

VERITEC INC
Form 4
January 07, 2005

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Matthews Group, LLC

(Last) (First) (Middle)

2445 WINNETKA AVENUE
NORTH

(Street)

GOLDEN VALLEY, MN 55427

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
VERITEC INC [VRTC]

3. Date of Earliest Transaction
(Month/Day/Year)
12/31/2004

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	12/31/2004		C	V Amount A \$ 0.1	8,906,336 ⁽⁴⁾	D	
Common Stock	12/31/2004		C	V Amount A \$ 0.25	8,906,336 ⁽⁴⁾	D	
Common Stock	12/31/2004		C	V Amount A \$ 0.73 ⁽¹⁾	8,906,336 ⁽⁴⁾	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number of Shares
Convertible Promissory	\$ 0.1	12/31/2004		C		\$ 397,374.11	(2) (3)	Common Stock	5,595
Convertible Promissory	\$ 0.25	12/31/2004		C		\$ 405,597.4	(2) (3)	Common Stock	1,622
Series H Preferred Stock	\$ 0.73 (1)	12/31/2004		C		\$ 75,000	(2) (5)	Common Stock	750

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Matthews Group, LLC 2445 WINNETKA AVENUE NORTH GOLDEN VALLEY, MN 55427		X		

Signatures

/s/ Van Thuy Tran Managing Partner, The Mathews Group, LLC 01/07/2005

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Original consideration was a promissory note for \$2,000,000 in exchange for 275,000 shares of Series H Stock, 200,000 Series H shares

(1) were converted in 1999. The effective per share conversion price was \$.73. At December 31, 2004, the unpaid principal balance of the note was \$759,259.32. The note is payable in monthly installments through 2008 and is current.

(2) Immediately.

(3) All convertible promissory notes were in default.

(4) Includes all transactions on December 31, 2004.

(5) None.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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