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may be deemed to have beneficial ownership over in excess of 50% of the voting stock of the Company. For purposes of Section 13(d) or 13(g) of the Exchange Act of 1934, as amended, Phoenix Capital Holdings hereby disclaims such beneficial ownership.

In connection with the investment, Phoenix Opportunity Fund III has agreed to loan to the Company up to \$0.4 million. The loan is secured by substantially all of the assets of the Company. The Company has drawn down approximately \$80,000 of the loan immediately, \$30,000 of which is immediately available to the Company and \$50,000 of which has been placed into an escrow fund to be made available at such time as the Company completes its recapitalization. Generally, the remaining portion of the commitment is reserved for specific, enumerated purposes, and Phoenix Opportunity Fund III retains substantial discretion over the availability of the funds.

Pursuant to the terms of the Certificate of Designation of Series C Convertible Preferred Stock, Phoenix has certain rights, including the right to elect a majority of the members of the Board of Directors of the Company so long as any of the shares of Series C Convertible Preferred Stock remain outstanding.

Item 5. Other Events.

On January 30, 2004, Amplidyne, Inc. issued a press release announcing that it has closed a \$0.1 million financing and has secured an aggregate commitment for up to \$0.4 million of debt and equity capital from Phoenix Opportunity Fund II, L.P. and Phoenix Opportunity Fund III, L.P., which are managed by a New York-based merchant and investment banking firm, Phoenix Capital Holdings, LLC. The press release is included at Exhibit 99.1.

Item 7. Financial Statements and Exhibits.

(c) Exhibits

The following exhibits are filed as a part of this report:

Exhibit Number -----	Description -----
2.1	Subscription Agreement Dated January 28, 2004.
2.2	Stock Restriction Agreement Dated January 28, 2004.
4.1	Certificate of Designation of Series C Convertible Preferred Stock of Amplidyne, Inc.
99.1	Press Release Dated January 30, 2004.

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.

Amplidyne, Inc.
(Registrant)

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Date: January 30, 2004

By:

Devendar S. Bains
Chief Executive Officer