

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

PEDEVCO CORP

Form: 8-K

Date Filed: 2005-02-22

Corporate Issuer CIK: 1141197

Symbol: PED

SIC Code: 1382

Fiscal Year End: 12/31

**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) February 17, 2005

Verdisys, Inc.

(Exact name of registrant as specified in its charter)

California

(State or Other Jurisdiction of Incorporation)

333-64122

(Commission File Number)

22-3755993

(I.R.S. Employer Identification No.)

**14550 Torrey Chase Boulevard, Suite 330 Houston,
Texas**

(Address of Principal Executive Offices)

77014-1022

(Zip Code)

(281) 453-2888

(Registrant's Telephone Number, Including Area Code)

N/A

(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 (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))
-

Item 8.01. Other Events.

On February 17, 2005, Verdisys, Inc. (the "Company") issued a press release announcing the settlement of contract claims by Gryphon Master Fund, L.P.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

99.1 Press Release, dated February 17, 2005, relating to settlement of contract claims by Gryphon Master Fund, L.P.

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.

VERDISYS, INC.
(Registrant)

Dated: February 22, 2005

By: /s/ David M. Adams

David M. Adams
Chief Operating Officer

Dated: February 22, 2005

By: /s/ John O'Keefe

John O'Keefe
Chief Financial Officer

INDEX TO EXHIBIT

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated February 17, 2005, relating to settlement of contract claims by Gryphon Master Fund, L.P.

**VERDISYS SETTLES BREACH OF CONTRACT CLAIMS
BY GRYPHON MASTER FUND**

Houston, TX – February 17, 2005 – Following mediation talks, Verdisys, Inc (OTCBB: VDYS) has entered into an Agreed Judgment and Order of Severance with Gryphon Master Fund as to all breach of contract claims related to Verdisys' delay in registering common stock acquired by Gryphon in October 2003. Under the terms of the Agreed Judgment, Verdisys is obligated to pay liquidated damages of \$500,000 to Gryphon on or before September 30, 2005. Additionally, Gryphon has agreed to abate their remaining claims and related discovery in their lawsuit against Verdisys until after September 30, 2005.

"This agreement carves out the undisputed portion of the case and more importantly puts on hold any further legal action and associated costs for about eight months," said John O'Keefe CFO and Co-CEO. "This agreement, along with our recently announced settlement with Edge Capital, are further indications that we are resolving the legal issues inherited by this management team."

In connection with its financing in October 2003, Verdisys agreed to provide certain registration rights to Gryphon, including a deadline to register the shares on or before March 2004. The Company became subject to certain liquidated damages having failed to meet the required registration deadline when the registration statement on Form SB-2 became effective in September 2004. In July 2004, Gryphon filed a lawsuit alleging, among other claims, securities fraud and breach of contract. The parties entered mediation talks in January 2005.

About Verdisys, Inc.

Verdisys, Inc., a publicly traded company based in Houston, provides proprietary oil services and solutions for energy production enhancement including patented lateral drilling technologies and secure satellite communications for customers in the U.S. and Canada. To learn more about Verdisys' lateral drilling and abrasive fluid jetting technology please view a helpful presentation at their website: www.verdisys.com

Safe Harbor Statement

Any statements made in this news release other than those of historical fact, about an action, event or development, are forward looking statements. Forward looking statements involve known and unknown risks and uncertainties, which may cause Verdisys' actual results in future periods to be materially different from any future performance that may be suggested in this release. Such factors may include risk factors including but not limited to: the ability to raise necessary capital to fund growth, the introduction of new services, commercial acceptance and viability of new services, fluctuations in customer demand and commitments, pricing and competition, reliance upon subcontractors, the ability of Verdisys' customers to pay for our services, likelihood that there will be sufficient cash on hand to make future settlement payments, together with such other risk factors as may be included in the Company's filings on Form SB-2 and its periodic filings on Form 10-KSB, 10-QSB, and other current reports.

CONTACTS: Verdisys, Inc: John MacDonald at (281) 453-2888 or (713) 725-9244 jmacdonald@verdisys.com