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SENSOR SYSTEM SOLUTIONS INC

Form 8-K

November 28, 2006

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

November 9, 2006

SENSOR SYSTEM SOLUTIONS, INC.
(Exact Name of Registrant as Specified in Charter)

Nevada (State or other jurisdiction of incorporation)	0-024828 (Commission File Number)	98-0226032 (IRS Employer Identification No.)
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45 Parker Avenue, Suite A, Irvine, California (Address of principal executive offices)	92618 (Zip code)
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(949) 855-6688
Registrant's telephone number, including area code:

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

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 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENTS

On November 9, 2006, Sensor System Solutions, Inc., a Nevada corporation (the "Company"), entered into a Securities Purchase Agreement with Cornell

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Capital Partners, LP ("Cornell Capital"), which provides for the purchase by Cornell Capital of a secured convertible debenture (the "Debenture") in the amount of \$255,000. The Debenture is convertible into the Company's common stock, par value \$0.001 per share (the "Common Stock"), based on a conversion price which shall be equal to the lesser of (i) \$0.025 or (ii) ninety five percent (95%) of the lowest volume weighted average price of the Common Stock during the thirty (30) trading days immediately preceding the Conversion Date as quoted by Bloomberg, LP. The Debenture bears interest at 10% per annum and the principal amount will be payable on the second anniversary of the effective date of the Debenture. The Company shall have the right to redeem a portion or all of the amounts outstanding under the Debenture, provided that (i) the closing bid price is less than the conversion price; (ii) the Registration Statement is effective; and (iii) no event of default occurred under the documents. If the closing bid price of the Common Stock is trading below the conversion price at the time of the redemption notice, the Company shall pay an amount equal to the principal amount being redeemed plus a redemption premium equal to twenty percent (20%) of the principal amount being redeemed, and accrued interest. The Company's obligations under the Debenture are secured by (i) a security interest in all of the assets of the Company and of each of the Company's subsidiaries as evidenced by that certain Security Agreement, dated December 23, 2005, by and between the Company and Cornell Capital; (ii) the UCC-1 Financing Statements filed in the States of California and Nevada; and (iii) 10,075,357 shares of Common Stock of the Company as evidenced by that certain Pledge and Escrow Agreement, dated December 23, 2005. The Company also entered into a Registration Rights Agreement, dated November 9, 2006 (the "Registration Rights Agreement") with Cornell Capital pursuant to which the Company is obligated to file a registration statement covering the resale of at least 50,000,000 shares of Common Stock issuable upon the conversion of the Debenture.

In connection with the Securities Purchase Agreement, the Company issued two warrants to Cornell Capital to purchase 30,000,000 shares of the Company's Common Stock (the "Warrants"). The first warrant for 20,000,000 has an exercise price equal to \$0.025, which may be adjusted under the terms of the warrant, and has a term of five years from the date of issuance on November 9, 2006. The second warrant for 10,000,000 shares has an exercise price equal to \$0.05, which may be adjusted under the terms of the warrant, and has a term of five years from the date of issuance on November 9, 2006.

The foregoing is a summary of the terms and conditions of the Securities Purchase Agreement, the Debenture, the Registration Rights Agreement, and the Warrants and does not purport to be complete. The foregoing is also qualified in its entirety by reference to the above-mentioned agreements, copies of which are filed as exhibits to this Current Report on Form 8-K and are incorporated herein by reference.

ITEM 3.02. UNREGISTERED SALE OF EQUITY SECURITIES

See Item 1.01 above.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

- (a) Not applicable.
- (b) Not applicable.
- (c) Exhibit No. Description:

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EXHIBIT	DESCRIPTION	LOCATION
Exhibit 10.1	Securities Purchase Agreement, dated as of November 9, 2006, by and between Sensor System Solutions, Inc. and Cornell Capital Partners, LP	Provided herewith
Exhibit 10.2	Registration Rights Agreement, dated as of November 9, 2006, by and between Sensor System Solutions, Inc. and Cornell Capital Partners, LP	Provided herewith
Exhibit 10.3	Secured Convertible Debenture, dated as of November 9, 2006, issued to Cornell Capital Partners, LP in the principal amount of \$255,000	Provided herewith
Exhibit 10.4	Security Agreement, dated as of December 23, 2005, by and between Sensor System Solutions, Inc. and Cornell Capital Partners, LP	Incorporated by reference as Exhibit 10.4 to the Current Report on Form 8-K filed on January 4, 2006
Exhibit 10.5	Insider Pledge and Escrow Agreement, dated as of December 23, 2005, by and among Sensor System Solutions, Inc., Cornell Capital Partners, LP and David Gonzalez, Esq.	Incorporated by reference as Exhibit 10.6 to the Current Report on Form 8-K filed on January 4, 2006
Exhibit 10.6	Warrant for 20,000,000 shares, dated as of November 9, 2006	Provided herewith
Exhibit 10.7	Warrant for 10,000,000 shares, dated as of November 9, 2006	Provided herewith
Exhibit 10.8	Irrevocable Transfer Agent Instructions, dated as of November 9, 2006, by and among by and between Sensor System Solutions, Inc., Cornell Capital Partners, LP and Worldwide Stock Transfer, LLC	Provided herewith

-3-

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.

Date: November 27, 2006

SENSOR SYSTEM SOLUTIONS, INC.

By: /s/ Michael Young

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Name: Michael Young

Title: Chief Executive Officer

-4-