

HYDRON TECHNOLOGIES INC
Form 8-K
February 07, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 I.C. 15 (d) OF

THE SECURITIES AND EXCHANGE ACT OF 1934

Date of Report (Date of earliest reported): **February 1, 2007**

HYDRON TECHNOLOGIES, INC.

(Exact name of registrant as specified in charter)

New York
(State or other
jurisdiction of
incorporation)

0-6333
(Commission File
Number)

13-1574215
(IRS Employer
Identification No.)

4400 34th Street N, Suite F,

Saint Petersburg, Florida 33714

(Address of principal executive offices)

(727) 342-5050

(Registrant's telephone number, including area code)

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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:

- 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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Item 1.01 Entry into a Material Definitive Agreement; and

Item 3.02 Unregistered Sales of Equity Securities.

On February 1, 2007, Hydron Technologies, Inc., a New York corporation (the "Company"), commenced an offering ("Offering") of up to 3,300,000 units ("Units") comprised of one (1) share ("Share") of its Common Stock and one (1) warrant ("Warrant") for the purchase of one (1) share of Common Stock having a total gross purchase price of \$330,000. On February 1, 2007 the Company closed on the sale of 2,100,000 Units resulting in gross proceeds to the Company of \$210,000. On February 5, 2007, the Company closed on the sale of an additional 1,100,000 Units resulting in gross proceeds to the Company of \$110,000. The Company has received a subscription for the final 100,000 Units which it intends to close on when the subscription price received from the subscriber becomes good funds in the account of the Company's escrow agent.

Assuming the sale of the final 100,000 Units, the Company will have a total of 15,615,336 shares of Common Stock outstanding plus an additional 8,143,000 shares of Common Stock issuable upon the exercise of options and warrants (including the Warrants). Accordingly, the issuance of Units will increase the number of shares of Common Stock by approximately 26.8% and the fully-diluted number of shares of Common Stock by 38.5%.

Among the individuals purchasing Units in the Offering are (i) Richard Banakus, the Chairman, and Chief Executive Officer of the Company, who purchased 350,000 Units, and (ii) Ronald J. Saul, a director of the Company who with his spouse purchased 850,000 Units. Following the closings, Mr. Banakus beneficially owns 4,309,040 shares of Common Stock, comprised of 2,484,040 shares held directly and 1,825,000 shares issuable upon the exercise of options and common stock purchase warrants (including the Warrants), representing beneficial ownership of 24.7% of the Common Stock, and Mr. Saul beneficially owns 3,482,540 shares of Common Stock, comprised of 2,007,540 shares held directly by him and his immediate family members and 1,475,000 shares of Common Stock issuable upon the exercise of options and common stock purchase warrants (including the Warrants), representing beneficial ownership of 20.4% of the Common Stock.

Under the terms of the Offering, the Company has agreed that in the event that the Company shall grant "piggy back" registration rights to any other party to cause the Company's Common Stock or any security exercisable or exchangeable for, or convertible into, shares of Common Stock to be included in a registration statement filed by the Company for sale by any selling shareholder or by the Company, the Company will grant the holders of the Shares and Warrants similar registration rights.

Each purchaser of Units is an "accredited investor" as defined in Rule 501(a) under the Securities Act of 1933, as amended (the "Securities Act"). The Company issued the Shares and the Warrants without registration under the Securities Act in reliance on the exemptions from registration provided by Rule 506 of Regulation D and Section 4(2) of the Securities Act, as well as preemption from applicable state registration requirements under Section 18(a) of the Securities Act.

The Company intends to use the proceeds of the Offering to pay current obligations of the Company, including payments made to its landlord for outstanding rent. The balance, if any, will be used for working capital and general corporate purposes, including funding ongoing operations.

Item 9.01 Financial Statements and Exhibits

(a) Financial statements of businesses acquired.

Not applicable.

(b) Pro forma financial information.

Not applicable.

(c) Shell Company Transactions.

Not applicable.

(d) Exhibits

Please see the Exhibit Index following the Signature Page for the Exhibits included with this Report.

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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 hereunto duly authorized.

HYDRON TECHNOLOGIES, INC.

BY: /s/ DAVID POLLOCK
David Pollock
Chief Executive Officer

Dated: February 7, 2007

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EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description of Document</u> |
|---------------------------|---|
| <u>10.1</u> | <u>Subscription Agreement dated January 31, 2007 between Hydron Technologies, Inc. and Richard Banakus</u> |
| <u>10.2</u> | <u>Subscription Agreement dated January 31, 2007 between Hydron Technologies and Ronald J. Saul and Antonette G. Saul, jointly</u> |
| <u>10.3</u> | <u>Subscription Agreement dated February 5, 2007 between Hydron Technologies and Ronald J. Saul and Antonette G. Saul, jointly</u> |
| <u>10.4</u> | <u>Common Stock Purchase Warrant dated February 1, 2007 in favor of Richard Banakus</u> |
| <u>10.5</u> | <u>Common Stock Purchase Warrant dated February 1, 2007 in favor of Ronald J. Saul and Antonette G. Saul, jointly</u> |
| <u>10.6</u> | <u>Common Stock Purchase Warrant dated February 5, 2007 in favor of Ronald J. Saul and Antonette G. Saul, jointly</u> |