

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

ONSOURCE CORP

CIK: **1180743** | IRS No.: **841561463** | State of Incorporation: **DE**
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SIC: **3944** Games, toys & children's vehicles (no dolls & bicycles)

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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): April 28, 2005

ONSOURCE CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware

000-50470

84-1561463

(State or other jurisdiction
of incorporation)

Commission File
Number

(I.R.S. Employer Identification number)

5455 Spine Road, Suite C, Boulder, Colorado 80301

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (303) 527-2903

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

ITEM 1.01 AMENDMENT TO MATERIAL DEFINITIVE AGREEMENT

On April 28, 2005, OnSource Corporation entered into an Amendment No. 1 to Agreement and Plan of Merger with Osmotics Pharma, Inc. (the "Amendment"). Under the terms of the Amendment, the termination date of the Merger Agreement was extended to May 10, 2005. The extension was required in order to permit the completion of the disclosure documents needed to consummate the merger.

A copy of the Amendment is filed herewith as an exhibit to this Current Report.

ITEM 7.01 REGULATION FD DISCLOSURE

On April 29, 2005, the Company issued a press release announcing that it had entered into an extension of its Merger Agreement with Osmotics Pharma, Inc., that Osmotics Pharma, Inc. had scheduled its special meeting of shareholders to vote upon the Merger Agreement, and that the Company had completed a \$2.2 million dollar private placement of convertible debentures and warrants. A copy of the press release is filed herewith.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

- (a) *Financial statements of business acquired*

Not applicable.

- (b) *Pro forma financial information*

Not applicable.

- (c) *Exhibits*

<u>Item</u>	<u>Title</u>
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1.0	Amendment No. 1 to Agreement and Plan of Merger dated April 28, 2005
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2.0	Press Release dated April 29, 2005
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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 thereunto duly authorized.

OnSource Corporation

(Registrant)

Dated: May 2, 2005

/s/ Frank L. Jennings

Frank L. Jennings, President

**AMENDMENT NO. 1 TO
AGREEMENT AND PLAN OF MERGER
DATED APRIL 8, 2005**

THIS AMENDMENT NO. 1 to Agreement and Plan of Merger is made and entered into this ___ day of April, 2005, by and among **OSMOTICS PHARMA, INC.** a Colorado corporation ("OPI"); **ONSOURCE CORPORATION**, a Delaware corporation ("ONSOURCE"); and **ONSOURCE ACQUISITION CORP.**, a Colorado corporation which is a wholly-owned subsidiary of ONSOURCE ("Acquisition").

WITNESETH:

WHEREAS, the parties executed and delivered a certain Agreement and Plan of Merger dated as of April 8, 2005; and

WHEREAS, the parties desire to modify and amend certain provisions of the Merger Agreement in the particulars herein below set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained the parties agree as follows:

1. Section 2.4 of the Merger Agreement is hereby amended to provide that the Closing shall occur in no event later than May 10, 2005.

2. Section 4.9 of the Merger Agreement is hereby amended to provide that the Debenture Private Placement shall be in the maximum amount of \$2,208,500. The parties acknowledge that the Debenture Private Placement has closed and that debentures and warrants have been sold by ONSOURCE in the aggregate principal amount of \$2,208,500.

3. Section 5.1 (a) of the Merger Agreement is hereby amended to provide that there are an aggregate of 970,658 shares of ONSOURCE common stock issued and outstanding, and no stock options exercisable to purchase ONSOURCE common stock outstanding, excluding the Excluded Shares..

4. Section 5.1(b) of the Merger Agreement is hereby amended in the following particulars:

Dividend:

The first annual payment of the dividend will be declared as of the date of issuance. The first annual dividend shall be paid at such time as OnSource completes an equity financing realizing gross proceeds of at least \$5.0 million. The First Dividend Payment shall be in an amount equal to the sum of (i) all dividends accrued and unpaid to the date of payment, plus (ii) a dividend prepayment in an amount equal to all dividends that shall accrue during the twelve month period following the date of payment..

Conversion:

Each share of ONSOURCE preferred stock is convertible into one share of ONSOURCE common stock subject to adjustment under certain circumstances. All outstanding shares of ONSOURCE preferred stock shall automatically convert into shares of ONSOURCE common stock the earlier of (i) the consummation by ONSOURCE of a business combination in which ONSOURCE is not the surviving entity or becomes a subsidiary of another entity as set forth in

more detail in Exhibit 5.1(b)(i), or (ii) three years from the date of issue. 5. Section 5.1(c) of the Merger Agreement is hereby amended to delete the clause "and subject to the same terms and conditions as set forth in the outstanding OPI stock options"

6. Section 13.1(d) of the Merger Agreement is hereby amended in its entirety to read as follows:

"(d) By either ONSOURCE, Acquisition, or OPI, if for any reason the parties has failed to close this Agreement, on or before May 10, 2005, provided that neither ONSOURCE, Acquisition nor OPI is then in default thereunder."

7. This Amendment may not be construed to amend the Merger Agreement in any way except as expressly set forth herein. The execution and delivery of this Amendment does not constitute and this Amendment may not be construed to constitute a waiver by any party of:

a. Any breach of the Merger Agreement by any party, whether or not such breach is now existing or currently known or unknown to the non-breaching party or parties; or

b. Any right or remedy arising from or available to a party by reason of a breach of the Merger Agreement by any other party or parties.

8. The parties hereby confirm that the Merger Agreement, as amended by this Amendment, is in full force and effect. In the event of any conflict or inconsistency between the provisions of this Amendment and the provisions of the Merger Agreement, the provisions of this Amendment shall control.

9. Unless otherwise defined herein, all capitalized terms shall have the meanings set forth in the Merger Agreement.

IN WITNESS WHEREOF, the parties have signed the Agreement the date and year first above written.

ONSOURCE CORPORATION,
a Delaware corporation

Name:
Title:

ONSOURCE ACQUISITION CORP.,
a Colorado corporation

Name:
Title:

OSMOTICS PHARMA, INC.,
a Colorado corporation

Name:
Title:

OnSource Announces Extension of Merger Agreement with Osmotics Pharma, Inc.

Osmotics Pharma's Shareholder Meeting Scheduled for May 10, 2005

OnSource Successfully Completes \$2.2 Million Private Placement

BOULDER, Colo., May 2, 2005, OnSource Corporation ("OnSource") (OTCBB:OSCE) today announced that it has entered into an Amendment to the definitive agreement to merge (the "Merger Agreement") with Osmotics Pharma, Inc. ("OPI", extending the closing date of the proposed Merger to May 10, 2005. The extension was required to permit the finalization of the disclosure documents needed to complete the transaction.

OPI has now scheduled its special meeting of shareholders to vote on the Merger for May 10, 2005. OPI parent corporation, Osmotics Corporation, owns approximately 98% of the outstanding voting securities of OPI and has indicated its intention to vote in favor of the Merger. As a result, OPI shareholder approval of the Merger is assured.

Closing of the Merger is planned for immediately following the OPI shareholder meeting on May 10, 2005.

OnSource also announced that it has completed its private offering of convertible debentures and warrants, having raised gross proceeds of approximately \$2.2 million. The proceeds of the offering will be used to provide working capital to OPI.

About OPI's Two Platform Technologies.

OPI holds exclusive intellectual property rights to two platform technologies for prescription products: (1) "Barrier Repair" technology, developed by Dr. Peter M. Elias, who currently serves as OPI's Chief Scientific Officer and in-licensed from the Regents of the University of California; and (2) Cationic Steroid technology ("CSA"), developed by Professor Paul B. Savage of BYU and in-licensed from BYU.

Our Barrier Repair Technology (US Patent 5,643,899) is based on the discovery that the lack of a competent skin barrier function plays an important role in various skin diseases including atopic dermatitis (eczema), allergic contact dermatitis and ichthyosis and that the restoration of the skin's barrier by topically applying epidermal lipids is able to significantly improve the dry skin and itching that characterizes these conditions. Atopic dermatitis, a red, scaly and itchy skin disease, is the leading skin disease of childhood. New therapies for atopic dermatitis are of special importance given the recent concerns raised over the potential adverse side effects associated with Protopic and Elidel, two popular eczema creams that the FDA recently instructed to add "black box" warnings to their labels regarding potential risk of the development of cancer from use of those immunosuppressive therapies. OPI's Epiceram is steroid-free and does not contain any immunosuppressant drugs

Our CSAs act as potent antibiotics against gram-negative and gram-positive bacteria, and can be used alone or with conventional antibiotics. Extensive in vitro testing has shown that CSAs are highly effective at very low concentrations against multi-drug resistant strains of *Pseudomonas aeruginosa*, *Salmonella* and other potentially lethal bacteria such as methicillin resistant staph aureus (MRSA).and vancomycin resistant staph aureus (VRSA). The technology is covered by two U.S. patents (6,350,738 and 6,486,148) and has been the subject of more than 10 peer-reviewed journal articles.

Most antibiotics target specific bacterial enzymes to inhibit bacterial growth. Enzymes are proteins that control the chemical reactions necessary to sustain life. Over time, bacteria can mutate their enzymatic pathways and become resistant to enzyme-targeting antibiotics. The CSAs are modeled after the body's defense system, which includes antimicrobial peptides, antibiotics that destroy bacteria by targeting and destroying their membranes instead of enzymatic pathways.

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those expressed or implied by such forward-looking statements, including but not limited to the following: the ability of OnSource to raise additional capital in order to finance its planned pharmaceutical activities, OPI receiving the necessary approvals for its products from the FDA, successful clinical trials of OPI's planned products, the ability of OPI to commercialize its planned products, market acceptance of OPI's planned products, and OPI's ability to successfully compete in the marketplace. Although management believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the forward-looking statements will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements, the inclusion of such information should not be regarded as a representation by the company or any other person that the objectives and plans of the company will be achieved. For further information, please see the company's filings with the SEC, including its Forms 10-KSB, 10-QSB and 8-K. The company assumes no obligation to update its forward-looking statements to reflect actual results or changes in factors affecting such forward-looking statements.

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