

CAPTARIS INC
Form 8-K
October 26, 2004

UNITED STATES
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**

October 25, 2004

Date of Report (Date of earliest event reported)

CAPTARIS, INC.

(Exact Name of Registrant as Specified in Charter)

Washington
(State or Other Jurisdiction
of Incorporation)

0-25186
(Commission File No.)

91-1190085
(IRS Employer
Identification No.)

10885 N.E. 4th Street, Bellevue, Washington
(Address of principal executive offices)

98004
(Zip Code)

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(425) 455-6000

(Registrant's telephone number, including area code)

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 communication 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 8.01. Other Events

As previously reported on a Current Report on Form 8-K filed by Captaris, Inc. on October 1, 2003, in connection with the acquisition by Captaris of Teemplate, Inc. on September 30, 2003, Captaris issued 574,727 shares of common stock to the former Teemplate shareholders. All of this common stock has been held in a third-party escrow account since the closing as security for certain post closing obligations of the Teemplate shareholders. Under the terms of the Teemplate acquisition agreement, on the first anniversary of the closing, each Teemplate shareholder had the option (referred to as the put option) to require Captaris to purchase all of the shareholder's portion of the Captaris common stock issued in the transaction at a price per share of \$5.22 if (a) the average of the last sale prices of the common stock for the 20 trading days prior to September 30, 2004 was less than \$5.22 per share and (b) the last sale price of the common stock on September 30, 2004 was less than \$5.22 per share.

The conditions for exercise of the put option were satisfied on September 30, 2004 and a total of 571,261 shares were returned to Captaris to be repurchased under the terms of the put option. On October 25, 2004, Captaris paid an aggregate of \$2,981,982.42 in cash to repurchase these shares of common stock. The remaining 3,466 shares of common stock were released from the escrow account and delivered to the applicable shareholders.

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.

Captaris, Inc.

Dated: October 26, 2004

By: /s/ Peter Papano

Peter Papano

Chief Financial Officer

-2-