

PERFECTDATA CORP

Form S-4

October 24, 2003

As filed with the Securities and Exchange Commission on October 24, 2003

Registration No. 333-

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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM S-4  
REGISTRATION STATEMENT  
Under  
The Securities Act of 1933  
Under  
The Securities Act of 1933

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PerfectData Corporation

(Exact name of registrant as specified in its charter)

**California**

(State or other jurisdiction of  
incorporation or organization)

**3990**

(Primary Standard Industrial  
Classification Code Number)

**95-3087593**

(I.R.S. Employee  
Identification Number)

110 West Easy Street  
Simi Valley, California 93065  
(805) 581-4000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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Harris A. Shapiro  
Chief Executive Officer  
PerfectData Corporation  
110 West Easy Street  
Simi Valley, California 93065  
(805) 581-4000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective and all other conditions to the merger of a wholly-owned subsidiary of PerfectData Corporation into SuperCom Ltd. have been satisfied or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Amount To Be Registered <sup>(1)</sup>	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price <sup>(2)</sup>	Amount of Registration Fee
Common Stock, no par value per share	27,821,070	\$0.69	\$8,767,374	\$709.28

(1)The Registrant is offering 27,821,070 shares of its common stock, no par value per share, which is the maximum number of shares of common stock that the Registrant is expected to issue in the merger described herein to holders of ordinary shares of SuperCom Ltd., assuming that PerfectData's Final Net Available Cash prior to the merger is \$1,500,000, and is calculated as the product of 12,706,339 SuperCom ordinary shares multiplied by the exchange ratio of 2.1895426 shares of PerfectData common stock for each SuperCom ordinary share.

(2)Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act, and calculated pursuant to Rule 457(f) under the Securities Act. Pursuant to Rule 457(f)(2) under the Securities Act, the registration fee has been calculated based on the book value of SuperCom common stock to be exchanged in the merger, as the product of (i) \$0.69 (the book value of each share of SuperCom common stock computed as of the latest practicable date prior to the date of filing this registration statement) multiplied by (ii) 12,706,339, the estimated maximum number of SuperCom ordinary shares expected to be cancelled by the Registrant in the merger.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission acting pursuant to said Section 8(a) may determine.**

**The information in this joint proxy statement/prospectus is not complete and may be changed. PerfectData**

**may not issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

Subject to Completion, Dated October 24, 2003

[PerfectData Logo]

[SuperCom Logo]

**PerfectData Corporation  
110 West Easy Street  
Simi Valley, California 93065**

**SuperCom Ltd.  
Millennium Bldg.  
3 Tidhar St., P.O.B. 2094  
Raanana 43665 Israel**

PERFECTDATA AND SUPERCOM  
JOINT PROXY STATEMENT/PROSPECTUS

PerfectData Corporation and SuperCom Ltd. have entered into a merger agreement pursuant to which a newly-formed, wholly-owned Israeli subsidiary of PerfectData will merge with and into SuperCom and the shareholders of SuperCom will become shareholders of PerfectData. Following the merger, PerfectData will conduct only the business currently conducted by SuperCom. Upon consummation of the merger, holders of SuperCom ordinary shares will own 72.5% of PerfectData on a fully-diluted basis, and the holders of PerfectData common stock prior to the merger will own 21.5% of PerfectData on a fully-diluted basis, subject to certain adjustments described below and in this joint proxy statement/prospectus. The balance of PerfectData will be owned by certain parties that acted as finders in connection with this transaction. The closing of this merger is subject to the approvals of the shareholders of both PerfectData and SuperCom and certain other closing conditions.

In connection with the merger, PerfectData's shareholders are also being asked to approve the reincorporation of PerfectData in the State of Delaware (including the change of PerfectData's name to "SuperCom (Delaware) Inc.," or SuperCom Delaware, if the merger is consummated); an increase in the number of common shares that SuperCom is authorized to issue; a new equity incentive plan; the adoption of an amendment to the bylaws increasing the number of directors from five to eight if the merger is consummated; the election of a new board of directors consisting of six individuals nominated by SuperCom and two individuals nominated by PerfectData if the merger is consummated; and the ratification of the selection of Kost, Forer & Gabbay, a member of Ernst & Young Global, as auditors if the merger is consummated.

The number of shares of PerfectData common stock (which will become SuperCom Delaware common stock after the reincorporation) to be issued for each ordinary share of SuperCom is not fixed and will be adjusted based upon the exchange ratio established by the merger agreement. Under the merger agreement, the exchange ratio is calculated so that each ordinary share of SuperCom outstanding immediately before the effective time of the merger will be converted into the number of shares of PerfectData common stock equal to (1) 3.3720926 multiplied by the number of shares of PerfectData common stock outstanding on a fully-diluted basis before the effective time of the merger, divided by (2) the number of ordinary shares of SuperCom outstanding on a fully-diluted basis immediately before the effective time of the merger. Based on the number of shares of PerfectData common stock and SuperCom ordinary shares outstanding as of October 10, 2003, and including the issuance by PerfectData of 150,000 of its shares to a third party conditioned upon the closing of the merger, SuperCom shareholders would receive 1.534804837 shares of PerfectData common stock for each ordinary share of SuperCom they own.

Adjustments to the exchange ratio will be made in the event that the Final Net Available Cash of PerfectData at the effective time of the merger is less than \$2,000,000. Pursuant to the merger agreement, "Final Net Available Cash" means, as of the effective time of the merger, a dollar amount

determined in accordance with generally accepted accounting principles equal to the aggregate amount of PerfectData's cash and cash equivalents, less the aggregate amount of all of PerfectData's liabilities. The Final Net Available Cash would have been \$1,994,000 had the closing been effected as of June 30, 2003, assuming that through the sale of its operating assets (including inventory and certain accounts receivable) and collection of other accounts receivable PerfectData had realized full value on such assets. PerfectData currently estimates that its Final Net Available Cash immediately prior to the merger will be approximately \$1,600,000. Assuming that the Final Net Available Cash of PerfectData prior to the merger equals \$1,600,000, the adjusted exchange ratio (assuming no changes in the number of SuperCom ordinary shares and PerfectData common stock outstanding on a fully diluted basis) would be adjusted so that each ordinary share of SuperCom would be converted into the right to receive 2.0171376 shares of SuperCom Delaware common stock at the effective time of the merger, and the respective ownership of SuperCom's shareholders and PerfectData's shareholders in the combined company, at the effective time of the merger, on a fully diluted basis would be approximately 78% and 17.6%, respectively. If the Final Net Available Cash of PerfectData prior to the merger equals \$1,500,000 (which is the lowest amount it can be without breaching the conditions to SuperCom's obligations to close), the adjusted exchange ratio would be 2.1895426, and the respective ownership of SuperCom's shareholders and PerfectData's shareholders in PerfectData, at the effective time of the merger, on a fully diluted basis would be approximately 79.4% and 16.5%, respectively.

After the merger and reincorporation, shareholders of PerfectData will continue to own the same number of shares as they currently own, but they will hold shares in the new Delaware corporation (SuperCom Delaware) instead of the current PerfectData. The shares of common stock of PerfectData are listed on the Over-the-Counter Bulletin Board under the symbol "PERF." We intend to apply to have the symbol changed to "SPRC" after completion of the merger.

We have each scheduled a meeting of our respective shareholders to vote on these important matters. The dates, times and places of the meetings are set forth in the accompanying notices of meeting. YOUR VOTE IN PERSON OR BY PROXY AT THE RESPECTIVE MEETINGS OF SHAREHOLDERS IS VERY IMPORTANT.

**This document is a prospectus of PerfectData relating to the issuance of shares of PerfectData's common stock (which will become SuperCom Delaware's common stock) in connection with the merger and a joint proxy statement for both PerfectData and SuperCom to use in soliciting proxies for our shareholder meetings. It contains answers to frequently asked questions beginning on page 1 and a summary description of the merger beginning on page 8, followed by a more detailed discussion of the merger and related matters. You should also consider the matters discussed under "Risk Factors" commencing on page 26 of the enclosed joint proxy statement/prospectus. We urge you to review the entire document carefully.**

Harris A. Shapiro  
Chief Executive Officer and Chairman of the Board  
PerfectData Corporation

Avi Schechter  
Chief Executive Officer and President  
SuperCom Ltd.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the PerfectData common stock to be issued in the merger or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

The date of this joint proxy statement/prospectus is [            ], 2003, and this joint proxy statement/prospectus and the accompanying proxy cards are first being mailed to the shareholders of PerfectData and SuperCom on or about [            ], 2003.

PERFECTDATA CORPORATION

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON [            ], 2003  
AND NOTICE OF SHAREHOLDERS'S CONSENT

To the Shareholders of PerfectData Corporation:

NOTICE IS HEREBY GIVEN that the annual meeting of the shareholders of PerfectData Corporation, a California corporation ("PerfectData"), will be held at [Time], local time, on [Date], 2003, at [Address], to consider and vote upon the following matters:

1. To consider and vote upon a proposal to approve the Agreement and Plan of Merger and Reorganization dated as of July 2, 2003 by and among PerfectData Corporation, PerfectData Merger Sub Ltd. and SuperCom Ltd. ("SuperCom") and the merger of PerfectData Merger Sub Ltd. with and into SuperCom (the "merger");
2. To consider and vote upon a proposal to reincorporate PerfectData as a Delaware corporation (including, among other things, a change of PerfectData's name to "SuperCom (Delaware) Inc." if the merger is consummated);
3. To consider and vote upon a proposal to increase the number of authorized shares of common stock from 10,000,000 to 55,000,000;
4. To consider and vote upon a proposal to adopt a new equity incentive plan;
5. To adopt an amendment to the bylaws increasing the number of directors from five to eight if the merger is consummated;
6. To elect the number of directors of PerfectData hereinafter provided to serve until the next annual meeting of shareholders and until their successors are duly executed and qualify as follows:
  - (a) to elect eight directors to serve if the merger is consummated; or
  - (b) to elect five directors to serve if the merger is not consummated;
7. To ratify the selection of independent auditors of PerfectData, as follows:
  - (a) Kost, Forer & Gabbay, a member of Ernst & Young Global, for the fiscal year ending December 31, 2003 if the merger is consummated, or
  - (b) KPMG LLP for the fiscal year ending March 31, 2004 if the merger is not consummated;
8. To transact any other business that properly comes before the annual meeting or any adjournments or postponements thereof.

If the merger is not consummated, only proposals 2, 3, 6(b) and 7(b), if approved by the shareholders of PerfectData, will be implemented.

NOTICE IS ALSO HEREBY GIVEN, pursuant to Section 603(b)(1) of the California General Corporation Law, that the holders of more than a majority of the outstanding shares of the PerfectData common stock have consented to the sale of the business operations of PerfectData and that PerfectData intends to close such sale 20 days after the sending of this notice.

**All shareholders are cordially invited to attend the annual meeting. Even if you plan to attend the annual meeting in person, we request that you complete, date, sign and promptly return the enclosed proxy and thus ensure that your shares will be represented at the annual meeting if you are unable to attend. An envelope is enclosed for that purpose. Any shareholder attending the annual meeting may withdraw his or her proxy and vote in person.**

The merger and related transactions are more fully described in the joint proxy statement/prospectus and the annexes, including the Agreement and Plan of Merger and Reorganization, accompanying this notice.

Any action may be taken on any of the foregoing proposals at the annual meeting on the date specified above or on any date to which the annual meeting may properly be postponed or adjourned. The PerfectData Board of Directors has fixed the close of business on [Record Date], 2003 as the record date for the determination of shareholders entitled to notice of, and to vote at, the annual meeting. Only shareholders of record on the record date are entitled to notice of and to vote at the annual meeting or any adjournment or postponement of the meeting.

By Order of the Board of Directors,

Irene J. Marino  
Corporate Secretary

Simi Valley, California  
[Date], 2003

SUPERCOM LTD.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON \_\_\_\_\_, 2003

To the Shareholders of SuperCom Ltd.:

NOTICE IS HEREBY GIVEN that a special meeting of the shareholders of SuperCom Ltd., a company formed under the laws of Israel, will be held at [Time], local time, on [Date], 2003, at [Address], to consider and vote upon the following matters:

1. To consider and vote upon a proposal to approve the Agreement and Plan of Merger and Reorganization dated as of July 2, 2003 by and among PerfectData Corporation, PerfectData Merger Sub Ltd. and SuperCom Ltd. ("SuperCom") and the merger of PerfectData Merger Sub Ltd. with and into SuperCom (the "merger"); and
2. To transact any other business that properly comes before the special meeting or any adjournments or postponements thereof.

**All shareholders are cordially invited to attend the special meeting. Even if you plan to attend the meeting in person, we request that you complete, date, sign and promptly return the enclosed proxy and thus ensure that your shares will be represented at the meeting if you are unable to attend. An envelope is enclosed for that purpose. Any shareholder attending the meeting may withdraw his proxy and vote in person.**

You should notify SuperCom before voting at the meeting or indicate on the proxy card, whether or not you indicate how you want to vote, whether or not you are: (1) a person or entity holding, directly or indirectly, 25% or more of either the voting power or the right to appoint a director of PerfectData or PerfectData Merger Sub; (2) a person or entity acting on behalf of PerfectData, PerfectData Merger Sub or a person or entity described in (1); or (3) a family member of, or an entity controlled by, PerfectData, PerfectData Merger Sub or any of the foregoing. If you do not notify SuperCom as aforesaid, you will not be entitled to vote on the merger and your vote will not be counted with respect to Proposal No. 1.

In addition, you should notify SuperCom before the meeting or indicate on the proxy card whether or not you are a U.S. resident and if you are a U.S. resident, indicate your U.S. state of residence.

The proposed merger and related transactions are more fully described in the joint proxy statement/prospectus and the annexes, including the Agreement and Plan of Merger and Reorganization, accompanying this notice.

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Any action may be taken on the foregoing proposal at the special meeting on the date specified above or on any date to which the meeting may properly be postponed or adjourned. The SuperCom board of directors has fixed the close of business on [Record Date], 2003 as the record date for the determination of shareholders entitled to notice of, and to vote at, the meeting. Only shareholders of record on the record date are entitled to notice of and to vote at the meeting or any adjournment or postponement of the meeting.

By Order of the Board of Directors,

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Avi Schechter  
Chief Executive Officer and  
President

Raanana, Israel  
[Date], 2003

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