

VERTICALNET INC
Form DEFA14A
July 11, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington DC 20549

SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE
SECURITIES EXCHANGE ACT OF 1934

Filed by the registrant

Filed by a party other than the registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12

VERTICALNET, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (check the appropriate box):

- No fee required.

- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

AMENDMENT TO ANNEX 4

PLEASE NOTE THAT EXHIBIT A TO ANNEX 4 OF THE PROXY STATEMENT (DESCRIPTION AND DESIGNATION OF SERIES B PREFERRED STOCK) IS INCORRECT AND EXHIBIT A TO ANNEX 4 IS

AMENDED AS FOLLOWS:

1. Paragraph 3(b) is deleted in its entirety and replaced by the following paragraph:

(b) Notwithstanding anything to the contrary contained herein, no holder of shares of Series B Preferred Stock shall cast a number of votes in excess of the number (the Voting Cap) determined by (i) dividing (A) the per-share purchase price paid with respect to such holder's shares of Series B Preferred Stock by (B) the applicable closing bid price (adjusted for any stock dividends, stock splits or similar transactions after such date) for shares of the Common Stock as reported on an Eligible Market (as defined in the Stock and Warrant Purchase Agreement, dated as of June 1, 2007, by and among the Corporation and certain purchasers, as amended (the Purchase Agreement)) on the Closing Date (as defined in the Purchase Agreement), and (ii) multiplying that quotient by the number of shares of Series B Preferred Stock currently held by such holder which were originally acquired by such holder or a prior transferor from the Corporation pursuant to the Purchase Agreement. If the foregoing calculation results in a fraction of a share, such fraction will be rounded to the nearest whole number (with one-half being rounded upward). Nothing contained in this Section 3(b) shall limit or otherwise restrict the right of any holder of shares of Series B Preferred Stock to convert any shares of Series B Preferred Stock held by such holder into Common Stock or the voting rights that it will have hereunder or upon conversion.

2. Paragraph 6(i) is deleted in its entirety and replaced by the following paragraph:

(i) Subsequent Financing. In the event that the Corporation fails to close a Subsequent Financing (as defined below) on or prior to December 31, 2007, the Conversion Value for the shares of Series B Preferred Stock held by the Investor Purchasers shall be reduced to \$0.15 (the Subsequent Value); provided, however, that in the event the Corporation effects a reverse stock split of its Common Stock on or prior to December 31, 2007, the Subsequent Value shall be adjusted in accordance with Section 6(f). Subsequent Financing means a financing transaction pursuant to which the Corporation sells Common Stock or securities convertible into or exercisable or exchangeable for Common Stock where the Corporation receives aggregate gross proceeds that equal, when added to the aggregate gross proceeds received by the Corporation from the sale of the shares of Series B Preferred Stock under the Purchase Agreement, at least \$6,000,000.

3. Paragraph 9(a) is deleted in its entirety and replaced by the following paragraph:

9. Shareholder Approval.

(a) Proposals. Pursuant to Section 3.1(i)(iii) of the Purchase Agreement, following the date hereof, the Corporation shall solicit approval of the holders of Common Stock of at its next annual meeting (the Next Annual Meeting) of (i) an amendment to the Articles to increase the number of authorized shares of Common Stock by at least 35,000,000 shares (the Articles Amendment), (ii) the issuance of shares of Common Stock upon conversion of the shares of Series B Preferred Stock in excess of 2,480,605, which represents 19.99% of the shares of Common Stock outstanding on the day immediately prior to the Closing Date (the Issuable Maximum) as required by the Nasdaq Marketplace Rules then in effect (the Nasdaq Proposal), and (iii) to the extent that making the shares of Series B Preferred Stock convertible into shares of Common Stock as well as the issuance of the warrants to purchase shares of Common Stock pursuant to the Purchase Agreement may constitute a change of control under the Nasdaq Marketplace Rules, the approval of such change of control (the Control Proposal and together with the Articles Amendment and the Nasdaq Proposal, the Proposals).