

Skkynet Cloud Systems, Inc.
Form 8-K
January 15, 2014

UNITED STATES
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): January 13, 2014

SKKYNET CLOUD SYSTEMS, INC.
(Exact Name of Registrant as Specified in its Charter)

| | | |
|---|--------------------------|--------------------------------------|
| Nevada | 000-54747 | 45-3757848 |
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

20 Bay Street – Suite 1100, Toronto, Ontario, Canada M5J 2N8
(Address of Principal Executive Office) (Zip Code)

Registrant's telephone number, including area code: (888) 628-2028

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 (see General Instruction A.2 below):

- 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))
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ITEM 1.01
Entry into a
Material
Definitive
Agreement

On January 13, 2014, Skkynet Cloud Systems, Inc. (the “Company”) entered into settlement and release agreements with the officers of the Company set forth below for the forgiveness of the accrued but unpaid salary due to each as of October 31, 2013 in the amounts set forth below. In consideration of forgiveness of the amounts due and the respective releases, each officer was granted options to purchase the number of shares of the Company’s common stock, \$0.001 par value per share (the “Common Stock”) indicated below at a per share exercise price of \$0.88. The vesting of each option grant is as follows: (i) 20% of each optionee grant is vested as of January 13, 2014 and (ii) an additional 20% of each optionee grant shall vest on January 13th in each successive year on the anniversary date of the grant.

| Officer/Optionee | Forgiven Accrued/Unpaid Salary as of October 31, 2013 | Number of Shares of Common Stock Underlying Options |
|--|--|--|
| Andrew S. Thomas Chief Executive Officer | \$ 195,775.49 | 200,000 |
| Paul M. Benford Chief Operating Officer | \$ 145,433.24 | 150,000 |
| Paul E. Thomas President and Secretary | \$ 188,583.74 | 190,000 |
| Lowell Holden Chief Financial Officer | \$ 35,000.00 | 40,000 |

The shares of Common Stock will be issued in reliance upon an exemption from registration provided by Rule 506 of Regulation D of the Securities Act of 1933, as amended (the “Securities Act”). All shares of Common Stock underlying the respective options will be restricted in accordance with Rule 144 of the Securities Act upon exercise.

ITEM 3.01
Unregistered
Sale of
Equity
Securities

All information set forth under Item 1.01 of this Current Report on Form 8-K is hereby incorporated hereunder by reference.

ITEM 9.01
Financial
Statements
and
Exhibits

| Exhibit No. | Description of Exhibit |
|----------------|------------------------|
|----------------|------------------------|

10.1* Form of Settlement and Release Agreement

*filed herewith

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SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

SKKYNET CLOUD SYSTEMS, INC.

Dated: January 15, 2014

By: /s/ Paul E. Thomas
Paul E. Thomas
President and Secretary