

IMAGING TECHNOLOGIES CORP/CA  
Form 8-K  
March 14, 2003

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 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)  
March 14, 2003

IMAGING TECHNOLOGIES CORPORATION  
(Exact Name of Registrant as Specified in its Charter)

DELAWARE . . . . . 0-12641 33-0021693  
(State of Incorporation) (Commission File Number) (I.R.S. Employer Identification No.)

17075 Via Del Campo  
San Diego, California 92127  
(Address of Principal Executive Offices)

(858) 451-6120  
(Registrant's telephone number, including area code):

Not Applicable  
(Former Name or Former Address, if Changed Since Last Report)

ITEM 2. ACQUISITION OF ASSETS

Imaging Technologies Corporation ("ITEC" or the "Company") first reported the acquisition of shares of Greenland Corporation ("Greenland") and Quik Pix, Inc. ("QPI") on Form 8-K filed on January 21, 2003.

(a) On January 14, 2003, ITEC completed its acquisition all of the 19,183,390 shares of common stock of Greenland; and paid for the exercise of warrants to purchase 95,319,510 shares of Greenland common stock. The purchase price was \$2,250,000 in the form of a promissory note convertible into shares of ITEC common stock, the number of which will be determined by a formula applied to the market price of the shares at the time that the promissory note is converted.

The warrants have been exercised, but are deliverable pursuant to the terms of the Closing Agreement, which details certain sales performance provisions.

The purchase price was determined through analysis of Greenland's financial reports as filed with the Securities and Exchange Commission and the potential future performance of Greenland's ExpertHR subsidiary. The total purchase price was arrived at through negotiations.

Greenland's ExpertHR subsidiary provides professional employer services (PEO) to

## Edgar Filing: IMAGING TECHNOLOGIES CORP/CA - Form 8-K

niche markets. Greenland's Check Central subsidiary is an information technology company that has developed the Check Central Solutions' transaction processing system software and related MAXcash Automated Banking Machine (ABM kiosk designed to provide self-service check cashing and ATM-banking functionality. Greenland's common stock trades on the OTC Bulletin Board under the symbol GREENLAND.

(b) On January 14, 2003, ITEC completed its acquisition of 110,000,000 shares of common stock of QPI. The purchase price was 12,500,000 shares of ITEC restricted common stock.

The purchase price was determined through analysis of QPI's financial condition and the potential future performance of its business operations. The total purchase price was arrived at through negotiations.

Established in 1982, QPI is a visual marketing support firm. Its principal product, Photomotion, is patented. PhotoMotion is a unique color medium that uses existing originals to create the illusion of movement and allows for three to five distinct images to be displayed with an existing light box. QPI visual marketing products are sold to a range of clientele including advertisers and their agencies.

### ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

The following unaudited Pro Forma Statements have been derived from the unaudited financial statements of ITEC for the six month period ended December 31, 2002 and the unaudited financial statements of Greenland for the six month period ended December 31, 2002. Greenland is a reporting company whose financial results are reported pursuant to Regulation S-B.

Pursuant to Section 210.2-02(w) of Regulation S-X, the acquisition of QPI does not meet the standard of a "significant subsidiary". Accordingly, pro-forma financial statements are not included in this report. ITEC will consolidate the financial results related to QPI in its Form 10-Q for the period ending March 31, 2003.

#### PRO FORMA STATEMENT OF FINANCIAL CONDITION AS OF DECEMBER 31, 2002 (unaudited)

| (in thousands)                                  | GREENLAND<br>(HISTORICAL) | ITEC<br>(HISTORICAL) | PRO FORMA<br>ADJUSTMENT | PRO FO<br>COMBIN |
|---|---------------------------|----------------------|-------------------------|------------------|
|   | -----                     | -----                | -----                   | -----            |
| <b>ASSETS</b>                                   |                           |                      |                         |                  |
| Current assets . . . . .                        | \$ 150                    | \$ 553               | \$ -                    | \$               |
| Property and equipment, net . . . .             | 390                       | 109                  | -                       |                  |
| Intangible assets, net (Note 1) . .             | 649                       | -                    | 1,215                   |                  |
| Other assets . . . . .                          | 18                        | 239                  | -                       |                  |
|   | -----                     | -----                | -----                   | -----            |
| Total assets . . . . .                          | \$ 1,207                  | \$ 901               | \$ 1,215                | \$               |
|   | =====                     | =====                | =====                   | =====            |
| <b>LIABILITIES AND<br/>STOCKHOLDERS' EQUITY</b> |                           |                      |                         |                  |
| Current liabilities . . . . .                   | \$ 2,990                  | \$ 22,589            | \$ -                    | \$               |

**Edgar Filing: IMAGING TECHNOLOGIES CORP/CA - Form 8-K**

|                                      |          |           |          |
|--------------------------------------|----------|-----------|----------|
| Long-term liabilities . . . . .      | 28       | -         | -        |
| <hr/>                                |          |           |          |
| Total liabilities. . . . .           | 3,018    | 22,589    | -        |
| <hr/>                                |          |           |          |
| Minority interest (Note 2). . . . .  | -        | -         | -        |
| <br>                                 |          |           |          |
| Stockholders' equity:                |          |           |          |
| Preferred stock . . . . .            | -        | 420       | -        |
| Common stock (Note 3) . . . . .      | 468      | 592       | (468)    |
| Common stock warrants . . . . .      | -        | 475       | -        |
| Additional paid-in capital (Note 3)  | 29,222   | 80,453    | (29,222) |
| Subscribed shares and receivable. .  | (596)    | -         | -        |
| Accumulated deficit (Note 3). . . .  | (30,905) | (103,628) | 30,905   |
| <hr/>                                |          |           |          |
| Total stockholders' equity . . . . . | (1,811)  | (21,688)  | 1,215    |
| <br>                                 |          |           |          |
| Total liabilities and stockholders'  |          |           |          |
| Equity (Note 4). . . . .             | \$ 1,207 | \$ 901    | \$ 1,215 |
|                                      | =====    | =====     | =====    |

NOTE 1. Recording of goodwill of \$1,215,000 on the purchase of Greenland shares is recognized as the net equity of Greenland on the date of acquisition

NOTE 2. Recording of minority interest will occur upon revenue recognition.

NOTE 3. Reflects the elimination of share capital and accumulated deficit of Greenland before the acquisition

NOTE 4. On January 14, 2003, Imaging Technologies Corporation ("ITEC" or the "Company") completed its acquisition of all the 19,183,390 shares of common stock of Greenland Corporation ("Greenland"); and paid for the exercise of warrants to purchase 95,319,510 shares of Greenland common stock. The purchase price was \$2,250,000 in the form of a promissory note convertible into shares of ITEC common stock. The number of shares will be determined by a formula applied to the market price of the shares at the time that the promissory note is converted.

PRO FORMA STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2002  
(unaudited)

The following unaudited Pro Forma Statements have been derived from the audited financial statements of ITEC for the twelve month period ended June 30, 2002 and the unaudited financial statements of Greenland for the twelve month period ended June 30, 2002. The unaudited Pro Forma Statements of Operations and financial conditions reflects the acquisition of ITEC (a reporting company) by Greenland (a reporting company) in an acquisition using purchase method of accounting and assumes that such acquisition was consummated as of July 1, 2001.

The unaudited Pro Forma Statement of Operations should be read in conjunction with the Financial Statements of ITEC, the Financial Statements of Greenland, and the Notes to the financial statements. The Pro Forma Statement of Operations does not purport to represent what the Company's results of operations would

Edgar Filing: IMAGING TECHNOLOGIES CORP/CA - Form 8-K

actually have been if the acquisition of Greenland shares had occurred on the date indicated or to project the company's results of operations for any future period or date. The Pro Forma adjustments, as described in the accompanying data, are based on available information and the assumption set forth in the footnotes below, which management believes are reasonable.

| (in thousands, except per share data)  | GREENLAND<br>(HISTORICAL) | ITEC<br>(HISTORICAL) | PRO FORMA<br>ADJUSTMENT | PRO FO<br>COMBIN |
|--|---------------------------|----------------------|-------------------------|------------------|
| Net revenue . . . . .  | \$ -                      | \$ 2,052             | \$ -                    | \$ -             |
| Operating expenses . . . . .   | 3,017                     | 12,442               | -                       | -                |
| Loss from operations . . . . .   | (3,017)                   | (10,390)             | -                       | -                |
| Non-operating expense . . . . .  | (1,800)                   | (3,298)              | -                       | -                |
| Net loss before extraordinary item. .  | (4,817)                   | (13,688)             | -                       | -                |
| Extraordinary item - loss on<br>settlement of debt . . . . .                           | (359)                     | -                    | -                       | -                |
| Net loss . . . . .   | (5,176)                   | (13,688)             | -                       | -                |
| Beneficial conversion feature of<br>preferred stock . . . . .                          | (150)                     | -                    | -                       | -                |
| Comprehensive loss . . . . .   | \$ (5,326)                | \$ (13,688)          | \$ -                    | \$ -             |
| Basic and diluted weighted average<br>number of common shares<br>outstanding . . . . . | 5,613                     | 12,201               | 115,103                 |                  |
| Basic and diluted net loss per share.  | \$ (0.95)                 | \$ (1.12)            | \$ -                    | \$ -             |

NOTE 1. Earnings per share data shown above are applicable for both primary and fully diluted.

NOTE 2. Weighted-average number of shares outstanding for the combined entity includes all shares issued as of June 30, 2002 as if outstanding as of the beginning of the period.

NOTE 3. Weighted average number of shares outstanding for combined entity includes 21,929,365 shares of ITEC common stock, 420.5 shares of ITEC preferred stock and 115,102,900 shares of GREENLAND common stock issued upon acquisition of Greenland shares by ITEC.

PRO FORMA STATEMENT OF OPERATIONS  
FOR SIX-MONTHS PERIOD ENDED DECEMBER 31, 2002  
(unaudited)

The following unaudited Pro Forma Statements have been derived from the unaudited financial statements of ITEC for the six month period ended December 31, 2002 and the unaudited financial statements of Greenland for the six month period ended December 31, 2002.

## Edgar Filing: IMAGING TECHNOLOGIES CORP/CA - Form 8-K

The unaudited Pro Forma Statements of Operations and financial conditions reflects the acquisition by ITEC (a reporting company) of Greenland (a reporting company) shares in an acquisition using the purchase method of accounting and assumes that such acquisition was consummated as of July 1, 2001.

The unaudited Pro Forma Statement of Operations should be read in conjunction with the Financial Statements of ITEC, the Financial Statements of Greenland and the Notes to the financial statements. The Pro Forma Statement of Operations does not purport to represent what the Company's results of operations would actually have been if the acquisition of Greenland shares had occurred on the date indicated or to project the company's results of operations for any future period or date. The Pro Forma adjustments, as described in the accompanying data, are based on available information and the assumption set forth in the footnotes below, which management believes are reasonable.

| (in thousands, except per share data)  | GREENLAND<br>(HISTORICAL) | ITEC<br>(HISTORICAL) | PRO FORMA<br>ADJUSTMENT | PRO FO<br>COMBIN |
|--|---------------------------|----------------------|-------------------------|------------------|
|  | -----                     | -----                | -----                   | -----            |
| Net revenue . . . . .  | \$ -                      | \$ 891               | \$ -                    | \$ -             |
| Operating expenses . . . . .   | 766                       | 3,165                | -                       | -                |
| Loss from operations . . . . .   | (766)                     | (2,274)              | -                       | -                |
| Non-operating expense . . . . .  | (44)                      | (430)                | -                       | -                |
| Net loss before income taxes and<br>extraordinary item . . . . .                       | (810)                     | (2,704)              | -                       | -                |
| Provision for income taxes . . . . .   | 1                         | -                    | -                       | -                |
| Net loss before extraordinary item . .   | (811)                     | (2,704)              | -                       | -                |
| Extraordinary item - loss on<br>settlement of debt . . . . .                           | (125)                     | -                    | -                       | -                |
| Net loss . . . . .   | \$ (936)                  | \$ (2,704)           | \$ -                    | \$ -             |
| Basic and diluted weighted average<br>number of common shares<br>outstanding . . . . . | 6,637                     | 45,473               | 115,103                 | -                |
| Basic and diluted net loss per share.  | \$ (0.14)                 | \$ (0.06)            | \$ -                    | \$ -             |

NOTE 1. Earnings per share data shown above are applicable for both primary and fully diluted.

NOTE 2. Weighted-average number of shares outstanding for the combined entity includes all shares issued as of December 31, 2002 as if outstanding as of the beginning of the period.

NOTE 3. Weighted average number of shares outstanding for combined entity includes 118,518,413 shares of ITEC common stock, 420.5 shares of ITEC preferred stock and 115,102,900 shares of Greenland common stock issued upon acquisition of Greenland shares by ITEC.

Edgar Filing: IMAGING TECHNOLOGIES CORP/CA - Form 8-K

EXHIBITS

| EXHIBIT NUMBER | DESCRIPTION  |
|----------------|--|
| -----          | -----  |
| Exhibit 99.1   | Secured Promissory Note in the amount of \$2,250,000 issued by ITEC to Greenland, dated January 7, 2003. (Incorporated by reference to Form 8-K filed January 21, 2003.) |
| Exhibit 99.2   | Security Agreement, dated January 7, 2003 between ITEC and Greenland. (Incorporated by reference to Form 8-K filed January 21, 2003.)                                    |
| Exhibit 99.3   | Agreement to Acquire Shares, dated August 9, 2002 between ITEC and Greenland. (Incorporated by reference to Form 8-K filed January 21, 2003.)                            |
| Exhibit 99.4   | Closing Agreement, dated January 7, 2003 between ITEC and Greenland. (Incorporated by reference to Form 8-K filed January 21, 2003.)                                     |
| Exhibit 99.5   | Share Acquisition Agreement, dated June 12, 2002, between ITEC and QPIX. (Incorporated by reference to Form 8-K filed January 21, 2003.)                                 |
| Exhibit 99.6   | Closing Agreement, dated July 23, 2002 between ITEC and QPIX. (Incorporated by reference to Form 8-K filed January 21, 2003.)  |

SIGNATURES

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

Date: March 14, 2003

IMAGING TECHNOLOGIES CORPORATION

By: /S/ Brian Bonar

Name: Brian Bonar

Title: Chairman, President, and Chief Executive Officer