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NETSMART TECHNOLOGIES INC
Form 8-K
July 08, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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): June 25, 2003

Netsmart Technologies, Inc.
(Exact name of Registrant as Specified in its Charter)

Delaware	0-21177	13-3680154
(State or other jurisdiction of incorporation)	(Commission File No.)	(IRS Employer Identification No.)

146 Nassau Avenue, Islip, NY 11751
(Address of Principal Executive Office)

Registrant's telephone number, including area code: (631) 968-2000

Item 2. Acquisition or Disposition of Assets.

On June 25, 2003, Netsmart Technologies, Inc. ("Netsmart") acquired substantially all of the assets of the CareNet segment ("CareNet") of Shuttle Data Systems Corporation, d/b/a Adia Information Management Corp. ("Adia"), pursuant to an asset purchase agreement dated June 25, 2003, among Netsmart, Creative Socio-Medics Corp. ("CSM"), a wholly-owned subsidiary of Netsmart, Adia and Steven Heintz, Jr., the president and majority shareholder of Adia. The principal assets acquired were the intellectual property and customer contracts of CareNet. The purchase price consisted of 100,000 shares of common stock of Netsmart, par value \$.01 per share, \$900,000 cash and a promissory note in the principal amount of \$500,000. The cash portion of the purchase price was paid for out of existing working capital.

In addition, in connection with the acquisition, Netsmart entered into a non-compete and non-solicitation agreement with Steven Heintz, Jr. and Jennifer Lindbert for which Heintz and Lindbert were paid a fee of an aggregate \$140,000.

A press release ("Press Release") describing the transaction was released by Netsmart on June 25, 2003.

Item 7. Financial Statements, Pro Forma Financial Statements and Exhibits.

(a) Financial Statements of business acquired.*

(b) Pro Forma Financial Information.*

(c) Exhibits

2.1 Agreement dated June 25, 2003, among the Registrant, Creative

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Socio-Medics Corp., Shuttle Data Systems Corp., d/b/a ADIA Information Management Corp. and Steven Heintz, Jr. including a list of schedules to the Agreement which are not being filed. The Registrant will furnish supplementally a copy of any omitted schedules if requested by the Securities and Exchange Commission.

99.1 Press Release of Netsmart dated June 25, 2003.

* The financial statements of CareNet and the pro forma financial information will be filed by an amendment to this Form 8-K within 60 days after July 10, 2003, the date on which this Report is required to be filed.

Signature

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.

NETSMART TECHNOLOGIES, INC.

/*/ _____	President, Chief Executive Officer and Director (Principal Executive Officer)	July 7, 2003
James L. Conway		

/*/ _____	Chief Financial Officer (Principal Financial and Accounting Officer)	July 7, 2003
Anthony F. Grisanti		