

Cobalis Corp
Form 8-K
April 05, 2007

**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): April 1, 2007
Commission File Number: 000-49620

Cobalis Corp.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

91-1868007

(I.R.S. Employer
Identification No.)

2445 McCabe Way, Suite 150, Irvine, CA

(Address of principal executive offices)

92614

(Zip Code)

(949) 757-0001

(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 communications 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))

Item 8.01 Other Events.

On April 2, 2007, Cobalis Corp. (the “Registrant”), filed a motion to vacate an agreed judgment (the “Motion to Vacate”) in the U.S. District Court for the Northern District of Texas, Dallas Division with regard to case #3:04-CV- 2405 between Gryphon Master Fund, L.P. (“Gryphon”) and the Registrant. The underlying lawsuit, which was originally filed in 2004, stemmed from alleged breach of contract claims arising from two investments in the Registrant totaling \$1.6 million made by Gryphon in September 2003. In April of 2006, in an effort to resolve the litigation, the Registrant and Gryphon entered into a settlement agreement, which included an agreed judgment in the amount of \$1,600,000 with certain setoffs. The settlement agreement was attached as an exhibit to the Registrant’s Form 8-K filed with the SEC on April 5, 2006. Full repayment was due under the settlement agreement on or before April 1, 2007. The Registrant did not make the payment on or before April 1, 2007.

The Registrant based the Motion to Vacate on several grounds including that allegation that Gryphon breached the “no shorting” provision contained in the settlement agreement. The Registrant believes, and so alleges in the Motion to Vacate, that despite Gryphon’s agreement, Gryphon engaged in shorting of the Registrant’s stock. There is no guarantee that the Registrant will be successful in vacating the judgment. If the Registrant is unsuccessful in vacating the judgment and, if the Registrant is unable to subsequently timely resolve the Gryphon matter or raise capital to satisfy the judgment, the Registrant’s ability to move its business forward would be adversely affected.

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, thereunto duly authorized.

Cobalis Corp.

Date: April 5, 2007

By: /s/ Chaslav Radovich

Chaslav Radovich, President