Mysogland

Title: Executive Vice President,

Chief Legal Officer and Secretary

**FINANCIAL STATEMENTS**

Tesseract Corporation

Years ended June 30, 2005 and 2004

with Report of Independent Registered Public Accounting Firm

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Tesseract Corporation

Financial Statements

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Report of Independent Registered Public Accounting Firm

The Shareholders

Tesseract Corporation

We have audited the accompanying balance sheet of Tesseract Corporation (the Company) as of June 30, 2005, and the statements of income, shareholder's deficit, and cash flows for the years ended June 30, 2005 and 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tesseract Corporation as of June 30, 2005, and the results of its operations and its cash flows for the years ended June 30, 2005 and 2004 in conformity with accounting principles generally accepted in the United States.

Mahoney Cohen & Company, CPA, P.C.

January 6, 2006

New York, NY

## Tesseract Corporation

## Balance Sheet

	<u>June 30, 2005</u>
<b>Assets</b>	
Current assets:	
Cash	\$ 825,104
Accounts receivable, net of allowance for doubtful accounts of \$2,809	126,630
Prepaid expenses and other current assets	89,036
	<u>                    </u>
Total current assets	1,040,770
Property and equipment, net of accumulated depreciation of \$193,316	6,120
Intangible assets, net of accumulated amortization of \$1,225,918	94,302
Due from affiliates	3,198,463
	<u>                    </u>
Total assets	<u>\$ 4,339,655</u>
<b>Liabilities and shareholder s deficit</b>	
Current liabilities:	
Accounts payable	\$ 226,856
Other accrued liabilities	368,186
Due to affiliates	156,041
Loan payable	82,174
Note payable	72,442
Deferred revenue-current portion	4,649,081
	<u>                    </u>
Total current liabilities	5,554,780
Deferred revenue-long-term portion	101,734
	<u>                    </u>
Total liabilities	5,656,514
Commitments	
Shareholder s deficit:	
Common stock, \$.01 par value, 1,000 shares authorized, 100 shares issued and outstanding at June 30, 2005	1
Additional paid in capital	1,805,469
Accumulated deficit	(3,122,329)
	<u>                    </u>
Total shareholder s deficit	(1,316,859)
	<u>                    </u>
Total liabilities and member s deficit	<u>\$ 4,339,655</u>

See accompanying notes.





## Tesseract Corporation

## Statements of Income

	Years ended June 30,	
	2005	2004
Revenues:		
Products	\$ 762,585	\$ 127,604
Services	9,136,808	10,649,571
Total revenues	9,899,393	10,777,175
Cost of revenues:		
Cost of products	85,647	128,767
Cost of services	1,522,840	1,637,651
Total cost of revenues	1,608,487	1,766,418
Gross profit	8,290,906	9,010,757
Operating expenses:		
Selling, general, and administrative expenses	2,974,832	3,570,116
Research and development expenses	1,803,455	1,671,009
Depreciation and amortization	200,174	256,093
Management fees to Platinum Equity, LLC	2,575,000	2,400,000
Total operating expenses	7,553,461	7,897,218
Income from operations	737,445	1,113,539
Other income (expense):		
Interest income	258,018	237,204
Interest expense	(102,354)	(85,853)
Other income (expense), net	12,000	(10,127)
Income before provision (benefit) for income taxes	905,109	1,254,763
Provision (benefit) for income taxes	(2,281)	43,066
Net income	\$ 907,390	\$ 1,211,697
Earnings per share	\$ 9,073.90	\$ 12,116.97
Weighted-average number of common shares	100	100

See accompanying notes.

## Tesseract Corporation

## Statements of Shareholder's Deficit

For the Years Ended June 30, 2005 and 2004

	Common Stock		Accumulated		Total	
	Shares	Amount	Paid in Capital	Other Comprehensive (Loss)		Accumulated Deficit
Balance at July 1, 2003	100	\$ 1	\$ 496,419	\$ (53,253)	\$ (3,921,436)	\$ (3,478,269)
Contributions			500,000			500,000
Distributions					(1,319,980)	(1,319,980)
Unrealized holding gain arising during the year				38,423		38,423
Reclassification adjustment for realized loss				14,830		14,830
Net income					1,211,697	1,211,697
Balance at June 30, 2004		1	996,419		(4,029,719)	(3,033,299)
Contributions			809,050			809,050
Net income					907,390	907,390
Balance at June 30, 2005		\$ 1	\$ 1,805,469	\$	\$ (3,122,329)	\$ (1,316,859)

See accompanying notes.

## Tesseract Corporation

## Statements of Cash Flows

	Year ended June 30	
	2005	2004
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 907,390	\$ 1,211,697
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	200,174	256,093
Loss on sale of investments		14,830
Provision for bad debt	2,810	(26,711)
Changes in operating assets and liabilities:		
Accounts receivable	55,097	289,950
Due from affiliates	(258,018)	(237,204)
Prepaid expenses and other assets	(11,869)	(20,770)
Accounts payable	2,232	(220,309)
Other accrued liabilities	(105,951)	(141,873)
Due to affiliates	1,927	(118,649)
Deferred revenue	(543,360)	132,418
Net cash provided by operating activities	250,432	1,139,472
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(3,760)	(5,589)
Proceeds from sale of securities		1,282,307
Net cash (used in) provided by investing activities	(3,760)	1,276,718
<b>FINANCING ACTIVITIES</b>		
Shareholder distributions		(1,319,965)
Shareholder contributions	809,050	500,000
Repayments of note payable	(1,271,256)	(500,000)
Repayments of loan payable	(410,870)	
Net cash used in financing activities	(873,076)	(1,319,965)
Net (decrease) increase in cash	(626,404)	1,096,225
Cash at beginning of year	1,451,508	355,283
Cash at end of year	\$ 825,104	\$ 1,451,508
<b>Supplemental disclosures of cash flow information</b>		
Cash paid for income taxes	\$ 22,080	\$ 43,066
Cash paid for interest	\$ 102,354	\$ 85,853

See accompanying notes.



**Tesseract Corporation**

**Notes to Financial Statements**

June 30, 2005

**1. Organization and Nature of Business**

In January of 1999, Platinum Equity, LLC ( Platinum ), purchased Tesseract Corporation ( Tesseract or Company ) from Ceridian Corporation and Tesseract became a wholly owned subsidiary of Platinum. On October 26, 2005, the Company was acquired by WARP Technology Holdings, Inc. operating under the name Halo Technology Holdings, a publicly traded company. (See note 7). On December 31, 2004, Westgarde Holdings, Inc. ( Westgarde ), owned by Platinum, merged with Tesseract. Westgarde 's issued and outstanding shares of common stock were retired and cancelled, Westgarde ceased to exist and Tesseract was the surviving entity. Due to the common ownership of the companies, Tesseract 's financial statement give effect to the merger as of July 1, 2003.

Tesseract, headquartered in San Francisco, is a total HR solutions provider offering an integrated Web-enabled HRMS suite. Tesseract 's Web-based solution suite allows HR users, employees and external service providers to communicate securely and electronically in real time. The integrated nature of the system allows for easy access to data and a higher level of accuracy for internal reporting, assessment and external data interface. Tesseract 's customer base features Fortune 100 corporations operating in a diverse range of industries, including financial services, transportation, utilities, insurance, manufacturing, petroleum, pharmaceuticals and retail.

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**Tesseract Corporation**

**Notes to Financial Statements (continued)**