

ALTERNET SYSTEMS INC
Form S-8
January 24, 2005

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM S-8

**Registration Statement
under**

The Securities Act of 1933, as amended.

ALTERNET SYSTEMS, INC.

(Exact name of registrant as specified in charter.)

NEVADA

(State of other jurisdiction or organization)

88-0473897

(I.R.S. Employer of incorporation Identification
Number)

**#610 – 815 West Hastings Street
Vancouver, British Columbia
V6C 1B4**

(604) 608-2540

(Address and telephone of executive offices, including zip code.)

**Resident Agents of Nevada
711 South Carson Street Suite 4
Carson City, Nevada 89701**

(Name, address and telephone of agent for service)

Copies of all communications, including all communications sent to the agent for service,
should be sent to:

**CD Farber Law Corp.
(a British Columbia Law Corporation)
Suite 2602 – 1111 Beach Avenue
Vancouver, British Columbia, Canada V6E 1T9**

In addition, pursuant to rule 416(c) under the Securities Act of 1933, this registration statement also covers an indeterminate amount of interests to be offered or sold pursuant to the employee benefit plan described herein.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Aggregate Proposed Maximum Offering Price per Unit/Share	Proposed Maximum Aggregate Offering Price [1]	Amount of Registration Fee [1]
Common Shares, no par value, issuable upon exercise of stock options by Grantees	5,000,000	\$0.15	\$750,000	\$88.28
Totals	5,000,000	\$0.15	\$750,000	\$88.28

[1] Based upon the mean between the closing bid and ask prices for common shares on January 21, 2005 in accordance with Rule 457(c).

PURPOSE OF REGISTRATION STATEMENT AND DESCRIPTION OF PLAN

This Registration Statement on Form S-8 registers shares issuable under the Company's 2005 Retainer Stock Plan.

Under the terms of the Plan, a total of 5,000,000 shares of common stock can be issued as incentive stock options to directors, employees and consultants of the Company.

The terms of the Plan are fully disclosed in the attached copy of the Plan, but include the following:

- price and other terms of issuance of shares under the Plan are to be determined by the Board of Directors, who administer the Plan and who will take into account the market price of the Company's securities at the date of any agreement to issue shares under the Plan.
- the shares of common stock issuable under the Plan have the same rights and restrictions as all other issued and issuable shares of common stock of the Company.

Any shares issuable under the Plan, although registered by way of this registration statement, may require a resale prospectus prior to resale by affiliates or others.

PART II. INFORMATION REQUIRED IN THE REGISTRATION STATEMENT.

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

We hereby incorporate by reference the following:

- a) Our Registration Statement on SB-2 filed with the Securities and Exchange Commission ("SEC"), SEC file no. 000-31909; and
- b) All other reports, proxy statements and information statements filed subsequent to the foregoing Registration Statement to pursuant to the continuous disclosure requirements of the Securities Exchange Act of 1934 (the "Exchange Act").

ITEM 4. DESCRIPTION OF SECURITIES.

Common Stock

Our authorized capital stock consists of 100,000,000 shares of common stock, \$0.00001 par value per share. The holders of our common stock:

- have equal ratable rights to dividends from funds legally available if and when declared by our board of directors;
- are entitled to share ratably in all of our assets available for distribution to holders of common stock upon liquidation, dissolution or winding up of our affairs;
- do not have preemptive, subscription or conversion rights and there are no redemption or sinking fund provisions or rights; and
- are entitled to one non-cumulative vote per share on all matters on which stockholders may vote.

All shares of common stock, now outstanding, are fully paid for and non-assessable and all shares of common stock will be fully paid for and non-assessable. We refer you to our articles of incorporation, bylaws and the applicable statutes of the laws of Nevada for a more complete description of the rights and liabilities of holders of our securities.

Non-cumulative voting

Holders of shares of our common stock do not have cumulative voting rights, which means that the holders of more than 50% of the outstanding shares, voting for the election of directors, can elect all of the directors to be elected, if they so choose, and, in that event, the holders of the remaining shares will not be able to elect any of our directors.

Cash dividends

As of the date of this registration statement, we have not paid any cash dividends to our stockholders. The declaration of any future cash dividend will be at the discretion of our board of directors and will depend upon our earnings, if any, our capital requirements and financial position, our general economic conditions, and other pertinent conditions. It is our present intention not to pay any cash dividends in the foreseeable future, but rather to reinvest earnings, if any, in our business operations.

Anti-takeover provisions

There are no Nevada State anti-takeover provisions that may have the effect of delaying or preventing a change in control. Any attempted takeover would be subject to applicable securities laws in particular early warning and disclosure requirements.

Dividends

Holders of the common stock are entitled to share equally in dividends when, as and if declared by our board of directors, out of funds legally available therefore. No dividend has been paid on the common stock since inception, and none is contemplated in the foreseeable future.

Stock transfer agent

Our stock transfer agent for our securities is Transfer Online of Portland, Oregon and its telephone number is (503) 227-2950.

Shares outstanding

We have 24,726,528 shares of common stock outstanding as of the date of this S-8 Registration Statement.

Some of the shares are held by affiliates. Common shares held by affiliates of the Company are restricted securities may be sold in the public market in the United States only if registered or if they qualify for an exemption from registration, including the exemptions under Section 4(1) and/or Rules 144 or 144(k) under the Securities Act.

ITEM 5. INTEREST OF NAMED EXPERTS AND COUNSEL.

None.

CD Farber Law Corp., a British Columbia Law Corporation, settled, effective January 21, 2005, outstanding debts for legal services rendered to the Company. The settlement agreement with the Company called for the issuance of 70,000 common shares under the Company's previously filed S-8 Registration Statement for its Stock Incentive Retainer Plan.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

We may indemnify an officer or director who is made a party to any proceeding, including a law suit, because of his position, if he acted in good faith and in a manner he reasonably believed to be in our best interest. In certain cases, we may advance expenses incurred in defending any such proceeding.

Regarding indemnification for liabilities arising under the Securities Act of 1933, as amended, which may be permitted to directors or officers pursuant to the foregoing provisions, we are informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy, as expressed in the Act and may, therefore, be unenforceable.

ITEM 7. EXEMPTION FROM REGISTRATION.

None; not applicable.

This S-8 Registration Statement registers shares of the Company's common stock under the Securities Act of 1933.

ITEM 8. EXHIBITS.

The following Exhibits are incorporated herein by reference from the Registrant's SB-2 Registration Statement, as amended, and subsequent documents required to be filed under the Securities Exchange Act of 1934 and filed with the Securities and Exchange Commission, SEC file #000-31909. Such exhibits are incorporated herein by reference pursuant to Rule 12b-32:

1.1 Articles of Incorporation

1.2 Certificate of Change of Name

The following documents are filed herewith:

Exhibit No.	Description
<u>5.1</u>	<u>Opinion of CD Farber Law Corporation, regarding the legality of the securities registered under this Registration Statement</u>
<u>10.1</u>	<u>Incentive Stock Retainer Plan</u>
<u>23.1</u>	<u>Consent of Dale Matheson Carr-Hilton Labonte, Chartered Accountants</u>
<u>23.2</u>	<u>Consent of CD Farber Law Corporation, a British Columbia Law Corporation</u>

ITEM 9. UNDERTAKINGS.

The undersigned registrant hereby undertakes:

1. to file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;
2. that, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and,
3. to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned registrant hereby undertakes that, for the purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended the Registrant certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-8 and has duly caused this Registration Statement thereto to be signed on its behalf by the undersigned, thereunto duly authorized on the 21st day of January, 2005.

ALTERNET SYSTEMS, INC.

BY: /s/ Michael Dearden
Michael Dearden, President, Chief Executive Officer

BY: /s/ Griffin Jones
Griffin Jones, Treasurer, Director, Secretary

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Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement thereto has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Patrick Fitzsimmons Patrick Fitzsimmons	Director	January 21, 2004
