

ION NETWORKS INC
Form 10KSB/A
June 02, 2006

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-KSB/A

Amendment No. 1

IXI ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2005

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____.

Commission File No.: 0-13117

ION NETWORKS, INC.

(Name of Small Business Issuer in Its Charter)

Delaware

(State or Other Jurisdiction of

22-2413505

Incorporation or Organization)

(IRS Employer Identification Number)

120 Corporate Blvd., S. Plainfield, NJ 07080

(Address of Principal Executive Offices)

(908) 546-3900

(Issuer's telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act:

Name of Each Exchange

Title of Each Class

On Which Registered

None

None

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, \$.001 par value

(Title of Class)

Check whether the issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.

Indicate by checkmark if the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

Yes

No

The issuer's revenues for the year ended December 31, 2005 totaled \$ 4,557,764.

The aggregate market value of voting stock held by non-affiliates, based on the closing price of the Common Stock, par value \$0.001 (the "Common Stock") on February 28, 2006 of \$0.18, as reported on the OTC Bulletin Board was \$3,443,073. Shares of Common Stock held by each officer and director and by each person who owns 5% or more of the outstanding Common Stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for any other purpose.

There were 27,050,044 shares of Common Stock outstanding as of February 28, 2006.

Transitional Small Business Disclosure Format (check one):

Yes No

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-KSB/A to the Annual Report on Form 10-KSB ION Networks, Inc. (the Company or the Registrant) for the year ended December 31, 2005 (the Original Filing), which was filed with the Securities and Exchange Commission on March 29, 2006, is being filed to amend the Original Filing as follows:

§

ITEM 8A. Controls and Procedures is being revised to meet the requirements of Item 308(c) of Regulation S-B and Rule 13a-15(d) of the Exchange Act.

§

ITEM 13 Exhibits is being revised to reflect the separate filing of the exhibits. The officer certifications required to be filed as exhibits to form 10-KSB are being filed as exhibits 31.1, 31.2, and 32 to this amendment.

Except for the amendments described above, this Form 10-KSB/A does not modify or update other disclosures in, or exhibits to, the Original Filing.

Item 8A: Controls and Procedures

Prior to the filing of this report, the Company's management carried out an evaluation, under the supervision and with the participation of its Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's controls and procedures were effective to ensure that information required to be disclosed by the Company in the reports filed by it under the Securities and Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and include controls and procedures designed to ensure that information required to be disclosed by the Company in such reports is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer of the Company, as appropriate to allow timely decisions regarding required disclosure.

The Company's Chief Executive Officer and Chief Financial Officer have concluded that there has been no change in the Company's internal control over financial reporting that occurred as of the end of the period covered by this report that has materially affected or is reasonably likely to materially affect its internal control over financial reporting.

Item 13. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit

No. Description

- 3.1 Certificate of Incorporation of the Company, as amended through December 31, 2005. /(12)/

- 3.2 By-Laws of the Company./(1)/

- 4.1 1994 Stock Option Plan of the Company. /(12)/

- 4.2 1998 Stock Option Plan of the Company./(1)/+

- 4.3 2000 Stock Option Plan of the Company. /(12)/

- 4.4 Form of Warrant Agreement dated July 17, 2001./(3)/+

- 4.5 Form of Warrant Agreement dated January 4, 2002./(3)/

- 4.7 Convertible Debenture dated August 5, 2004./(9)/

- 4.8 2006 Stock Option Plan of the Company. /(12)/
- 4.9 Warrant Agreement by and between the Company and Creso Capital Partners dated September 9, 2005. /(12)/
- 4.10 Form of Warrant Agreement by and between the Company and Mehrdad Nadooshan dated November 30, 2005. /(12)/
- 10.1 Equipment Lease Agreements dated October 29, 2003
by and between the Company and GE Capital Corporation. /(11)/
- 10.2 Stock Purchase Agreement dated August 11, 2000 by and
between the Company and the parties identified therein./(2)/
- 10.3 Purchase Agreement by and between the Company and the
Selling Shareholders set forth therein dated February 7,
2002./(4)/
- 10.4 Severance Agreement dated September 2, 2004 by and between the
Company and William Whitney. /(11)/ +
- 10.5 Severance Agreement dated September 2, 2004 by and between the
Company and Henry Gold. /(11)/+
- 10.6 Employment Agreement dated August 31, 2004 by and between the

Company and Henry A. Hill. /(10)/+

10.7 Employment Agreement dated February 25, 2002, between the Company
and William Whitney./(6)/+

10.8 Amended and Restated Employment Agreement dated September 8, 2003,
between the Company and Norman E. Corn./(7)/+

10.9 First Amendment to the Amended and Restated Employment Agreement
dated September 8, 2003 by and between the Company and Norman E.
Corn dated November 10, 2004. /(11)

Exhibit

No. Description

- 10.10 Employment Agreement dated September 15, 2003, between the Company and Patrick E. Delaney./(5)/+

- 10.11 First Amendment to the Employment Agreement dated September 15, 2003 by and between the Company and Patrick E. Delaney dated November 10, 2004. /(11)/+

- 10.12 Option Agreement dated January 28, 2004 by and between the Company and Norman E. Corn. /(11)/+

- 10.13 Option Agreement dated January 28, 2004 by and between the Company and Patrick E. Delaney. /(11)/+

- 10.14 Lease Agreement dated July 21, 2003 by and between the Company and 116 Corporate Boulevard, LLC, Inc. /(8)/

- 10.15 Separation Agreement dated March 29, 2004 between the Company and

Kam Saifi. /(11)/

10.16 Separation Agreement dated October 14, 2004 between the Company
and Cameron Saifi. /(11)/

10.17 Agreement dated February 25, 2005 by and between the Company and
Sprint/Untied Management Company. /(11)/

10.18 Agreement dated October 28, 2004 by and between the Company and
General Dynamics Network Systems. /(11)/

10.19 Final Settlement Agreement dated October 11,2005 between the Company and Mr. Gray. /(12)/

21.1 List of Subsidiaries./(11)/

23.1 Independent Auditors Consent. /(12)/

31.1 Certification of CEO Pursuant to Section 302 of the Sarbanes Oxley
Act of 2002.*

31.2 Certification of CFO Pursuant to Section 302 of the Sarbanes Oxley
Act of 2002.*

32 Certifications of CEO and CFO Pursuant to Section 906 of the
Sarbanes Oxley Act of 2002.*

- (1) Incorporated by reference to the Company's Registration Statement on Form S-8 filed on April 22, 1999.
- (2) Incorporated by reference to the Company's Annual report on Form 10-KSB filed on June 29, 2001.
- (3) Incorporated by reference to the Company's Annual Report on Form 10-KSB for the fiscal year ended March 31, 2002, as filed on July 1, 2002.
- (4) Incorporated by reference to the Company's Registration Statement on Form S-3 filed on March 4, 2002.
- (5) Incorporated by reference to the Company's Quarterly Report on Form 10-QSB filed on November 17, 2003.
- (6) Incorporated by reference to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2002, as filed on April 15, 2003.
- (7) Incorporated by reference to the Company's Quarterly Report on Form 10-QSB filed on September 12, 2003.
- (8) Incorporated by reference to the Company's Annual Report on Form 10-KSB filed for the year ended December 31, 2003.
- (9) Incorporated by reference to the Company's Quarterly Report on Form 10-QSB filed on August 13, 2004.
- (10) Incorporated by reference to the Company's Quarterly Report on Form 10-QSB filed on November 15, 2004
- (11) Incorporated by reference to the Company's Annual Report on Form 10-KSB filed for the year ended December 31, 2004.
- (12) Incorporated by reference to the Company's Annual Report on Form 10-KSB filed for the year ended December 31, 2005.

* Filed herewith

+ Management contract for compensatory plan or arrangement

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: May 31, 2006

ION NETWORKS, INC.

By:

/s/ Norman E. Corn

Norman E. Corn

Chief Executive Officer and

Director