

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K/A

Current report filing [amend]

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AXIS TECHNOLOGIES GROUP INC

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Securities and Exchange Commission
Washington, D.C. 20549

FORM 8-K/A

Amendment No. 1

Current Report
Pursuant To Section 13 or 15(d) Of
The Securities Exchange Act of 1934

Date of Report: April 22, 2010

AXIS TECHNOLOGIES GROUP, INC.

(Exact Name of Registrant As Specified in Its Charter)

Delaware
(State Or Other Jurisdiction of Incorporation)

000-53350
(Commission File Number)

26-1326434
(IRS Employer Identification No.)

2055 So. Folsom Street
Lincoln, NE 68522
(Address of Principal Executive Offices, Including Zip Code)

(402) 476-6006
(Issuer's Telephone Number, Including Area Code)

Axis Technologies Group, Inc. is filing this Amendment No. 1 on Form 8-K/A to its Form 8-K that was originally filed with the Securities and Exchange Commission ("SEC") on May 3, 2010 (the "Original 8-K") to include the correct Exhibit 10.5. The Original 8-K was inadvertently filed with an incorrect Exhibit 10.5. This Amendment No. 1 continues to speak as of the date of the Original 8-K, and we have not updated or changed any of the disclosure contained herein.

Item 1.01 Entry into a Material Definitive Agreement

On April 22, 2010, Axis Technologies Group, Inc. (the "Company"), IRC - Interstate Realty Corporation ("IRC"), and DHAB, LLC ("DHAB") entered into an Axis Joint Venture Agreement (the "JV Agreement"), thereby forming a Tennessee joint venture/general partnership between the Company and IRC. The joint venture is named the Axis Joint Venture (the "Joint Venture"). The primary purpose of the Joint Venture is to facilitate and make funds available for the Company to acquire inventory and sell such inventory to customers on a temporary basis until the contemplated equity transaction, as further described below, is completed in its entirety. This joint venture structure is being set up only to secure IRC's interest for their willingness to advance funds to Axis for inventory purchases. Specifically, IRC will advance funds to purchase inventory from manufacturers, which inventory will be delivered to customers of the Company in connection with two separate purchase orders for 12,000 units of inventory, each. Payments made by customers for the units will be deposited in a bank account from which IRC will be promptly repaid for all sums advanced by IRC for the purchase of the inventory from manufacturers and for related reasonable costs and expenses incurred by IRC. IRC will also receive a fee of \$50,000 as consideration for providing or arranging for the inventory purchases. IRC will hold a security interest in the bank account, thereby securing repayment by the Company of the amounts IRC advances and is owed, pursuant to the Deposit Account Security Agreement entered into by the Company and IRC. Repayment of the amounts advanced by IRC is also secured by a first lien on all of the Company's personal property, including its inventory, pursuant to a Security Agreement entered into by IRC and the Company.

Pursuant to the JV Agreement, the Company issued DHAB an aggregate of 163,192,720 shares (the "DHAB Stock") of its common stock in return for a Promissory Note from DHAB in the principal amount of \$6,000,000 and the execution by DHAB of a Stock Pledge and Security Agreement (the "DHAB Security Agreement"). The Promissory Note bears no interest and is due on July 1, 2010. If an event of default occurs under the Promissory Note, the Company's sole remedy is to exercise its rights under the DHAB Security Agreement. Pursuant to the DHAB Security Agreement, DHAB pledged to the Company a continuing security interest in the DHAB Stock as collateral for DHAB's \$6,000,000 obligation to the Company under the Promissory Note. All certificates representing the DHAB Stock are to be delivered to and retained by the Company. As DHAB pays such obligation to the Company (either in the form of monies or other consideration performed by DHAB), the Company will release the equivalent number of shares of the DHAB Stock on a prorated basis as is represented by the sums so paid on a \$0.04 per share basis. DHAB will not have any voting rights pertaining to the DHAB Stock, other than to shares that the Company has released as security. The JV Agreement provides that the Company will not issue or agree to issue any additional shares of its common stock prior to July 20, 2010, and IRC intends to invest in DHAB and to be a member thereof.

In connection with the JV Agreement, on April 22, 2010, the Company and its wholly-owned subsidiary, Axis Technologies, Inc., entered into an Amendment Agreement with Gemini Strategies, LLC and Gemini Master Fund, Ltd. (collectively with Gemini Strategies, LLC and individually, "Gemini"). The Amendment Agreement provides for the extension of the maturity date of the Amended and Restated 10% Senior Secured Convertible Note, restated as of December 30, 2009, with a principal amount as of such date of \$1,884,097.22 (the "Gemini Note"). The maturity date of the Gemini Note is extended to July 1, 2010, provided that upon the Company receiving funds in connection with the \$6,000,000 Promissory Note with DHAB, the Gemini Note is to be repaid with the proceeds from such funds. Ten percent of all proceeds received from the sale of units of the inventory to customers is also to be paid to Gemini as partial repayment of the Gemini Note. The Amendment Agreement further provides for the consent by Gemini to the transactions contemplated by the JV Agreement, and subordination of Gemini's existing lien on the Company's inventory and other collateral.

Item 3.02 Unregistered Sale of Equity Securities

As described in more detail above in Item 1.01, on April 22, 2010, the Company issued DHAB an aggregate of 163,192,720 shares of its common stock in return for a Promissory Note from DHAB in the principal amount of \$6,000,000 and the execution by DHAB of a Stock Pledge and Security Agreement. The shares were issued under the exemption from registration provided by Section 4(2) of the Securities Act of 1933 and the rules and regulations promulgated thereunder. The offer and sale of the shares was made exclusively to an "accredited investor" (as such term is defined in Rule 501(a) of Regulation D) in an offer and sale not involving a public offering. The holder of the shares purchased the securities for its own account and not with a view towards or for resale. There was no general solicitation or advertising conducted in connection with the sale of the securities.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
10.1	Axis Joint Venture Agreement (1)
10.2	Promissory Note from DHAB, LLC (1)
10.3	Stock Pledge and Security Agreement by DHAB, LLC in favor of the Company (1)
10.4	Security Agreement by the Company in favor of IRC – Interstate Realty Corporation (1)
10.5	Amendment Agreement with Gemini Strategies, LLC and Gemini Master Fund, Ltd. (2)

(1) Previously filed with our Form 8-K on May 3, 2010.

(2) Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

AXIS TECHNOLOGIES GROUP, INC.

Date: June 21, 2010

By: /s/ James Erickson
James Erickson
Chief Accounting Officer and
Principal Financial Officer

AMENDMENT AGREEMENT

This Amendment Agreement (this “*Agreement*”), dated as of April 21, 2010 is entered into by and among Axis Technologies Group, Inc., a Delaware corporation (the “*Company*”), Axis Technologies, Inc., a Delaware corporation and wholly-owned subsidiary of the Company (“*Guarantor*”), GEMINI STRATEGIES, LLC, a Delaware limited liability company (the “*Collateral Agent*”), and GEMINI MASTER FUND, LTD., a Cayman Islands corporation (the “*Investor*”). The Company and the Guarantor are sometimes referred to herein individually as an “*Axis Entity*” and collectively as the “*Axis Entities*”.

RECITALS:

WHEREAS, the Investor holds that certain Amended and Restated 10% Senior Secured Convertible Note restated as of December 30, 2009 with a principal amount as of such date equal to \$1,884,097.22 (the “*Note*”), which Note was amended and restated on such date pursuant to that certain Amendment Agreement entered into by the parties hereto on December 30, 2009 (“*Amendment*”);

WHEREAS, on or about the date hereof, the Axis Entities are entering into that certain Axis Joint Venture Agreement with IRC – Interstate Realty Corporation (“*IRC*”) and DHAB, LLC (“*JV Agreement*”);

WHEREAS, on or about the date hereof, Investor, the Collateral Agent and IRC are entering into that certain Intercreditor Agreement (“*Intercreditor Agreement*”); and

WHEREAS, the Company and Investor wish to extend the Maturity Date on the terms and conditions set forth herein;

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing and subject to the terms and conditions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. *DEFINITIONS.*

1.1 Certain Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

“*Existing Transaction Documents*” means the Purchase Agreement, the Note, the Security Documents, the Guarantee, the Amendment and all other agreements, instruments and other documents executed and delivered by or on behalf of the Axis Entities or any of their officers in connection with any of the foregoing agreements.

“*Transaction Documents*” means the Existing Transaction Documents (as amended by this Agreement), this Agreement and all other agreements, instruments and other documents executed and delivered by or on behalf of the Axis Entities or any of their officers in connection with this Agreement.

“*Purchase Agreement*” means that certain Securities Purchase Agreement between the Company and the Investor, dated as of April 25, 2008, pursuant to which the Company originally issued the Note to the Investor.

1.2 Terms Defined in the Existing Transaction Documents. Capitalized terms used in this Agreement and not otherwise defined herein shall have the respective meanings ascribed to them in the Existing Transaction Documents.

2. AMENDMENT OF NOTE. Effective upon the full execution of the JV Agreement, the Maturity Date under the Note is hereby amended to be July 1, 2010, provided that upon any Axis Entity directly or indirectly receiving any funding as contemplated in the JV Agreement (other than the purchase order financing to be provided by IRC thereunder), the Note shall be repaid with the proceeds from such financing.

3. ADDITIONAL AMENDMENTS AND OTHER AGREEMENTS.

3.1 Repayment from Inventory Proceeds. The Axis Entities agree that 10% of any and all proceeds received from the sale of any inventory of the Axis Entities (including without limitation the IRC Inventory, as defined in the JV Agreement) shall be promptly paid to Investor in partial repayment of the Note. The Axis Entities shall pay or cause such amount to be paid to Investor within three (3) business days following receipt thereof.

3.2 Consent to JV Agreement. Subject to the execution of the Intercreditor Agreement by the parties thereto, to the extent the transactions contemplated by the JV Agreement (in such form as presented to Investor) are prohibited under the terms of the Gemini Financing Documents (as defined in the Intercreditor Agreement), Investor hereby consents to the consummation of such transactions.

3.3 No Novation; Rule 144. The Note as amended hereby shall not constitute a novation or satisfaction and accord of the Note. The Company hereby acknowledges and agrees that the Note is merely amended hereby and that Investor has not given any consideration to the Company in connection with such amendment, and this Agreement shall not extinguish or release the Company or Guarantor under any Transaction Document or otherwise constitute a novation of their obligations thereunder. For purposes of Rule 144 promulgated under the Securities Act, the holding period of the Note shall not be affected by this Agreement. Without limiting the foregoing, if at any time it is determined that such holding period does not so tack, the Company will promptly, but no later than 30 days thereafter, cause the registration of all such Underlying Shares under the Securities Act (without regard to any beneficial ownership or issuance limitations contained in the Note). In connection with any registration of Underlying Shares pursuant to this Section, the Company and the Investor shall enter into a registration rights agreement containing customary and reasonable provisions regarding the registration of securities under the Securities Act.

3.4 Security Continued. The Axis Entities' obligations under all the Transaction Documents shall be secured by all the assets of the Axis Entities pursuant to the Security Documents (and guaranteed by the Guarantor under the Guarantee) as if this Agreement and the Note as amended hereby were each in effect at the time of execution of such Security Documents and referenced therein. The Company shall execute such other agreements, documents and financing statements reasonably requested by Investor, which will be filed at the Company's expense with the applicable jurisdictions and authorities.

3.5 Disclosure. To the extent the transactions contemplated hereby or in the JV Agreement constitute material non-public information concerning the Axis Entities, the Company shall, by 8:30 a.m. (New York City time) on third business day following the date hereof, issue a press release disclosing the material terms of the transactions contemplated hereby and thereby. The Company and the Investor shall consult with each other in issuing such press release and any other press releases with respect to the transactions contemplated hereby.

4. MISCELLANEOUS.

4.1 Severability. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision; *provided* that in such case the parties shall negotiate in good faith to replace such provision with a new provision which is not illegal, unenforceable or void, as long as such new provision does not materially change the economic benefits of this Agreement to the parties.

4.2 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. The Investor may assign its rights and obligations hereunder, as long as, as a condition precedent to such transfer, the transferee executes an acknowledgment agreeing to be bound by the applicable provisions of this Agreement, in which case the term "Investor" shall be deemed to refer to such transferee as though such transferee were an original signatory hereto. None of the Axis Entities may assign its rights or obligations under this Agreement.

4.3 Injunctive Relief. Each of the Axis Entities acknowledges and agrees that a breach by it of its obligations hereunder will cause irreparable harm to the Investor and that the remedy or remedies at law for any such breach will be inadequate and agrees, in the event of any such breach, in addition to all other available remedies, the Investor shall be entitled to an injunction restraining any breach and requiring immediate and specific performance of such obligations without the necessity of showing economic loss or the posting of any bond.

4.4 Governing Law; Jurisdiction; Waiver of Jury Trial. (a) This Agreement shall be governed by and construed under the laws of the State of New York applicable to contracts made and to be performed entirely within the State of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City and County of New York for the adjudication of any dispute hereunder or any other Transaction Document or in connection herewith or therewith or with any transaction contemplated hereby or thereby, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law.

(b) EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES AND AGREES THAT ANY DISPUTE OR CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE BREACH, TERMINATION OR VALIDITY OF THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

4.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by facsimile transmission or by email of a digital image format file.

4.6 Headings. The headings used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

4.7 Entire Agreement; Amendments. This Agreement and the other Transaction Documents constitute the entire agreement between the parties with regard to the subject matter hereof and thereof, superseding all prior agreements or understandings, whether written or oral, between or among the parties.

4.8 Full Force and Effect. Except as specifically waived and amended hereby and for the purposes described herein, the Existing Transaction Documents shall remain in full force and effect in accordance with their respective terms. Except for the waiver and amendment contained herein, this Agreement shall not in any way waive or prejudice any of the rights of the Investor or obligations of the Company under the Transaction Documents, or under any law, in equity or otherwise, and such waiver and amendment shall not constitute a waiver or amendment of any other provision of the Transaction Documents nor a waiver or amendment of any subsequent default or breach of any obligation of the Company or of any subsequent right of the Investor.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the day and year first above written.

AXIS TECHNOLOGIES GROUP, INC.

By: /s/ Jim Erickson
Name: Jim Erickson
Title: President

GEMINI MASTER FUND, LTD.

By: GEMINI STRATEGIES, LLC, as investment manager

By: /s/ Steven Winters
Name: Steven Winters
Title: President

AXIS TECHNOLOGIES, INC.

By: /s/ Jim Erickson
Name: Jim Erickson
Title: President

GEMINI STRATEGIES, LLC

By: /s/ Steven Winters
Name: Steven Winters
Title: President
