

PERF Go-Green Holdings, Inc

Form S-1/A

October 24, 2008

As filed with the Securities and Exchange Commission on October 24, 2008

Registration Statement No. 333-152949

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

---

AMENDMENT #2 to

FORM S-1

REGISTRATION STATEMENT UNDER THE

SECURITIES ACT OF 1933

---

**PERF-GO GREEN HOLDINGS, INC.**

(Name of Registrant as specified in its charter)

**Delaware**

(State or jurisdiction of  
incorporation or organization)

**2673**

(Primary Standard Industrial  
Classification Code Number)

**20-3079717**

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

**12 East 52nd Street, 4th Floor**

**New York, New York 10022**

**(212) 935-3550**

(Address, including zip code, and telephone  
number, including area code, of registrant's

Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

principal executive offices and principal  
place of business)

**Arthur Stewart**

**Chief Financial Officer**

**12 East 52nd Street, 4th Floor**

**New York, New York 10022**

**(212) 935-3550**

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

Copies to:

**Adam P. Silvers, Esq.**

**Ruskin Moscou Faltischek, P.C.**

**1425 RexCorp Plaza, 15th Floor**

**Uniondale, New York 11556**

**(516) 663-6600**

**Approximate date of commencement of proposed sale to public:** From time to time after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, 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, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

---

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

If this Form is a post-effective amendment filed pursuant to Rule 462(c) 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.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

### CALCULATION OF REGISTRATION FEE

<b>Title of Each Class of</b>	<b>Amount to be</b>	<b>Proposed</b>	<b>Proposed Maximum</b>	<b>Proposed Maximum</b>	<b>Amount of</b>
<b>Securities to be Registered</b>	<b>Registered (1)</b>	<b>Offering Price</b>	<b>Aggregate Offering</b>	<b>Price (2)</b>	<b>Registration Fee</b>
<b>Common Stock, (par value</b>	<b>Registered (1)</b>	<b>Per Share (2)</b>	<b>Price (2)</b>	<b>Price (2)</b>	<b>Registration Fee</b>
\$0.0001 per share)(3) Common Stock, (par value	2,167,296 shares	\$1.16	\$1.16	\$1.16	\$ 98.80
\$0.0001 per share)(4)(6) Common Stock, (par value	10,027,500 shares	\$1.16	\$1.16	\$1.16	\$457.13
\$0.0001 per share (4)(6)	4,754,888 shares	\$1.16	\$1.16	\$1.16	\$216.77

- (1) Pursuant to Rule 416 of the Securities Act of 1933, as amended, this Registration Statement includes an indeterminate number of additional shares as may be issuable as a result of stock splits, stock dividends, recapitalizations anti-dilution provisions in the Notes (defined herein) or Warrants (defined herein), or other similar transactions which occur during this continuous offering.
- (2) Estimated solely for the purpose of computing the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended, on the basis of the average high and low prices of the Registrant's common stock on August 6, 2008, which was \$1.16, as reported by the Over-the Counter Bulletin Board ("OTC-BB").
- (3) Represents 1,579,466 shares of common stock currently issued and outstanding and held by certain Selling Stockholders ("Bridge Shares") and 587,830 shares of common stock underlying warrants held by these Selling Stockholders ("Registrable Bridge Warrants").
- (4) Represents 7,933,333 shares of common stock issuable upon conversion of outstanding convertible promissory notes held by certain Selling Stockholders (the "Notes"), plus an additional 2,094,167 shares, representing additional shares of common stock issuable as interest on the Notes.
- (5) Represents 4,754,888 shares of common stock issuable upon exercise of outstanding warrants held by certain Selling Stockholders (the "Registrable Warrants").

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

- (6) Rounded to the nearest whole Share. In accordance with that certain Registration Rights Agreement, dated as of June 10, 2008, by and among the Registrant and the Selling Stockholders, we are required to file this registration statement on Form S-1 to effect the registration of the Common Stock underlying the Notes, all shares of Common Stock issuable as interest on the Notes, the Common underlying the Registrable Warrants, any additional shares of Common Stock issuable in connection with any anti-dilution provisions in the Notes or the Registrable Warrants and any securities issued or issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing (the "Registrable Securities") within 60 days of the closing date; as permitted by SEC Guidance (provided that the Company shall use diligent efforts to advocate with the Commission for the registration of all of the Registrable Securities in accordance with the SEC Guidance, including without limitation, the Manual of Publicly Available Telephone Interpretations D.29, and, in the event that any Registrable Securities are excluded from the Registration Statement due to the interpretation of Rule 415, the Registrable Securities included in each registration statement shall be allocated among all investors pro rata based on the total number of Registrable Securities proposed to be included in the registration statements.
-

Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

The Registrant paid a Registration Fee of \$1,178.57 on August 11, 2008 which was calculated based upon a total of 25,444,938 shares to be registered.

**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 or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

---

**THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THE SELLING STOCKHOLDERS MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS INCLUDED IN THE REGISTRATION STATEMENT THAT WAS FILED BY PERF GO-GREEN HOLDINGS, INC. WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD UNTIL THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND 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, 2008**

**PRELIMINARY PROSPECTUS**

**Up to 16,949,683 Shares**

**Common Stock (\$0.0001 par value per share)**

The Selling Stockholders of Perf-Go Green Holdings, Inc. identified in this prospectus (the "Selling Stockholders") may from time to time sell up to an aggregate of 16,949,683 Shares ("Shares") of our common stock, par value \$0.0001 per Share (the "Common Stock" or the "Company's Common Stock"). The Shares include 7,933,333 Shares issuable upon conversion of our 10% Convertible Promissory Notes (the "Notes"), 2,094,167 additional Shares issuable as interest on the Notes (the "Interest Shares") and 3,108,965 Shares issuable upon the exercise of the Company's Common Stock Purchase Warrants (the "Registrable Pipe Warrants"). Certain Selling Stockholders acquired the Notes and the Warrants in connection with a transaction whereby such Selling Stockholders (all of which are institutional and other accredited investors) invested an aggregate of \$5,950,000 in cash in the Company in exchange for the Notes and the Warrants (the "Offering"). In addition, the Shares include 1,645,923 warrants issued to three Selling Shareholders in connection with a private placement effectuated by the Company in December 2007 (the "Registrable 2007 Warrants"). In addition, the Shares include 1,579,466 shares of the Company's Common Stock currently issued to certain Selling Stockholders who purchased secured convertible notes ("Bridge Shares") together with warrants to purchase 587,830 shares of the Company's common stock ("Registrable Bridge Warrants") in connection with a private placement transaction in January and February 2008. The Registrable Pipe Warrants, Registrable 2007 Warrants and Registrable Bridge Warrants are collectively referred to herein as the "Warrants."

We expect that sales made pursuant to this prospectus will be made:

- in broker's transactions,

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

- in block trades on the OTC-BB,
- in transactions directly with market makers, or
- in privately negotiated sales or otherwise.

See "Selling Stockholders" and "Plan of Distribution" for further information about the Selling Stockholders and the manner of offering of the Shares.

---

Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

We will not receive any of the proceeds of sales by the Selling Stockholders, although we will receive up to approximately \$5,195,759 from the exercise of the Registrable Warrants to the extent they are exercised in cash. We intend to use any proceeds received from the Selling Stockholders' exercise of the Registrable Warrants for Working Capital and general corporate purposes. The Company will pay the expenses incurred to register the Shares for resale, but the Selling Stockholders will pay any underwriting discounts, if any, concessions, or brokerage commissions associated with the sale of their Shares.

The Selling Stockholders will determine when they will sell their Shares, and in all cases they will sell their Shares at the current market price or at negotiated prices at the time of the sale. Securities laws and Securities and Exchange Commission ("SEC") regulations may require the Selling Stockholders to deliver this prospectus to purchasers when they resell their Shares.

Our common stock currently trades on the OTC-BB under the symbol "PGOG"; On October 23, 2008, the closing price of one share of our common stock was \$0.92.

***Investing in our common stock involves a high degree of risk. See "Risk Factors"; beginning on page 4 for a discussion of certain risk factors that should be considered by prospective purchasers of the Company's Common Stock offered under this prospectus.***

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

The date of this prospectus is \_\_\_\_\_, 2008.

---



## TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
Special Note Regarding Forward-Looking Information	1
Prospectus Summary	2
Our Business	2
The Offering	4
Our Corporate Information	4
Risk Factors	5
Risks Related to Our Business	5
Risks Related to Our Common Stock	10
Use of Proceeds	15
Determination of Offering Price	15
Selling Stockholders	15
Registration Rights Agreement	23
Plan of Distribution	24
Dividend Policy	25
Management's Discussion and Analysis of Financial Condition and Results of Operations	25
Our Business	35
Financial Statements	F-1
Management	40
Executive Compensation	42
Security Ownership of Certain Beneficial Owners and Management	45
Market for Common Equity and Related Stockholder Matters	49
Legal Proceedings	50
Legal Matters	50
Experts	50
Interests of Named Experts	51
Disclosure of Commission Position on Indemnification for Securities Act Liabilities	51
Where You Can Find More Information	51

**You should rely only on the information contained in this prospectus. We have not, and the underwriter has not, authorized anyone to provide you with information different from or in addition to that contained in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell, and are seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the common stock. Our business, financial conditions, results of operations and prospects may have changed since that date.**

**SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION**

The prospectus and any prospectus supplement contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 27A of the Securities Act of 1933, as amended (the "Securities Act"). Forward-looking statements include those regarding our goals, beliefs, plans or current expectations and other statements regarding matters that are not historical facts. For example, when we use words such as "project," "believe," "anticipate," "plan," "expect," "estimate," "intend," "should," "would," "could," or "may," or other words that convey uncertainty of future events or outcome, we are making forward-looking statements. Our forward-looking statements are subject to risks and uncertainties. You should note that many important factors, some of which are discussed elsewhere in this prospectus, could affect us in the future and could cause our results to differ materially from those expressed in our forward-looking statements. You should read these factors, including the information under "*Risk Factors*"; beginning on page 4, and the other cautionary statements made in this prospectus as being applicable to all related forward-looking statements wherever they appear in this prospectus. Further, forward-looking statements speak only as of the date they are made, and unless required by law, we expressly disclaim any obligation or undertaking to update publicly any of them in light of new information or future events. Since our common stock is considered a "penny stock" we are ineligible to rely on the safe harbor for forward looking statements provided in Section 27A of the Securities Act and Section 21E of the Exchange Act.

**PROSPECTUS SUMMARY**

*This summary contains basic information about us and this offering. Because it is a summary, it does not contain all of the information that may be important to you. You should read the entire prospectus carefully, including the section entitled "Risk Factors"; and our consolidated financial statements and the related notes to those statements included in this prospectus. This prospectus contains certain forward-looking statements. The cautionary statements made in this prospectus should be read as being applicable to all related forward-looking statements wherever they appear in this prospectus. Our actual results could differ materially from those discussed in this prospectus. See "Special Note Regarding Forward-Looking Statements."*

**OUR BUSINESS**

Our executive office is located at 12 East 52nd Street, 4th Floor, New York, New York 10022. Our telephone number is (212) 935-3550. We maintain an Internet Website at [www.perfgogreen.com](http://www.perfgogreen.com). Information contained on its Internet Website is for informational purposes only and is not part of this Registration Statement on Form S-1.

Perf-Go Green Holdings, Inc., formerly known as ESYS Holdings, Inc. and La Solucion, Inc., (the "Company"); was incorporated in Delaware in April 2005. Its business was originally intended to provide assistance to the non-English speaking Hispanic population in building and maintaining a life in North Carolina but it did not establish operations in connection with its business plan.

On May 13, 2008, the Company entered into a Share Exchange Agreement with Perf-Go Green, Inc., ("Perf Go Green") a privately-owned Delaware corporation and its shareholders pursuant to which the Company acquired all of the outstanding shares of common stock of Perf-Go Green (the "Share Exchange"). Perf-Go Green was originally incorporated as a limited liability company on November 15, 2007 and converted to a "C" corporation on January 7, 2008. As consideration for the Share Exchange, the Company issued an aggregate of 21,079,466 shares of common stock, \$0.0001 par value (the "Common Stock") to the Perf-Go Green shareholders resulting in a change in control of the Company with Perf-Go Green Shareholders owning approximately 65% of the Company's common stock. In addition, the directors and officers of Perf-Go Green were elected as directors and officers of the Company. As a result of the Share Exchange, the Company has succeeded to the business of Perf-Go Green as its sole business.

Our objective is to create an environmentally friendly "green" company for the development and global marketing of eco-friendly, non-toxic, food contact compliant, biodegradable plastic products. We believe our biodegradable plastic products offer a practical and viable solution for reducing plastic waste from the world environment. Based solely on environmental claims statements made by EPI Environmental Technologies, Inc. ("EPI"), the Company that manufactures TDPA, an oxo-biodegradable plastic additive that speeds up the break down of our plastic products, we believe our plastic products will break down in landfill environments within twelve (12) to twenty four (24) months, leaving no visible or toxic residue. We have not conducted any research, testing or studies to verify EPI's claims. All of our products incorporate recycled plastic. Our products make important strides towards the reduction of plastic from the environment.

We have partnered with Spectrum, a mid-sized manufacturer and distributor of plastic bags and plastic products to manufacture and distribute our plastic products. With its headquarters located in Cerritos, California, Spectrum's revenues exceed \$250,000,000 in the United States. Spectrum's President, Ben Tran, is one of our directors and shares in one of the patents on our handle tie-bags.

The manufacturing of our biodegradable plastic products is a multi-step process. Spectrum starts by using recycled plastic and combines it with TDPA. Spectrum has been issued a license by EPI to use TDPA. Spectrum utilizes a proprietary application method to produce the film made with TDPA for our trash bags. As a result of this process, we believe, based on EPI's environmental claims relating to TDPA, our plastic products, when discarded in soil in the presence of microorganisms, moisture and oxygen, will biodegrade, decomposing into simple materials found in nature and will be degradable. We believe this degradable plastic additive technology will be suitable in the creation of many mainstream consumer products.



During 2008, we launched and began marketing our products in six (6) prominent plastic product categories:

- Thirteen gallon, extra tall kitchen garbage bags
- Thirty gallon garage, lawn and leaf garbage bags
- Commercial garbage bags (various sizes for office buildings and for municipalities, parks and beaches.)
- Kitty litter liner bags (three sizes)
- 10 foot by 20 foot plastic drop cloths
- Doggie Duty™ Bags

The sale and distribution of our initial product offerings, the thirteen gallon extra tall kitchen trash bags and thirty gallon garage, lawn and leaf garbage bags, began in the third quarter of 2008. We believe that we are the first company to mass-market biodegradable trash bags and other plastic products.

## **RISK FACTORS**

### *Development Stage Company*

We are a development stage company with operating losses since inception. We anticipate that we will continue to generate significant losses from operations in the near future. These conditions raise substantial doubt about our ability to continue as a going concern. The Company's cash flow projections presently indicate that projected revenues may not be sufficient to fund operations over the coming twelve months. As such, the Company may need additional financing within the next few months in order to continue its operations. However, as a development stage company, the Company's ability to accurately project revenues and expenses can be significantly impacted by unforeseen events, developments and contingencies that cannot be anticipated. As such, there can be no assurance that management's plans to raise additional financing will be successful or sufficient in order to sustain our operations over the coming twelve months.

## THE OFFERING

The following is a brief summary of this offering:

<b>Common Stock Currently Outstanding</b>	32,736,970
<b>Common Stock Offered by the Selling Stockholders</b>	1,579,466 shares of common stock
<b>Common Stock Offered by the Selling Stockholders issuable upon conversion of the Notes and Interest Shares</b>	10,027,500 shares of common stock
<b>Common Stock offered by the Selling Stockholders issuable upon the exercise of the Registrable Warrants</b>	5,342,717 shares of common stock
<b>Common Stock outstanding after the offering (1)</b>	49,686,653 shares of common stock
<b>Use of Proceeds</b>	We will not receive any of the proceeds of sales of shares by the Selling Stockholders although we will receive up to \$5,195,759 from the exercise of the Registrable Warrants to the extent they are exercised in cash.
<b>Risk Factors</b>	The securities offered involve a high degree of risk. You should read carefully the factors discussed under " <i>Risk Factors</i> "; beginning on page 5 and the other information included in this prospectus before investing in our securities.
<b>OTC-BB Trading Symbol</b>	PGOG

(1) Assumes the exercise of all of the Notes and Warrants.

## OUR CORPORATE INFORMATION

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

Perf-Go Green Holdings, Inc. was incorporated in Delaware in 2005. Our principal executive offices are located at 12 East 52<sup>nd</sup> Street, 4<sup>th</sup> Floor, New York, New York 10022. Our telephone number is 212-935-3550 and our principal website address is [www.perfgogreen.com](http://www.perfgogreen.com). The information found on or accessible through our website is not part of this prospectus.

## RISK FACTORS

An investment in our securities involves a high degree of risk. You should carefully consider the risks described below and the other information in this prospectus, including our consolidated financial statements and the related notes thereto included in those statements, as well as our filings with the Securities and Exchange Commission under the Exchange Act, before you purchase any of our common stock. If any of the following risks and uncertainties develops into actual events, our business, results of operations or financial condition could be adversely affected. In those cases, the trading price of our securities could decline, and you may lose all or part of your investment.

*Investors, prior to making an investment decision, should carefully read all information pertaining to the Company and consider, along with other matters referred to herein, the risk factors set forth below, and other information throughout this Registration Statement on Form S-1 before making a decision to purchase securities. You should only purchase securities if you can afford to suffer the loss of your entire investment.*

### RISKS RELATED TO OUR BUSINESS

#### *Development Stage Company*

We are a development stage company with operating losses since inception. We anticipate that we will continue to generate significant losses from operations in the near future. These conditions raise substantial doubt about our ability to continue as a going concern. The Company's cash flow projections presently indicate that projected revenues may not be sufficient to fund operations over the coming twelve months. As such, the Company may need additional financing within the next few months in order to continue its operations. However, as a development stage company, the Company's ability to accurately project revenues and expenses can be significantly impacted by unforeseen events, developments and contingencies that cannot be anticipated. As such, there can be no assurance that management's plans to raise additional financing will be successful or sufficient in order to sustain our operations over the coming twelve months.

#### *We have no operating history.*

We have only recently commenced the marketing and sale of our biodegradable plastic products. Prospective investors in our securities have no operating history on which to base an evaluation of our future performance. Our prospects must be considered in light of the risks, expenses, and difficulties frequently encountered by companies in an early stage of development, particularly companies in new or rapidly evolving markets. Although we believe that we have developed a model that will be successful, there can be no assurance that we will be able to achieve or sustain profitability, or generate sufficient cash flow to meet our capital and operating expense obligations. As a result, you could lose your entire investment.

*We are dependent on our relationship with Spectrum and if that relationship were terminated, the Company's business, financial condition and results of operations would be materially adversely affected.*



## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

We do not own the intellectual property which makes our products biodegradable. We have established a working relationship with Spectrum Bags, Incorporated ("Spectrum"), a division of IPS Industries, Inc., the exclusive manufacturing and distribution partner for our plastic products. Spectrum has a licensing agreement with EPI Environmental Technologies, Inc. ("EPI"). EPI holds the patent for TDPA, the chemical additive which we believe, based on environmental claims statements published by EPI, makes our plastic products 100% biodegradable in conjunction with the Spectrum process. Spectrum has developed the process under which TDPA is utilized to make our products biodegradable. This process is Spectrum Plastic's trade secret. Our agreement with Spectrum allows us to market and sell our biodegradable plastic products utilizing TDPA. In the event of the termination of the agreement with Spectrum, we would be required to find a new manufacturer and distributor. We would also be required to develop a relationship with EPI in order to continue to utilize TDPA or find a replacement product. There is no assurance that we would successfully locate a replacement for Spectrum or EPI or that such replacement entities are capable of producing products which make the quality of those produced by Spectrum or EPI. The loss of our relationship with Spectrum or Spectrum's license to use TDPA would have a material adverse effect on our business, financial condition and results of operations.

*We have not performed any independent testing of the biodegradability of our plastic products.*

The manufacturing of our biodegradable plastic products is a multi-step process. Spectrum starts the process by using recycled plastic and then combines it with TDPA. Spectrum utilizes a proprietary application method to produce the film made with TDPA for our trash bags. Based solely on EPI's environmental claims relating to the degradability of TDPA, we believe our plastic products will biodegrade when discarded in soil in the presence of microorganisms, moisture and oxygen decomposing into simple materials found in nature and will be degradable. We have not independently verified EPI's claims nor have we tested the effect, if any, of Spectrum Plastic's process on the biodegradability of our plastic products. There can be no assurance that our plastic products will achieve our expected result. In the event our products do not conform to EPI's claims regarding degradability, our business, financial condition and results of operations would be materially adversely affected.

*We may be unable to manage our growth.*

We are planning for rapid growth and intend to aggressively build our Company. The growth in the size and geographic range of our business will place significant demands on management and our operating systems. Our ability to manage our growth effectively will depend on our ability to attract additional management personnel; to develop and improve our operating systems; to hire, train, and manage an employee base; and to maintain adequate service capacity. Additionally, the proposed rapid roll-out of our products and operations may require hiring additional management personnel to oversee procurement and materials management duties. We will also be required to rapidly expand our operating systems and processes in order to support the projected increase in product applications and demand. There can be no assurance that we will be able to effectively manage growth and build the infrastructure necessary to achieve its rapid roll-out plan.

*Our success depends on our ability to retain our key personnel.*

Our present and future performance will depend on the continued service of our senior management personnel, key sales personnel, and consultants. Our key employees include Anthony Tracy, our Chairman and Chief Executive Officer, Michael Caridi, our Chief Operating Officer, Linda Daniels, our Chief Marketing Officer, and Arthur Stewart, our Chief Financial Officer. The loss of the services of any of these individuals could have an adverse effect on us. We currently have three-year employment agreements with Mr. Tracy, Mr. Caridi and Ms. Daniels. We do not maintain any key man life insurance on any of our key personnel.

*The commercial success of our business depends on the widespread market acceptance of plastics manufactured with TDPA, the chemical additive which we believe makes our plastic products biodegradable and if we are unable to generate interest in plastic products produced with TDPA, we will be unable to generate sales and we will be forced to cease operations.*

The market for biodegradable plastics produced with TDPA is still developing. Our success will depend on consumer acceptance of plastics produced with TDPA. At present, it is difficult to assess or predict with any assurance the potential size, timing and viability of market opportunities for our product in the plastics market. The standard plastics market sector is well established with entrenched and well-capitalized competitors with whom we must compete. Achieving widespread market acceptance for these products will require substantial marketing efforts and the expenditure of sufficient resources to create brand recognition and customer demand and to cause potential customers to consider the potential benefits of the Company's products as against the traditional products to which they have long been accustomed. Moreover, we have limited marketing capabilities and resources. To date, substantially all of our marketing activities have been conducted by members of management. The prospects for our product line will be largely dependent upon our ability to achieve market penetration for such products. Achieving market penetration will require sufficient efforts by the Company to create awareness of and demand for our products. The Company's ability to build its customer base will depend in part on our ability to locate, hire and retain sufficient qualified marketing personnel and to fund marketing efforts, including advertising. There can be no assurance that our products will achieve widespread market acceptance or

that our marketing efforts will result in profitable operations

*We may not be successful in protecting our intellectual property and proprietary rights and we may be required to expend significant amounts of money and time in attempting to protect our intellectual property*

***and proprietary rights and if we are unable to protect our intellectual property and proprietary rights our competitive position in the market could suffer.***

We have obtained a patent to protect our proprietary technologies relating to our unique dispensing system. In addition, we currently hold one registered trademark and have pending six trademark applications and one patent application pertaining to our intellectual property rights. If we fail to successfully enforce our intellectual property rights, our competitive position could suffer, which could harm our operating results. Patents may not be issued for our patent applications that we may file in the future or for our patent applications we have filed to date, third parties may challenge, invalidate or circumvent any patent issued to us, unauthorized parties could obtain and use information that we regard as proprietary despite our efforts to protect our proprietary rights, rights granted under patents issued to us, if any, may not afford us any competitive advantage, others may independently develop similar technology and protection of our intellectual property rights may be limited in certain foreign countries. We may be required to expend significant resources to monitor and police our intellectual property rights. Any future infringement or other claims or prosecutions related to our intellectual property could have a material adverse effect on our business. Any such claims, with or without merit, could be time consuming to defend, result in costly litigation, divert management's attention and resources, or require us to enter into royalty or licensing agreements. Such royalty or licensing agreements, if required, may not be available on terms acceptable to us, if at all. We may not be in a position to properly protect our position or stay ahead of competition in new research and the protecting of the resulting intellectual property.

***Although we believe that our products do not and will not infringe upon the patents or violate the proprietary rights of others, it is possible such infringement or violation has occurred or may occur which could have a material adverse effect on our business.***

In the event that products we sell are deemed to infringe upon the patents or other proprietary rights of third parties, we could be required to modify our products or obtain a license for the manufacture and/or sale of such products and services. In such event, we cannot assure you that we would be able to do so in a timely manner, upon acceptable terms and conditions, or at all, and the failure to do any of the foregoing could have a material adverse effect upon our business. Moreover, we cannot assure you that we will have the financial or other resources necessary to enforce or defend a patent infringement or proprietary rights violation action. In addition, if our products or proposed products are deemed to infringe or likely to infringe upon the patents or proprietary rights of others, we could be subject to injunctive relief and, under certain circumstances, become liable for damages, which could also have an adverse effect on our business.

***We have not yet commenced full scale production of our biodegradable plastic products and it is possible that some of these products may not perform as well as other biodegradable or conventional plastics.***

Individual products produced with TDPA may not perform as well as other biodegradable or conventional plastic disposables. We are still developing many of our plastic products and we have not yet evaluated the performance of all of them. If our plastic products made with TDPA fail to perform comparably to conventional plastic products or biodegradable plastic products derived from other substances, this could cause consumers to prefer alternative products.

***We may not be able to timely fill orders for our products.***

In order for us to successfully market our products, we must be able to timely fill orders for our product line. Our ability to timely meet our supply requirements will depend on numerous factors including our ability to successfully maintain an effective distribution network and to maintain adequate inventories and our ability of the Company's sole supplier to adequately produce the Company's products in volumes

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

sufficient to meet demand. Failure of the Company to adequately supply its products to retailers or of the Company's supplier to adequately produce products to meet demand could materially adversely impact the operations of the Company.

***Unavailability of raw materials used to manufacture our products, increases in the price of the raw materials, or the necessity of finding alternative raw materials to use in our products could delay the introduction and market acceptance of our products.***

Our failure to procure adequate supplies of raw materials could delay the commercial introduction or shipment and hinder market acceptance of our biodegradable plastic products. For example, we are dependent upon EPI's ability to maintain readily available supplies of TDPA in commercial quantities. If the supply of TDPA is disrupted, we may need to seek alternative sources of raw materials or modify our product formulations if the cost or availability of TDPA becomes prohibitive.

***If the Company's supply chain is disrupted, our financial condition and results of operations could be materially adversely affected.***

We rely on Spectrum for the manufacturing and distributions of our products. The interruption of supply, or a significant increase in the cost of manufacturing for any reason, could have a material adverse effect on our business, financial condition and results of operation. We could be materially and adversely affected should any of Spectrum Plastic's facilities be seriously damaged as a result of a fire, natural disaster or otherwise. Further, we could be materially and adversely affected should Spectrum be subject to adverse market, business or financial conditions.

***We may not be able to successfully compete in the environmentally-friendly plastic products market.***

The market for environmentally-friendly plastic products is recent and a rapidly growing segment of the United States economy. Numerous companies similar to us have entered the biodegradable market in the last few years in anticipation of the perceived opportunities surrounding environmentally safe products and as a result the markets for the Company's products are highly competitive. A significant factor in the ability of the Company's consumer products to compete successfully in the market will be its ability to secure and maintain shelf space with major national retail chains. There is no assurance that the Company's business plan to acquire and maintain such shelf space can be successfully implemented. The consumer product industry is highly competitive and the Company will compete with established manufacturers and distributors, many of which will have significantly greater operating history, name recognition and resources than the Company. Other companies and vendors may also enter into competition with the Company as a result of the Company's increased marketing efforts as expected after this Offering is successfully completed. The lack of financial strength of the Company may be a negative factor for the Company's ability to penetrate the home center market even if the Company's products are superior.

***We are dependent on third parties to transport our products, so their failure to transport our products could adversely affect our earnings, sales and geographic market.***

We will use third parties for the vast majority of our shipping and transportation needs. If these parties fail to deliver our products in a timely fashion, including due to lack of available trucks or drivers, labor stoppages or if there is an increase in transportation costs, including due to increased fuel costs, it would have a material adverse effect on our earnings and could reduce our sales and geographic market.

*Purchasers of our products may assert product liability claims against us, which may materially and adversely affect our financial condition.*

Actual or claimed defects in our products could give rise to product liability claims against us. We might be sued because of injury or death, property damage, loss of production or suspension of operations resulting from actual or claimed defects in our products. Regardless of whether we are ultimately determined to be liable, we might incur significant legal expenses not covered by insurance. In addition, products liability litigation could damage our reputation and impair our ability to market our products. Litigation could also impair our ability to retain products liability insurance or make our insurance more expensive. We currently carry product liability insurance with a liability limit of \$2,000,000. Spectrum carries general commercial liability and umbrella liability insurance that covers the products it manufactures with a liability limit of \$6,000,000. We could incur product liability claims in excess of this insurance coverage or that are subject to substantial deductibles, or we may incur uninsured product liability costs. If we are subject to an uninsured or inadequately insured products liability claim based on our products, our business, financial condition and results of operations would be adversely affected.

*Environmental, health and safety laws regulating the operation of our business could increase the costs of producing our products and expose us to environmental claims.*

Our business is subject to local, state and federal laws and regulations concerning environmental, health and safety matters, including those relating to air emissions, wastewater discharges and the generation, handling, storage, transportation, treatment and disposal of refuse and hazardous materials. Violations of such laws and regulations could lead to substantial fines and penalties. Also, there are risks of substantial costs and liabilities relating to the investigation and remediation of past or present contamination at third-party disposal sites, regardless of fault or the legality of the original activities that led to such contamination. Moreover, future developments, such as changes in laws and regulations, more stringent enforcement or interpretation of laws and regulations, and claims for property damage or personal injury would cause us to incur substantial losses or expenditures. Although we believe we are in substantial compliance with all applicable laws and regulations, such laws, regulations, enforcement proceedings or private claims might have a material adverse effect on our business, results of operations and financial condition. Additionally, we do not maintain insurance against environmental risks. As a result, any claims against us may result in liabilities and costs which we cannot afford, resulting in the failure of our business.

*Our Company may become subject to regulation by the U.S. Food and Drug Administration as well as other governmental agencies.*

The manufacture, sale and use of biodegradable plastic products may be subject to regulation by the U.S. Food and Drug Administration (the "FDA") as well as other federal and state agencies. The FDA's regulations are concerned with substances used in food packaging materials, not with specific finished food packaging products. Thus, food and beverage containers are in compliance with FDA regulations if the components used in the food and beverage containers: (i) are approved by the FDA as indirect food additives for their intended uses and comply with the applicable FDA indirect food additive regulations; or (ii) are generally recognized as safe for their intended uses and are of suitable purity for those intended uses. We may develop additional products, including food packaging products. The FDA may find that our biodegradable food packaging products are not in compliance with all requirements of the FDA and require additional FDA approval. In addition, other federal and state agencies may impose additional regulatory requirements on our products and business, all of which could have a material adverse affect on our business operations.

*Our Company is subject to regulation by the Federal Trade Commission with respect to our environmental marketing claims.*

The Company advertises its products as biodegradable and must conform with the Federal Trade Commission's Guides for the use of Environmental Marketing Claims (the "Guides"). In the event Federal Trade Commission ("FTC") determined that our products are not in compliance with the Guides and applicable State law regulations, the FTC may bring enforcement actions against on the basis that our marketing

claims are false or misleading. Such action could have a material adverse affect on our business operations.



*The Company is controlled by existing shareholders.*

The Company's officers, directors and principal shareholders and their affiliates own or control a majority of the Company's outstanding common stock. As a result, these shareholders, if acting together, would be able to effectively control matters requiring approval by the shareholders of the Company, including the election of the Company's Board of Directors.

*We may not meet our deadlines for registration and effectiveness of a "resale" registration in connection with the Offering.*

Pursuant to terms of the Registration Rights Agreement we entered into in connection with the offering of the Notes and Pipe Warrants (defined below) to purchase common stock, we have agreed to file a "resale" registration statement with the SEC covering the shares of our common stock underlying the Notes and Warrants (defined below) within 60 days of the closing of the Share Exchange. We agreed to use our best efforts to ensure that such registration statement is declared effective within 120 days of filing. There can be no assurance we will meet the deadline for effectiveness of the "resale" registration statement. In the event we fail to file the registration statement or go effective within the requisite number of days, we are subject to substantial penalties.

*Our certificate of incorporation limits the liability of our directors.*

Our certificate of incorporation limits the personal liability of the director of our Company for monetary damages for breach of fiduciary duty as a director, subject to certain exceptions, to the fullest extent allowed by Delaware law. Accordingly, except in limited circumstances, our directors will not be liable to us or our stockholders for breach of their duties.

*Provisions of our certificate of incorporation, bylaws and Delaware corporate law have anti-takeover effects.*

Some provisions in our certificate of incorporation and bylaws could delay or prevent a change in control of our Company, even if that change might be beneficial to our stockholders. Our certificate of incorporation and bylaws contain provisions that might make acquiring control of us difficult, including provisions limiting rights to call special meetings of stockholders and regulating the ability of our shareholders to nominate directors for election at annual meetings of our stockholders. In addition, our board of directors has the authority, without further approval of our stockholders, to issue common stock having such rights, preferences and privileges as the board of directors may determine. Any such issuance of common stock could, under some circumstances, have the effect of delaying or preventing a change in control of our Company and might adversely affect the rights of holders of common stock.

In addition, we are subject to Delaware statutes regulating business combinations, takeovers and control share acquisitions, which might also hinder or delay a change in control of the Company. Anti-takeover provisions in our certificate of incorporation and bylaws, anti-takeover provisions that could be included in the common stock when issued and the Delaware statutes regulating business combinations, takeovers and control share acquisitions can depress the market price of our securities and can limit the stockholders' ability to receive a premium on their shares by discouraging takeover and tender offer bids, even if such events could be viewed as beneficial by our stockholders.

## **RISKS RELATED TO OUR COMMON STOCK**

*Upon consummation of the Share Exchange, we became subject to the liabilities of Perf, both known and unknown.*

Upon consummation of the Share Exchange, we became subject to all liabilities, claims and obligations of Perf-Go Green, both known and unknown. It is possible Perf-Go Green is subject to certain liabilities, claims and obligations unknown to us. If we are subject to any such liabilities or obligations, our business, financial condition and results of operations could be materially and adversely affected.

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

***Our management team does not have extensive experience in public company matters, which could impair our ability to comply with legal and regulatory requirements.***

We became a public company and subject to the applicable reporting requirements under the securities laws upon consummation of the Share Exchange. Our management team has had very limited public company management experience or responsibilities. This could impair our ability to comply with legal and regulatory requirements such as the Sarbanes-Oxley Act of 2002 and applicable federal securities laws including filing required reports and other information required on a timely basis. There can be no assurance that our management will be able to implement and affect programs and policies in an effective and timely manner that adequately respond to increased legal, regulatory compliance and reporting requirements imposed by such laws and regulations. Our failure to comply with such laws and regulations could lead to the imposition of fines and penalties and further result in the deterioration of our business.

***Our internal financial reporting procedures are still being developed and we will need to allocate significant resources to meet applicable internal financial reporting standards.***

As a public company we will be required to adopt disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. We are taking steps to develop and adopt appropriate disclosure controls and procedures.

These efforts require significant time and resources. If we are unable to establish appropriate internal financial reporting controls and procedures, our reported financial information may be inaccurate and we will encounter difficulties in the audit or review of our financial statements by our independent auditors, which in turn may have material adverse effects on our ability to prepare financial statements in accordance with generally accepted accounting principles and to comply with our SEC reporting obligations.

***Failure to achieve and maintain effective internal controls in accordance with Section 404 of the Sarbanes Oxley Act of 2002 could prevent us from producing reliable financial reports or identifying fraud. In addition, current and potential stockholders could lose confidence in our financial reporting, which could have an adverse effect on our stock price.***

We became subject to Section 404 of the Sarbanes-Oxley Act of 2002 upon consummation of the Share Exchange. Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud, and a lack of effective controls could preclude us from accomplishing these critical functions. Commencing with our fiscal year ending March 31, 2009, we will be required to document and test our internal control procedures in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, in connection with, Public Company Accounting Oversight Board ("PCAOB") Auditing Standard No. 5 ("AS 5") which requires annual management assessments of the effectiveness of our internal controls over financial reporting and a report by our independent registered public accounting firm addressing these assessments. Although we intend to augment our internal controls procedures and expand our accounting staff, there is no guarantee that this effort will be adequate.

During the course of our testing, we may identify deficiencies which we may not be able to remediate in time to meet the deadline imposed by the Sarbanes-Oxley Act for compliance with the requirements of Section 404 and AS5. In addition, if we fail to maintain the adequacy of our internal accounting controls, as such standards are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404. Failure to achieve and maintain an effective internal controls could cause us to face regulatory action and also cause investors to lose confidence in our reported financial information, either of which could have an adverse effect on our stock price.



## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

*There are additional requirements and costs associated with becoming a public company which may prove to be burdensome, especially for a smaller public company.*

As a result of the Share Exchange, we became subject to the information and reporting requirements of the U.S. securities laws, including the Sarbanes-Oxley Act. The U.S. securities laws require, among other things, review, audit and public reporting of our financial results, business activities, adequacy of controls and other matters. We cannot assure you that we will be able to comply with all of these requirements. Our cost of preparing and filing annual and quarterly reports, proxy statements and other information with the SEC and furnishing audited reports to stockholders will cause our expenses to be higher than they would be if it had remained privately-held and the Share Exchange had not been consummated. In addition, we will incur substantial expenses in connection with the preparation of the registration statement and related documents with respect to the registration of the securities issued in the Offering. These increased costs may be material and may include the hiring of additional employees and/or the retention of additional consultants and professionals. Our failure to comply with U.S. securities laws could result in private or governmental legal action against us and/or our officers and directors, which could have a detrimental effect on our business and finances, the value of our securities and the ability of our stockholders to resell their securities.

*We became public through the Share Exchange and we may not be able to attract the attention of major brokerage firms.*

Additional risks are associated with our Company becoming public through the Share Exchange. For example, security analysts of major brokerage firms may not provide coverage of us since there is no incentive to brokerage firms to recommend the purchase of our common stock. In addition, even if we should so desire, we cannot assure you that brokerage firms will want to conduct any public offerings on our behalf in the future.

*Affiliates of our Placement Agent are also shareholders of the Company, and consequently, may have interests which differ from those of our Company.*

Two affiliates of the Placement Agent are stockholders of the Company. These affiliates may possess several conflicts of interest, including but not limited to, having investment objectives which differ from those of investors in the Offering, holding periods or rights that differ from investors, potentially different returns from investors in the Offering, among several other factors. Investors should carefully evaluate these and other potential conflicts of interest prior to determining whether to invest in the Company.

*There will be a limited trading market for our common stock.*

It is anticipated that there will be a limited trading market for the Company's common stock on the OTC-BB. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair market value of our common stock. An inactive market may also impair our ability to raise capital by selling shares of capital stock and may impair our ability to acquire other companies or technologies by using common stock as consideration.

*You may have difficulty trading and obtaining quotations for our common stock.*

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

The Company's common stock may not be actively traded, and the bid and asked prices for our common stock on the OTC-BB may fluctuate widely. As a result, investors may find it difficult to dispose of, or to obtain accurate quotations of the price of, our securities. This severely limits the liquidity of the common stock, and would likely reduce the market price of our common stock and hamper our ability to raise additional capital.

*The market price of our common stock may, and is likely to continue to be, highly volatile and subject to wide fluctuations.*

The market price of the Company's common stock is likely to be highly volatile and could be subject to wide fluctuations in response to a number of factors that are beyond our control, including:

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

- dilution caused by our issuance of additional shares of common stock and other forms of equity securities in connection with future capital financings to fund our operations and growth, to attract and retain valuable personnel and in connection with future strategic partnerships with other companies;
- announcements of new acquisitions or other business initiatives by our competitors;
- our ability to take advantage of new acquisitions or other business initiatives;
- fluctuations in revenue from our biodegradable plastics products;
- changes in the market for biodegradable plastics products and/or in the capital markets generally;
- changes in the demand for biodegradable plastics products, including changes resulting from the introduction or expansion of new biodegradable products;
- quarterly variations in our revenues and operating expenses;
- changes in the valuation of similarly situated companies, both in our industry and in other industries;
- changes in analysts' estimates affecting our Company, our competitors and/or our industry;
- changes in the accounting methods used in or otherwise affecting our industry;
- additions and departures of key personnel;
- announcements of technological innovations or new products available to the our industry;
- announcements by relevant governments pertaining to incentives for biodegradable product development programs;
- fluctuations in interest rates and the availability of capital in the capital markets; and
- significant sales of our common stock, including sales by the investors following registration of the shares of common stock issued in the Offering and/or future investors in future offerings we expect to make to raise additional capital.

These and other factors are largely beyond our control, and the impact of these risks, singly or in the aggregate, may result in material adverse changes to the market price of our common stock and/or our results of operations and financial condition.

***Our operating results may fluctuate significantly, and these fluctuations may cause our stock price to decline.***

Our operating results will likely vary in the future primarily as the result of fluctuations in our revenues and operating expenses, expenses that we incur, and other factors. If our results of operations do not meet the expectations of current or potential investors, the price of our common stock may decline.

***We do not expect to pay dividends in the foreseeable future.***

We do not intend to declare dividends for the foreseeable future, as we anticipate that we will reinvest any future earnings in the development and growth of our business. Therefore, investors will not receive any funds unless they sell their common stock, and stockholders may be unable to sell their shares on favorable terms or at all. Investors cannot be assured of a positive return on investment or that they will not lose the entire amount of their investment in the common stock.



*Investors will experience dilution upon the exercise of options.*

We have adopted an equity incentive plan pursuant to which we, in the discretion of our Board of Directors, will be able to issue shares of restricted stock and options, which if exercised, could decrease the net tangible book value of your common stock, in the aggregate of 10,000,000 shares.

*We have issued a substantial number of securities convertible into shares of our common stock which will result in substantial dilution to the ownership interests of our existing stockholder.*

In connection with the Offering, at June 30, 2008, approximately 31,343,999 million shares of our common stock were reserved for issuance, which equals 130% of the maximum shares of our common stock issuable upon exercise or conversion (before adjustment as permitted) of the following securities: (i) 13,992,333 million shares of common stock issuable upon conversion of the Notes, and payment of interest thereon and (ii) 17,350,666 million shares of common stock issuable (before adjustment as permitted) upon exercise in full of the Warrants (defined below) issued to the holders of the Notes, certain other investors and the placement agent (without regard to any limitations on exercise). The exercise or conversion of these securities will result in a significant increase in the number of outstanding shares and substantially dilute the ownership interests of our existing shareholders.

*The conversion ratio of the Notes and the exercise price of the Warrants may be substantially below the market price of our stock at the time of exercise.*

The Notes are currently convertible into our common stock at a fixed ratio of \$0.75 per share. The Pipe Warrants (defined below) and 2007 Warrants (defined below) issued are exercisable at a fixed exercise price of \$1.00 per share. Subject to certain exceptions, these conversion ratios and exercise prices are subject to downward adjustment in the event we issue additional shares of common stock at prices below the then-current conversion ratio or exercise price. Conversion of the notes or exercise of the warrants is only likely to occur at such time as the conversion ratio or exercise price, as the case may be, is lower than the current market price for our common stock. Issuance of common stock at a price below our current market price would have a dilutive effect on current stockholders and could potentially have a negative impact on our stock price.

*Directors and officers of the Company have a high concentration of common stock ownership.*

Based on the 32,736,970 shares of common stock outstanding, our officers and directors own approximately 15,787,287 shares, or 48.2% of our outstanding common stock. This number does not include 7,660,000 shares issuable upon the exercise of options (both vested and unvested). Such a high level of ownership by such persons may have a significant effect in delaying, deferring or preventing any potential change in control of the Company. Additionally, as a result of their high level of ownership, our officers and directors might be able to strongly influence the actions of the Company's board of directors and the outcome of actions brought to our shareholders for approval. Such a high level of ownership may adversely affect the voting and other rights of our shareholders.

*Applicable SEC rules governing the trading of "penny stocks" limit the trading and liquidity of our common stock, which may affect the trading price of our common stock.*

Shares of common stock may be considered a "penny stock" and be subject to SEC rules and regulations which impose limitations upon the manner in which such shares may be publicly traded and regulate broker-dealer practices in connection with transactions in "penny stocks." Penny stocks generally are equity securities with a price of less than \$5.00 (other than securities registered on certain national securities exchanges or quoted on the FINRA's automated quotation system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system). The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document that provides information about penny stocks and the risks in the penny stock market. The broker-dealer must also provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. In addition, the penny stock rules generally require that prior to a transaction in a penny stock, the broker-dealer make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for a stock that becomes subject to the penny stock rules which may increase the difficulty investors may experience in attempting to liquidate such securities.

**USE OF PROCEEDS**

We will not receive any of the proceeds from sales of shares of common stock by the Selling Stockholders. We will receive proceeds from the exercise, if any, of the Registrable Warrants. We intend to use the proceeds from the exercise of the Registrable Warrants, if any, for working capital and other general corporate purposes. We will have broad discretion as to the use of these proceeds.

**DETERMINATION OF OFFERING PRICE**

The selling stockholders will determine the price at which they may sell our common stock covered by this prospectus, and such sales may be made at prevailing market prices, or at privately negotiated prices.

**SELLING STOCKHOLDERS**

This prospectus covers shares of our common stock, including shares of our common stock underlying the Notes and Registrable Pipe Warrants sold in the Offering, shares of our common stock underlying the Registrable 2007 Warrants, and shares of the Company's Common Stock currently issued to certain Selling Stockholders who purchased the Bridge Notes and Registrable Bridge Warrants. Certain Selling Stockholders who hold Notes convertible into 733,333 shares of our common stock have notified the Company of their intention to convert the Notes into shares of common stock. However, these shares have not been issued as of the date hereof.

The following table sets forth a summary of the Shares we are seeking to register on behalf of the Selling Stockholders:

<u>Selling Stockholder</u>	<u>Shares</u>
Bridge Shares held by certain Selling Stockholders <sup>(1)</sup>	1,579,466
Common Stock issuable upon exercise of Registrable Bridge Warrants held by certain Selling Stockholders <sup>(1)</sup>	587,930
Common Stock issuable upon conversion of Notes held by certain Selling Stockholders <sup>(2)</sup>	7,933,333
Common Stock issuable as payment of interest on the Notes <sup>(2)</sup>	2,094,167
	3,108,965

Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

Common Stock issuable upon exercise of Registrable  
Pipe Warrants held by certain Selling Stockholders<sup>(2)</sup>

Common Stock issuable upon exercise of Registrable 2007 Warrants held by certain Selling Stockholders <sup>(3)</sup>	1,645,923
--	-----------

Total:	16,949,683
--------	------------

15

---

1. In January and February 2008, our wholly-owned subsidiary, Perf-Go Green, Inc. offered (the "Bridge Offering") senior secured convertible bridge debentures issued by Perf-Go Green, Inc. (the "Bridge Notes") to certain investors, and (iii) certain warrants issued by the Company to the Investors to purchase the Company's Common Stock (the "Bridge Warrants"). The Bridge Notes had a term of one year from the date of closing, an interest rate of ten percent (10%) per annum, and were convertible into shares of the Company's Common Stock at an initial conversion price of \$0.50 per share. The Bridge Notes were converted into 1,522,767 shares of Perf-Go Green, Inc.'s common stock on March 27, 2008. In connection with the Share Exchange, the shares issued on March 27, 2008 in connection with the conversion of the Bridge Notes were exchanged for 1,579,466 shares of Perf-Go Green Holdings, Inc. (the "Bridge Shares"). The Bridge Warrants are exercisable for five years at an exercise price of \$0.75 per share, and are convertible into 1,500,000 shares of our common stock. The Company consummated the Bridge Offering in three closings. The first closing, January 15, 2008, raised proceeds of \$350,000, the second closing, February 8, 2008, raised proceeds for \$250,000 and the third closing, February 28, 2008, raised proceeds for \$150,000 for a total aggregate amount raised of \$750,000.
2. The Notes and Pipe Warrants were issued in connection with a transaction whereby certain Selling Stockholders invested an aggregate of \$5,950,000 in cash in the Company in exchange for the Notes and Pipe Warrants (the "Offering"). On May 13, 2008, we consummated the first closing of the Offering pursuant to which we issued to certain Selling Stockholders, Notes and Pipe Warrants. The Pipe Warrants have an exercise price of \$1.00 per share and are exercisable for a period of five years. We issued Notes in the principal amount of \$2,775,000, in the aggregate, and Pipe Warrants to purchase a total of 3,700,000 shares of the Company's common stock at the first closing. In connection with the first closing, we entered into a security agreement, as security for the payment of the obligations represented by the Note and a registration rights agreement with each of the investors in the Offering. On June 11, 2008, we consummated the second closing of the Offering pursuant to which we issued to certain Selling Stockholders Notes in the aggregate principal amount of \$3,175,000, and Pipe Warrants to purchase a total of 4,233,333 shares of the Company's common stock. The gross proceeds of the Offering to the Company was \$5,950,000. The Note, Pipe Warrant, Registration Rights Agreement and Security Agreement executed at the first closing were modified at the second closing to be on the same terms as the Note, Pipe Warrant, Registration Rights Agreement and Security Agreement executed at the second closing. All the investors issued Notes and Pipe Warrants at the first closing: (i) executed an amended Registration Rights Agreement and amended Security Agreement and (ii) were reissued Notes and Warrants, all on the same terms granted to the investors in the second closing. The Notes and Pipe Warrants issued to the investors in the first closing were cancelled. The Notes are convertible into shares of our common stock at an initial conversion price of \$0.75 per share. The Pipe Warrants may be exercised for a period of five years at an exercise price of \$1.00 per share. We entered into a registration rights agreement with the investors in the Offering under which we have an obligation to prepare and file with the Securities and Exchange Commission a registration statement to register the common stock underlying the Notes and Pipe Warrants. As security for the payment of the obligations represented by the Notes, we entered into a Security Agreement with the investors and granted the investors a first priority interest in substantially all of our assets subject to limited and specified exceptions. Certain Selling Stockholders who hold Notes convertible into 733,333 shares of our common stock have notified the Company of their intention to convert the Notes into shares of common stock. However, these shares have not been issued as of the date hereof.
3. In December 2007, Perf-Go Green Holdings Inc. issued warrants to purchase 4,200,000 shares of our common stock to three Selling Stockholders in connection with a private placement (the "2007 Offering"). During December 2007, the Company offered units which consisted of 100,000 common shares and a three year warrant to purchase 100,000 common shares at an exercise price of \$0.75 per share for \$50,000 per unit. The Company issued 5,200,000 shares of common stock and 5,200,000 warrants to purchase common stock to three investors, Rig Fund II A, Ltd., Guy Phillippe Bertin and E&P Fund, Ltd. (collectively, the "Epitome Investors") and received cash proceeds of \$2,600,000 (\$0.50 per share) in connection with this offering, of which \$500,000 was subsequently returned to a certain investor as described herein. This offering was done in connection with a letter of intent between us and Epitome Systems, Inc. whereby the two companies entered into good faith negotiations in furtherance of entry into a definitive merger agreement which was not consummated, but the Epitome Investors did not rescind their investment. The Epitome Investors committed \$2.1 million dollars of the prior \$2.6 million dollar investment to Perf-Go Green Holdings, Inc. in connection with the Share Exchange and remained as shareholders of the Company. One of the Epitome Investors, E&P Fund, Ltd., has reduced its investment in the Company by \$500,000 and has returned one million shares of the Company's common stock to the Company which have been cancelled. In connection with the cancellation and, pursuant to an Assignment Agreement entered into in April 2008 between the Company and E&P Fund, Ltd., the Company agreed to assign the right to the repayment of a refundable deposit of \$500,000 paid to Epitome Systems, Inc. in connection with the abandoned merger, to E&P Fund, Ltd. in exchange for the return of 1,000,000 shares of common stock. In addition, the Epitome Investors have agreed to cancel the warrants they received as part of the Epitome investment in exchange for the same number of warrants offered in the Offering (the "2007 Warrants"). The 2007 Warrants are exercisable for a period of five years at an exercise price of \$1.00 per share, and are consistent with the terms of the Pipe Warrants.

The Selling Stockholders may from time to time offer and sell under this prospectus any or all of the shares of our common stock listed opposite each of their names below. We are registering for resale the shares of our common stock described in the table below.

The following table sets forth certain information regarding the beneficial ownership of the Company's Common Stock by the Selling Stockholders as of October 24, 2008, assuming conversion of all the Notes, including the remaining interest due thereon through maturity and exercise of all the Registrable Warrants by the Selling Stockholders. Based upon information provided by the Selling Stockholders to the Company, except as set forth below, the Selling Stockholders do not, or within the past three years have not had, any position, office or other material relationship with us. Certain Selling Stockholders may be deemed "underwriters" as defined in the Securities Act. Any profits realized by the Selling Stockholders may be deemed underwriting commissions. Following the offering, and assuming all of the Shares offered by the Selling Stockholders have been sold, the Selling Stockholders will not beneficially own any of our Common Stock, except as noted below. The term "Selling Stockholder" includes the person listed below and their respective transferees, pledgees, donees, or other successors.

Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

Name of Selling Stockholder:	Shares Beneficially		Shares Issuable		Shares Being Registered for
	Owned Prior to Offering (1)		as Interest on	Percent (2)	
			Notes		Sale
Dr. Eric Sadah & Mrs. Mikal Dror	133,333	**	18,537	*	111,329
Frank Appel	66,667	**	-	*	46,396
Michael Bartlett	66,667	**	-	*	46,396
Grant Beglan	133,333	**	-	*	92,792
Craig Best	133,333	**	-	*	92,792
James Colthurst	133,333	**	-	*	92,792
Raymond Hipkin	133,333	**	-	*	92,792
Richard Olson	266,667	**	-	*	185,585
Bhansali Equities (3)	1,333,333	**	185,370	4.43%	1,113,295
Joe Dietsch	66,667	**	-	*	46,396
Allan and Jolaine Cage	66,667	**	-	*	46,396
Brian Lambert	66,667	**	-	*	46,396
Robert Stecz	266,667	**	-	*	185,585
Duncan Scott	66,667	**	-	*	46,396
E.G.G., Inc. Pension Plan (4)	266,667	**	37,074	*	222,659
Brokerage Services Pension Trust (5)	266,667	**	37,074	*	222,659
Whalehaven Capital Fund Limited (6)	800,000	**	120,000	2.73%	676,755
Brio Capital L.P. (7)	333,333	**	50,000	1.16%	281,981
Excalibur Special Opportunity Fund (8)	600,000	**	90,000	2.06%	507,566
Castlerigg Master Investments Ltd. (9)	6,666,667	**	1,000,000	18.98%	5,639,621
Semper Gestion SA (10)	4,000,000	**	556,111	12.22%	3,339,884
Rig Fund II A, Ltd. (11)	6,000,000	***	-	15.49%	1,175,659
Guy Phillippe Bertin	400,000	***	-	1.21%	78,377
E&P Fund, Ltd. (11)	2,000,000	***	-	5.76%	391,886
Bessie Weiss Family Partnership LP (12)	204,548	****	-	*	143,787
Jack Rhine	205,770	****	-	*	144,959
Dennis Hasher	616,626	****	-	1.85%	434,192
The Quercus Trust (13)	823,077	****	-	2.45%	579,832
Harold Crowley	205,087	****	-	*	144,276
Erno Bodek	205,087	****	-	*	144,276
Eliezer Heilbrun	204,548	****	-	*	143,737
Richard and Joan Brown	410,175	****	-	1.24%	288,552
Norman Rothstein	204,548	****	-	*	143,737

\* Less than 1% of the outstanding Shares of common stock.

\*\* Includes shares issuable upon conversion of Notes and exercise of Registrable Pipe Warrants. Certain Selling Stockholders who hold Notes convertible into 733,333 shares of our common stock have notified the Company of their intention to convert the Notes into shares of common stock. However, these shares have not been issued

Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

as of the date hereof.

\*\*\* Includes shares of common stock held by the Selling Stockholders as well as shares issuable upon exercise of Registrable 2007 Warrants.

\*\*\*\* Includes Bridge Shares held by Selling Stockholders and shares issuable upon exercise of Registrable Bridge Warrants.

(1) We have no assurance that the Selling Stockholders will sell any of the Shares registered pursuant to the registration statement of which this prospectus forms a part.



## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

- (2) The percentages shown include the shares issuable upon conversion of the Notes and Registrable Warrants as well as the Interest Shares. The Interest Shares are calculated based on an assumed conversion price of \$0.75. The conversion price may be adjusted to the lower of (i) the applicable Conversion Price (as defined in the Note) and (ii) the price computed as eighty-five percent (85%) of the arithmetic average of the weighted average price for the common stock during the five (5) consecutive Trading Day period ending on the Trading Day immediately preceding the applicable Interest Payment Date.
- (3) Rishikumar Bhansali has voting and investment control.
- (4) Stephen B. Wechsler, Trustee has voting and investment control.
- (5) Marvin Meyer has voting and investment control.
- (6) Brian Mazzella, Chief Financial Officer, Arthur Jones, Director, and Trevor Williams, Director, have voting and investment control.
- (7) Shaye Hirsch has voting and investment control.
- (8) William Hechter has voting and investment control.
- (9) Sandell Asset Management Corp. ("SAMC") is the investment manager of Castlerigg Master Investments Ltd. ("Castlerigg"). Thomas Sandell is the controlling person of SAMC. Castlerigg International Ltd. is the controlling shareholder of Castlerigg International Holdings Limited ("Holdings"). Holdings is the controlling shareholder of Castlerigg.
- (10) Henri de Raemy has voting and investment control.
- (11) Christian Naville has voting and investment control.
- (12)
- (13) David Gelbaum has voting and investment control.

### ***Total Dollar Value Shares Being Registered***

The following table sets forth the total dollar value of the shares we are seeking to register:

Bridge Shares and Registrable Bridge Warrants (1)	\$614,273
Notes, Interest Shares, Registrable 2007 Warrants and Registrable Pipe Warrants issuable in connection with first closing of Offering on May 16, 2008 (2)	\$8,196,600
Notes, Interest Shares and Registrable Pipe Warrants issuable in connection with second closing of Offering on June 10, 2008 (3)	<u>\$17,866,846</u>
<b>Total</b>	<b>\$26,677,719</b>

- (1) Calculated on the basis \$0.50 per share. Includes 1,579,466 Bridge Shares and 587,830 shares issuable upon exercise of Registrable Bridge Warrants. The exercise price of the Bridge Warrants (\$0.75 per share) is subtracted from the value.
- (2) Calculated on the basis of \$1.48, the closing sale price of the Company's common stock on May 16, 2008. Includes 3,700,000 shares issuable upon conversion of Notes, 1,449,979 shares issuable upon exercise of Registrable Pipe Warrants, 1,645,923 issuable upon exercise of the Registrable 2007 Warrants and 834,167 shares issuable as interest on the Notes. The Company was not trading on the OTC-BB as of the date of the first closing held on May 13, 2008. The first day of trading was May 16, 2008. The exercise price of the Registrable Pipe Warrants and Registrable 2007 Warrants (\$1.00) is subtracted from the value.
- (3) Calculated on the basis of \$2.73, the closing sale price of the Company's common stock on June 10, 2008. Includes 4,233,333 shares issuable upon conversion of Notes, 1,658,986 shares issuable upon exercise of the Pipe Warrants and 1,260,000 shares issuable as interest on the Notes. The exercise price of the Registrable Pipe Warrants is subtracted from the value.

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

### *Payments to Significant Shareholders and Affiliates*

The following table sets forth the dollar amount of all payments, including the value of any payments that may be made to Castlerigg Master Investments Ltd. ("Castlerigg"), Semper Gestion SA ("Semper") and Rig Fund II A, Ltd. ("Rig"), and collectively with Castlerigg and Semper, the "Significant Shareholders"), any affiliate of a Significant Shareholder, or any person with whom any Significant Shareholder has a contractual relationship regarding the Offering, with respect to Semper and Castlerigg, and the December 2007 Offering with respect to Rig, including the value of any payments that may be made in common stock.

Interest Payments (1)	\$1,167,083
Maximum Liquidated Damages (2)	600,000
Reimbursement of Legal Fees (3)	<u>30,000</u>
Total	\$1,797,083

---

(1) Under the terms of the Note, we are required to pay the holders of such Notes interest on the outstanding principal amount of the Note at the rate of 10% per annum, payable quarterly. Subject to certain conditions, we may pay the interest in shares of our common stock. Castlerigg and Semper currently hold the Notes. The above table assumes all payments on the Notes are paid in cash.

(2) We may be assessed liquidated damages in the aggregate amount of fifteen (15%) percent of the subscription amount paid by Castlerigg and Semper whose aggregate subscriptions total \$4,000,000 in the event we fail to obtain an effective registration statement within a certain timeframe pursuant to our Registration Rights Agreement with the Significant Shareholders. This amount does not include additional liquidated damages we would be required to pay to the other Selling Shareholders who participated in the Offering.

(3) Legal fees to counsel for Castlerigg incurred in connection with the Offering. This amount includes legal fees we are required to pay of \$5,000 for legal counsel in connection with the review of this registration statement to Castlerigg.

*Net Proceeds from Financing Transaction.* The following table sets forth the gross proceeds received from each Significant Shareholder in the Offering, with respect to Semper and Castlerigg, and the 2007 Offering, with respect to Rig, and calculates the net proceeds from each of the Significant Shareholders after deduction of the pro-rated portion of the payments and anticipated future payments to be made by us in the first year after these transactions pursuant to the terms of the Notes and Warrants attributable to the Significant Shareholder. The calculation of net proceeds and assumes no conversion of the Notes.

#### **Gross proceeds:**

Received from Rig in connection with 2007 Offering	\$ 1,500,000
Received from Semper in connection Offering	1,500,000
Received from Castlerigg in connection with Offering	<u>2,500,000</u>
<b>Total gross proceeds</b>	<b>5,500,000</b>

#### **Less cash payments by the Company:**

Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

Legal Fees (1)	\$ 124,725
Placement Agent Fees (2)	550,000
Liquidated Damages	600,000
Total Possible Payments to Significant Shareholders	<u>400,000</u>
in First Year	
<b>Total cash payments</b>	<u>\$1,674,725</u>
<b>Net proceeds to Us</b>	\$3,825,275
	20

---

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

- 
- (1) Consists of payments of our legal fees in connection with the Offering through September 25, 2008, as well as our reimbursement of the legal fees of Castlerigg in connection with the financing transaction and with the registration of shares covered by this prospectus and includes \$5,000 as an estimate of legal fees to be paid and reimbursed, in relation to the updating and filing of amendments to the registration statement of which this prospectus is a part. \$42,000 of the legal fees was paid in connection with the equity available to us upon consummation of the Share Exchange as a result of the 2007 Offering and the consummation of the Share Exchange.
  - (2) Consists of placement agent fees paid to vFinance Investments, Inc. in connection with the Offering. Includes \$150,000 we paid to the placement agent in May 2008 in connection with the equity available to us upon consummation of the Share Exchange as a result of the 2007 Offering and the consummation of the Share Exchange. Does not include the value of warrants issued to the placement agent.

*Potential Investor Profit relating to Notes.* The following table illustrates the potential profit that might be realized by the Significant Shareholders, with the exception of Rig which does not hold any Notes, upon conversion of the Notes based on the conversion price of \$0.75 and the closing price of our common stock on May 16, 2008 and June 10, 2008.

Closing price per share at May 16, 2008	\$	1.48
Closing price per share at June 10, 2008	\$	2.73
Conversion price per share on May 16, 2008 and June 10, 2008	\$	0.75
Total shares underlying Notes issued to Semper based on conversion price		2,000,000
Total shares underlying Notes issued to Castlerigg based on conversion price		3,333,333
Aggregate market value of shares underlying Notes issued to Semper based on closing price at May 16, 2008(1)	\$	2,960,000
Aggregate market value of shares underlying Notes issued to Castlerigg based on closing price at June 10, 2008(2)	\$	9,100,000
Aggregate conversion price of shares underlying Notes issued to Semper	\$	1,500,000
Aggregate conversion price of shares underlying Notes issued to Castlerigg	\$	2,500,000
Potential discount to closing price on May 16, 2008 of shares underlying Notes issued to Semper on May 13, 2008 (3)	\$	1,460,000
Potential discount to closing price on June 10, 2008 of shares underlying Notes issued to Castlerigg on June 10, 2008 (3)	\$	6,600,000

---

- (1) Calculated as the product of the May 16, 2008 closing price and the total underlying shares issuable upon conversion of Notes issued to Semper.
- (2) Calculated as the product of the June 10, 2008 closing price and the total underlying shares issuable upon conversion of Notes issued to Castlerigg.
- (3) The closing price of the Company's common stock on September 23, 2008 was \$1.17.

*Potential Investor Profit relating to Warrants.* The following table illustrates the potential profit that might be realized by the Significant Shareholders upon exercise of the Warrants based on the exercise price of \$1.00 and the closing price of our common stock on May 13, 2008 (the date we issued Warrants to Rig and Semper) and June 10, 2008, the date we issued Warrants to Castlerigg.

Closing price per share at May 16, 2008	\$	1.48
Closing price per share of June 10, 2008	\$	2.73
Exercise price per share underlying Warrants issued to Semper, Rig and Castlerigg	\$	1.00
Total shares underlying Warrants issued to Semper Gestion		2,000,000

Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

Total shares underlying Warrants issued to Castlerigg	3,333,333
Total shares underlying Warrants issued to Rig	3,000,000

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

Aggregate market value of shares underlying Warrants issued to Semper based on closing price on May 16, 2008	\$	2,960,000
Aggregate market value of shares underlying Warrants issued to Rig based on closing price on May 16, 2008		
	\$	4,440,000
Aggregate market value of shares underlying Warrants issued to Castlerigg based on closing price on June 10, 2008		
	\$	9,100,000
Potential Discount to closing price on May 16, 2008 of shares underlying Warrants issued to Semper (3)		
	\$	960,000
Potential Discount to closing price on May 16, 2008 of shares underlying Warrants issued to Rig (3)		
	\$	1,440,000
Potential 1 Discount to closing price on June 10, 2008 of shares underlying Warrants issued to Castlerigg (3)		
	\$	5,766,667

- 
- (1) Calculated as the product of the May 16, 2008 closing price and the total underlying shares issuable upon exercise of warrants issued to Castlerigg.
  - (2) Calculated as the product of the June 10, 2008 closing price and the total underlying shares issuable upon exercise of warrants issued to Semper and Castlerigg
  - (3) The closing price of the Company's common stock on September 23, 2008 was \$1.17.

*Comparison of Net Proceeds to Potential Investor Profit.* The following table compares the net proceeds to the Company with the potential investor profit to the Significant Shareholders from the Offering. The below table assumes that all Warrants were exercised on the date the Significant Shareholders were issued the securities.

Total gross proceeds payable to or deemed received by us in the financing transaction (1)	\$	5,950,000
All payments that have been made or may be required to be made by us (2)	\$	2,217,027
Net proceeds to us assuming payments to Significant Shareholders and affiliates (3)	\$	3,732,973
Total potential profit to the Significant Shareholders	\$	16,226,667
Percentage (%) of payments and potential profit relating to Significant Shareholders over net proceeds (4)		474%
Percentage of payments and potential profits over net proceeds averages over the term of the Notes		158%

- 
- (1) Does not include \$7,933,333 relating to proceeds payable to us upon the full exercise of the 7,933,333 warrants issued to investors in the Offering at an exercise price of \$1.00 per share. Does not include \$2,100,000 available to us upon consummation of the Share Exchange as a result of the 2007 Offering and the consummation of the Share Exchange.
  - (2) Total possible payments by us in connection with the Offering, inclusive of \$1,482,725 in connection with payments to the Significant Shareholders assuming that \$400,000 in interest on the Notes is paid to Semper and Castlerigg in cash for one year and assuming that \$600,000 is paid in liquidated damages to Semper and Castlerigg and \$82,725 was paid or is payable in legal fees associated with the Offering and the filing of this registration statement, pro-rated to include only the portion of legal fees associated with the Significant Shareholders' investments in the Company and \$400,000 was paid in placement agent fees associated with the Offering, pro-rated to

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

include only the portion of placement agent fees associated with the Significant Shareholders' investments in the Company . Does not include the value of warrants issued to the placement agent.

- (3) Total net proceeds to us calculated by subtracting the result in footnote (2) from the result in footnote (1).
- (4) Percentage of the total possible payments to the Significant Shareholders as calculated in footnote (2) plus total possible profit to the Significant Shareholders calculated in footnote (4) divided the net proceeds disclosed in footnote (3).

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

### *Relationship of Outstanding Shares Before and After Offering*

The following table sets forth the number of shares of common stock outstanding prior to the Offering and at the date of this prospectus, the number of shares held by persons other than the Significant Shareholders, our affiliates and affiliates of the Significant Shareholders, and the number of shares being registered for resale on behalf of the Significant Shareholders or affiliates of the Significant Shareholders.

Number of shares outstanding	32,736,970 (1)
Number of shares held by persons other than Significant Shareholders and our affiliates	13,949,683
Number of shares being registered for resale on behalf of the Significant Shareholders	10,155,164

---

(1) The number of issued and outstanding shares of Perf-Go Green Holdings, Inc. upon consummation of the Share Exchange.

### *Prior Transactions Between the Issuer and Significant Shareholder*

In addition to the 3,000,000 shares of common stock underlying the warrants issued to Rig on behalf of Rig, the Company issued Rig 3,000,000 shares of common stock in connection with the 2007 Offering. The number of shares outstanding prior to the 2007 Offering was 28,008,004, of which 9,999,604 were held by persons other than Rig and affiliates of the Company. 5,200,000 shares were issued in connection with the 2007 Offering, of which 1,000,000 shares were subsequently canceled, such securities representing 21.13% of the issued outstanding common stock of the Company held by non-affiliates of the Company and Rig at the time of the transaction. None of the 4,200,000 shares issued in connection with the 2007 Offering have been registered for resale. There was no market price at the time of this transaction. The closing price of the Company's common stock on September 23, 2008 was \$1.17.

## **ISSUER'S FINANCIAL ABILITY AND SHORT POSITION INFORMATION**

The Notes accrue interest at 10% per annum, are due three years after issuance. The Company must pay the holder interest on principal amount of the Note on a quarterly basis, which may be paid in common stock at our election, subject to certain conditions.

At this time, the issuer does not have a reasonable basis to believe it will have sufficient cash available to make the interest payments on the Notes.

Based on information provided by the Selling Stockholders, the following Selling Stockholders have an existing short position in our common stock: (1) Brio Capital L.P. has held short positions on various dates since June 24, 2008 after Brio purchased Notes and Pipe Warrants on June 10, 2008 and prior to the filing of this registration statement.



**REGISTRATION RIGHTS AGREEMENT**

The Company entered into a Registration Rights Agreement with the holders of certain Convertible Promissory Notes and Warrants to purchase common stock. As a result, the Company has an obligation to prepare and file with the SEC within 60 calendar days of the date of the agreement a registration statement to register the common stock underlying the Notes and the Warrants. The Company also agreed to reimburse investors holding \$2,000,000 or more in Notes for certain expenses incurred in connection with their review of such registration statements. In the event the Company fails to meet such filing deadlines, the Company shall pay each holder as liquidated damages 1.25% of the aggregate purchase price paid by such holder and shall pay each holder such amount on a monthly basis until such failure is cured. In no event shall such liquidated damages exceed 15% of the aggregate subscription amount paid by the investor.

**PLAN OF DISTRIBUTION**

Each Selling Stockholder of Shares and any of their pledgees, assignees and successors-in-interest may, from time to time, sell any or all of their Shares on the OTC-BB or any other stock exchange, market or trading facility on which the Shares are traded or in private transactions. These sales may be at fixed or negotiated prices. A Selling Stockholder may use any one or more of the following methods when selling Shares:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the Shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;
- broker-dealers may agree with the Selling Stockholders to sell a specified number of such Shares at a stipulated price per Share;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- a combination of any such methods of sale; or
- any other method permitted pursuant to applicable law.

The Selling Stockholders may also sell Shares under Rule 144 under the Securities Act, if available, rather than under this prospectus.

Broker-dealers engaged by the Selling Stockholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Stockholders (or, if any broker-dealer acts as agent for the purchaser of Shares, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with NASDR Rule 2440; and in the case of a principal transaction a markup or markdown in compliance with NASDR IM-2440.

In connection with the sale of the Common Stock or interests therein, the Selling Stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the Common Stock in the course of hedging the positions they assume. The Selling Stockholders may also sell Shares of the Common Stock short and deliver these securities to close out their short positions, or loan or pledge the Common Stock to broker-dealers that in turn may sell these securities. The Selling Stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of Shares offered by this prospectus, which Shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

The Selling Stockholders and any broker-dealers or agents that are involved in selling the Shares may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the Shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. The Company has not been informed by any Selling Stockholders that such Selling Stockholder has any written or oral agreement or understanding, directly or indirectly, with any person to distribute the Common Stock. In no event shall any broker-dealer receive fees, commissions and markups which, in the aggregate, would exceed eight percent (8%).

We are required to pay certain fees and expenses incurred by us incident to the registration of the Shares. We have agreed to indemnify the Selling Stockholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

Because Selling Stockholders may be deemed to be "underwriters" within the meaning of the Securities Act, they will be subject to the prospectus delivery requirements of the Securities Act including Rule 172 thereunder. In addition, any securities covered by this prospectus which qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than under this prospectus. There is no underwriter or coordinating broker acting in connection with the proposed sale of the resale Shares by the Selling Stockholders.

We agreed to keep this prospectus effective until the earlier of (i) the date on which the Shares may be resold by the Selling Stockholders without registration and without regard to any volume limitations by reason of Rule 144(k) under the Securities Act or any other rule of similar effect or (ii) all of the Shares have been sold pursuant to this prospectus or Rule 144 under the Securities Act or any other rule of similar effect. The resale Shares will be sold only through registered or licensed brokers or dealers if required under applicable state securities laws. In addition, in certain states, the resale Shares may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the resale Shares may not simultaneously engage in market making activities with respect to the common stock for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the Selling Stockholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of Shares of the Common Stock by the Selling Stockholders or any other person. We will make copies of this prospectus available to the Selling Stockholders and have informed them of the need to deliver a copy of this prospectus to each purchaser at or prior to the time of the sale (including by compliance with Rule 172 under the Securities Act).

### **DIVIDEND POLICY**

Holders of our common stock are entitled to receive dividends if, and when declared by the Board of Directors out of funds legally available therefore. We have never declared or paid any dividends on our common stock. We intend to retain any future earnings for use in the operation and expansion of our business. Consequently, we do not anticipate paying any cash dividends on our common stock to our stockholders for the foreseeable future.

### **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL**

#### **CONDITION AND RESULTS OF OPERATIONS**

##### **Forward Looking Statements**

Some of the statements contained in this Registration Statement on Form S-1 that are not historical facts are "forward-looking statements" which can be identified by the use of terminology such as "estimates," "projects," "plans," "believes," "expects," "anticipates," "intends," or the negative or other variations, or by discussions of strategy that involve risks and uncertainties. We urge you to be cautious of the forward-looking statements, that such statements, which are contained in this Registration Statement on Form S-1, reflect our current beliefs with respect to future events and involve known and unknown risks, uncertainties, and other factors affecting our operations, market growth, services, products,

and licenses. No assurances can be given regarding the achievement of future results, as actual results may differ materially as a result of the risks we face,

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

and actual events may differ from the assumptions underlying the statements that have been made regarding anticipated events. Factors that may cause actual results, our performance or achievements, or industry results to differ materially from those contemplated by such forward-looking statements include without limitation:

1. Our ability to attract and retain management, and to integrate and maintain technical information and management information systems;
2. Our ability to generate customer demand for our products;
3. The intensity of competition; and
4. General economic conditions.

All written and oral forward-looking statements made in connection with this Form S-1 that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Given the uncertainties that surround such statements, you are cautioned not to place undue reliance on such forward-looking statements.

Since our common stock is considered a "penny stock" we are ineligible to rely on the safe harbor for forward-looking statements provided in Section 27A of the Securities Act and Section 21E of the Exchange Act.

### **Overview**

### **Background and History; Share Exchange**

Perf-Go Green Holdings, Inc., formerly known as ESYS Holdings, Inc. and La Solucion, Inc., (the "Company") was incorporated in Delaware in April 2005. Its business was originally intended to provide assistance to the non-English speaking Hispanic population in building and maintaining a life in North Carolina but it did not establish operations in connection with its business plan.

On May 13, 2008, the Company entered into a Share Exchange Agreement (the "Share Exchange") with Perf-Go Green, Inc. ("Perf-Go Green"), a privately-owned Delaware corporation and its stockholders pursuant to which the Company acquired all of the outstanding shares of common stock of Perf-Go Green. Perf-Go Green was originally incorporated as a limited liability company on November 15, 2007 and converted to a "C" corporation on January 7, 2008. As consideration for the Share Exchange, the Company issued an aggregate of 21,079,466 shares of common stock, \$0.0001 par value (the "Common Stock") to the Perf-Go Green stockholders resulting in a change in control of the Company with Perf-Go Green stockholders owning approximately 65% out of a total of 32,279,470 of the Company's outstanding common stock at the date of the Share Exchange. In addition, the directors and officers of Perf-Go Green were elected as directors and officers of the Company. As a result of the Share Exchange, the Company has succeeded to the business of Perf-Go Green as its sole business.

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

The accounting for the Share Exchange, commonly called a reverse acquisition, calls for Perf-Go Green, to be treated as the accounting acquirer. The acquired assets and assumed liabilities of the Company were carried forward at their historical values, which approximated fair value. Perf-Go Green's historical financial statements, after the restatement discussed in Note 11 to the unaudited condensed consolidated financial statements, are carried forward as those of the combined entity. The common stock and per share amounts have been retroactively restated the earliest period presented to reflect the Share Exchange.

### **Business, Products and Plans**

The Company is focused on the development and global marketing of eco-friendly, non-toxic, food contact compliant, biodegradable plastic products. Our biodegradable plastic products offer a practical and viable solution for reducing plastic waste from the environment. The Company believes that its plastic products will break down in landfill environments within twelve (12) to twenty four (24) months, leaving no visible or toxic residue. Based solely on environmental claims made by the Company that manufactures a oxo-biodegradable plastic additive that speeds up the break down of our plastic products, we believe our plastic products will break

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

down in landfill environments within twelve (12) to twenty four (24) months, leaving no visible or toxic residue. All of the Company's products incorporate recycled plastic. The Company's products make important strides towards the reduction of plastic from the environment.

We have partnered with Spectrum Bags, Incorporated, a division of IPS Industries, Inc. ("Spectrum"), a mid-sized manufacturer and distributor of plastic bags and plastic products to manufacture and distribute our plastic products. The Company's President, Ben Tran, is a director of our Company and shares in one of the patents on our handle tie-bags. Our products use an oxo-biodegradable plastic additive licensed to Spectrum by a supplier to speed biodegradation and we believe, based on that supplier's environmental claims that our plastic products, when discarded in soil in the presence of microorganisms, moisture and oxygen, will biodegrade, decomposing into simple materials found in nature and will be 100% degradable. We believe this degradable plastic additive technology will be suitable in the creation of many mainstream consumer products.

During 2008, we launched and began marketing our products in six (6) prominent plastic product categories including: thirteen gallon, tall kitchen garbage bags; thirty gallon garage, lawn and leaf garbage bags; commercial garbage bags (various sizes for office buildings and for municipalities, parks and beaches); kitty litter liner bags (three sizes); Doggie Duty™Bags; and 10 foot by 20 foot plastic drop cloths. The sale and distribution of our initial product offerings, the thirteen gallon extra tall kitchen trash bags and thirty gallon garage, lawn and leaf garbage bags, began in the third quarter of 2008. The Company has secured placement and premier featuring and exposure with "brand-making" retailers such as Amazon.com and Drugstore.com, Bashes Family of Stores and Walgreens drug stores. In addition, we are in contact and in negotiations with a number of other named brand retailers.

We are implementing a major business to business/business to government strategy for our commercial line of trash bags and retail check out bags. SOHO Partnership in New York City, CEDA in Cooks County and the Parks Department of Stamford, Connecticut are recently added customers.

We intend to deliver brand building messages through several marketing and advertising vehicles, including television, radio, national print, online marketing and search engine optimization, and retail store promotions. Our products were showcased at the Chicago International Housewares Show held March 16th through March 18th. 22,000 buyers from around the world attended this event. Our product received national attention by television networks and other media outlets as a "Hot New Household Product." Our product was awarded as a Design Defined Honoree for 2008 at the show. Additionally, we signed thirteen representative firms that give will us reach to major national retailers in the U.S. and Canada.

The Company's activities have included capital raising to support its business plan, recruiting board and management personnel, establishing sources of supply and customer relationships.

The Company is considered to be in the development stage as defined in Statement of Financial Accounting Standards ("SFAS") No. 7, "Accounting and Reporting By Development Stage Enterprises," and is subject to the risks associated with activities of development stage companies. While we have raised a significant amount of financing in connection with the Share Exchange, our operations are unproven and therefore it is not certain that we will have sufficient cash to continue our activities for the coming twelve months. We currently do not have any commitments for new funding.

### **Recent Financings**

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

The Company completed the following financings during the period from November 15, 2007 (inception) to June 30, 2008:

**Equity Financing** - In December 2007, prior to its merger with Perf-Go Green, Inc., Perf-Go Green Holdings, Inc. (the accounting acquiree) raised \$2,100,000 in proceeds in the private placement of 4,200,000 common shares and warrants to purchase 4,200,000 shares of the Company's common stock. This financing was not conditioned on the reverse acquisition and was done to enhance the ability of the accounting acquiree to consummate a reverse merger transaction. In June 2008, the warrants were reissued to conform to the same terms as the Warrants in the Convertible Debenture and Warrants financing described below and in Note 6 to the unaudited condensed consolidated financial statements.



## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

**Bridge Notes and Warrants** - In January and February 2008, Perf-Go Green, Inc. raised an aggregate \$750,000 proceeds through the sale of secured convertible notes ("Bridge Notes") together with warrants to purchase 1,500,000 shares of the Company's common stock. The Bridge Notes, together with approximately \$11,000 of accrued interest, were converted into 1,579,466 shares of the Company's common stock in March 2008 as further described further in Note 7 to the unaudited condensed consolidated financial statements.

**Convertible Debentures and Warrants** - In connection with the Share Exchange, on May 13, 2008 and June 10, 2008, the Company raised an aggregate \$5,950,000 proceeds a private placement of its senior secured convertible debentures in the principal amount of \$5,950,000 and warrants to purchase 7,933,333 shares (subject to adjustment) of the Company's common stock as described further in Note 6 to the unaudited condensed consolidated financial statements.

Because of the features of the Convertible Debentures and Warrants and the warrants that were re-issued in May 2008 to the December 2007 equity investors, together with certain placement agent warrants all as discussed in Notes 6 and 7 to the unaudited condensed consolidated financial statements, these instruments are considered derivative liabilities and are marked-to-market each reporting period.

### **Financial Condition, Liquidity and Capital Resources -**

As indicated in the accompanying unaudited condensed consolidated financial statements, at June 30, 2008, the Company had approximately \$5,280,000 in cash and approximately \$24,256,000 in negative working capital and a stockholders' deficit of approximately \$22,357,000. A significant portion of the Company's liabilities are derivative liabilities which are further described in Note 6. The Company would be unable to satisfy the cash settlement liability associated with its derivative liabilities.

For the three months ended June 30, 2008, the Company had a loss from operations of approximately \$10,815,000 and a net loss of approximately \$32,851,000 and utilized approximately \$2,094,000 of cash in operating activities. Further, development stage losses are continuing subsequent to June 30, 2008. We anticipate that we will continue to generate significant losses from operations for the near future. These conditions raise substantial doubt about our ability to continue as a going concern.

As of the date of this registration statement, the Company's cash flow projections presently indicate that projected revenues may not be sufficient to fund operations over the coming twelve months. As such, the Company may need additional financing within the next few months in order to continue its operations. However, as a development stage company, the Company's ability to accurately project revenues and expenses can be significantly impacted by unforeseen events, developments and contingencies that cannot be anticipated. As such, there can be no assurance that management's plans to raise additional financing will be successful or sufficient in order to sustain our operations over the coming twelve months. No adjustment has been made in the accompanying financial statements to the amounts and classification of assets and liabilities which could result should the Company be unable to continue as a going concern.

We currently have no material commitments for capital expenditures.

### **Results of Operations -**

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

**For the three months ended June 30, 2008 and for the period from November 15, 2007 (inception) to June 30, 2008**

We began operations on November 15, 2007 and are a development stage company. Our activities during the development stage have included primarily capital raising (resulting in the debt and equity-based financing described in Recent Financings above), development and marketing of our biodegradable plastic products, development of mass market product distribution networks for the intended distribution of the products, recruiting personnel and beginning the development of an infrastructure to support the planned business. As the Company is devoting its efforts to product development, marketing and distribution, there has been no revenue generated from sales as of the date of this report.

Our results of operations for the three months ended June 30, 2008 and for the period from November 15, 2007 (inception) to June 30, 2008 are as follows:

	<u>November 15,</u>	
	<u>Three months</u>	<u>2007</u>
	<u>ended</u>	<u>(inception) to</u>
	<u>June 30, 2008</u>	<u>June 30, 2008</u>
Revenues	\$ 1,000	\$ 1,000
Loss from operations	10,815,000	11,442,000
Other expense	22,037,000	22,835,000
Net loss	\$ 32,851,000	\$ 34,276,000

Revenues in the three months ended June 30, 2008 and for the period from November 15, 2007 to June 30, 2008 consist of initial sales at Amazon.com and sales to a municipality. The Company expects to commence more substantial revenue activity in approximately September 2008 as product that has been ordered becomes available to ship to our initial customers including retailers Walgreens and Bashas' as well as internet retailers Amazon.com and Drugstore.com.

Loss from operations is driven by general and administrative costs of approximately \$10,814,000 for the three months ended June 30, 2008 and \$11,441,000 for the period from November 15, 2007 (inception) to June 30, 2008. Included in general and administrative costs for the both the three months ended June 30, 2008 and for the period from November 15, 2007 (inception) to June 30, 2008 are non-cash charges for stock compensation aggregating approximately \$9,032,000 including stock compensation for directors (approximately \$4,100,000), employees (approximately \$2,203,000) and consultants, primarily an investor relations consultant, (approximately \$2,729,000). The large amount of stock compensation results from the number of options and shares granted as well as the fact that options to purchase approximately 2,843,600 shares contain immediate vesting provisions and therefore are expensed in full at inception (approximately \$6,180,000). However, we have an ongoing cost for stock compensation relative to (a) the vesting of options and warrants already granted to purchase approximately 4,250,000 shares, (b) our commitment to make monthly share grants to certain employees and consultants and (c) the vesting of options and warrants for any new grants. The cost of the ongoing vesting of options already granted is expected to be approximately \$2,200,000 per quarter. The cost of our commitment to make monthly share grants will be variable based upon the share price at the end of each month of service and therefore is not known at this time.

The remaining operating expenses, approximately \$1,783,000 for the three months ended June 30, 2008 and approximately \$ 2,409,000 for the period from November 15, 2007 (inception) to June 30, 2008, include the following:

	<u>November 15,</u>	
	<u>Three months</u>	<u>2007</u>
	<u>ended</u>	<u>(inception) to</u>
	<u>June 30, 2008</u>	<u>June 30, 2008</u>
Investor and public relations	\$ 829,000	\$ 852,000
Human resources	201,000	333,000
Legal and professional	204,000	350,000
Marketing and related	278,000	520,000
Travel and related	121,000	166,000
Occupancy, communications, and all other, net		

Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

Total other operating costs	150,000	188,000
	\$ 1,783,000	\$ 2,409,000

We expect that our operating expenses will continue to increase in subsequent quarters as we focus our attention on product introduction and marketing, investor and public relations and investments in our operating infrastructure.

Other expense includes the following:

November 15,Three months                      2007ended                      (inception) toJune 30, 2008                      June 30, 2008

Derivative liability expense at inception	\$ 26,310,000	\$ 26,310,000
Change in value of derivative liability	(5,439,000)	(5,439,000)
Damages accrued under registration rights agreement	893,000	903,000
Amortization of debt discount	179,000	179,000
Interest expense and amortization	105,000	903,000
Interest income	(11,000)	(11,000)
Total other expense	\$ 22,037,000	\$ 22,835,000

**Derivatives** - As discussed further in Notes 6 and 7 to the unaudited condensed consolidated financial statements, the Company issued Convertible Debentures and Warrants which contain features that have variability in the conversion or exercise price and, with respect to the Warrants, contain a settlement in cash feature if sufficient registered shares cannot be delivered upon exercise of the Warrant. As such, these instruments are accounted for as Derivative liabilities because (a) the ultimate amount of shares which we could be required to issue is not known and may increase significantly and (b) we could have to pay cash to the warrant holders for the market value of the shares underlying the warrants. As Derivative liabilities, these uncertainties are reflected as obligations of the Company until they are resolved through conversion, exercise or expiration. In addition, warrants issued to a placement agent, and warrants that were issued to replace warrants issued to investors in the December 2007 equity financings at the accounting acquiree, have the same features and are also accounted for as derivative liabilities. Derivative liability expense for conversion feature of convertible debt, warrants and other warrants of approximately \$26,310,000 results from the fair value of these derivative instruments, less the amount allocated to the related convertible debt as debt discount (\$5,950,000) and the amounts allocated to deferred finance costs (\$1,394,000), at inception. The Company computed the fair value of its derivative instruments at inception by using a Black Scholes calculation assuming a risk free rate of return of 2.7 - 3.2%, expected volatility of 93% and expected life of the conversion feature (three years) and the Warrants (five years) and the quoted market price of the Company's stock on the day of the measurement. Because the fair value of the Company's common stock at the dates of inception of the various derivative instruments exceeded the conversion or exercise price of the derivative, the fair value of the derivative reflects both "in the money" value as well as a "time value." Specifically, at inception of these instruments, the fair value of the Company's common stock ranged from \$1.48 to \$2.73 per share and these instruments are convertible or exercisable at prices ranging from \$0.75 to \$1.00 per share. Therefore, there is an "in the money" value to these instruments. In addition, these instruments have a "time value" that is estimated using a Black Scholes calculation and the assumptions described above. Fair value accounting requires that these derivative liabilities be marked-to-market at each reporting period and therefore, since the underlying market price of the stock generally decreased from the highest price used at inception (\$2.74) and increased only slightly from the lowest price used at inception (\$1.48) to a fair value of \$1.74 at June 30, 2008 the Company recorded other income for the aggregate change in value of these derivative liabilities of approximately \$5,439,000. Each reporting period, a charge or credit will be recorded for the change in fair value these derivative liabilities. The principal driver of the charge or credit going forward will be the market price of the Company's common stock. Specifically, if the market price of the Company's common stock increases from the prior quarter, the fair value of the derivative liability would increase and conversely, if the market price of the Company's common stock decreases from the prior quarter, the derivative liability would decrease. An additional driver of the liability going forward could be any additional shares which could become issuable if we trigger certain anti-dilution provisions, for example if we did a dilutive financing.

**Registration rights** - Under a registration rights agreement, the common stock underlying the conversion feature of the Convertible Debentures and the Warrants is required to be registered. The Company can be assessed liquidated damages, as defined in the related agreements, for the failure to file a registration statement in a certain timeframe or for the failure to obtain or maintain effectiveness of such registration statement. Such penalties are generally limited to approximately \$893,000 in the aggregate. Because obtaining effectiveness of the registration statement is not within the Company's control, the Company has concluded to record a liability for

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

approximately \$893,000 representing the liquidated damages that may be assessed if the Company fails to satisfy its registration obligations. If the Company's registration statement is ultimately declared effective, such liability would be reversed in the period that the determination of effectiveness is resolved.

**Interest expense and amortization of debt discount** - Interest expense on the Convertible Debentures accrues at approximately \$149,000 per quarter beginning in May 2008. The amortization of debt discount represents the amortization of the entire proceeds, \$5,950,000 of the Convertible Debentures and Warrants, which was allocated to debt discount, over the three year life of the Convertible Debentures at the rate of approximately \$496,000 per quarter beginning in May 2008.

**Interest income** - Consists of interest earned on bank deposits and deposits in an institutional money market fund with a broker-dealer.

### Contractual Arrangements

Significant contractual obligations as of June 30, 2008 are as follows:

Type of Obligation	Total Obligation	Less than 1 year	Amount Due in		More than 5 years
			1 to 3 years	4 to 5 years	
Convertible Debentures <sup>(1)</sup>	\$ 5,950,000	\$ -	\$5,950,000	\$ -	\$ -
Derivative liabilities <sup>(2)</sup>	28,694,000	28,694,000	-	-	-
Employment contracts <sup>(3)</sup>	2,381,000	791,000	1,591,000		
Total	\$ 37,025,000	\$29,485,000	\$7,541,000	\$ -	\$ -

(1) See Note 6 to unaudited condensed consolidated financial statements for additional information.

(2) See Note 7 to unaudited condensed consolidated financial statements for additional information.

(3) See Note 11 to unaudited condensed consolidated financial statements for additional information. Amounts include annual increases but not annual bonus eligibility.

### For the period from November 15, 2007 (inception) to March 31, 2008

#### Revenues

We are a start-up company and have not generated or realized any revenues from our business operations for the period from inception through March 31, 2008. We have incurred a net loss of \$1,425,015.

### **Operating Expenses**

For the period November 15, 2007 (date of inception) through March 31, 2008, our total operating expenses were \$627,025. The total operating expenses consists of those of a development stage company, including debt and equity-based financing, product design costs, marketing and distribution costs. Our greatest costs for the period reported are packaging and design expenses, which totaled \$150,019.

### **Liquidity and Capital Resources**

For the period from inception through March 31, 2008, our net cash flow was \$675,100, which is primarily attributable to the Company's financing activities. On January 15, 2008, February 8, 2008, February 28, 2008 and May 13, 2008 respectively, we sold \$350,000, \$250,000 and \$150,000, respectively of convertible notes and warrants. The convertible notes were converted into common stock of the Company on March 28, 2008.

As of March 31, 2008, we had cash and cash equivalents of \$270,185 which was attributable to our financing activities.

### **Off Balance Sheet Arrangements**

The Company has no material off balance sheet arrangements that are likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital resources or capital expenditures.

**Critical Accounting Principles -**

We have identified critical accounting principles that affect our condensed consolidated financial statements by considering accounting policies that involve the most complex or subjective decisions or assessments as well as considering newly adopted principals. They are:

*Use of Estimates, Going Concern Consideration* - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Among the estimates we have made in the preparation of the financial statements is an estimate of our projected revenues, expenses and cash flows in making the disclosures about our liquidity in this report. As a development stage company, many variables may affect our estimates of cash flows that could materially alter our view of our liquidity and capital requirements as our business develops. Our condensed unaudited condensed consolidated financial statements have been prepared assuming we are a "going concern". No adjustment has been made in the unaudited condensed consolidated financial statements which could result should we be unable to continue as a going concern.

*Share-Based Payments* - We follow SFAS 123(R), "Share-Based Payment" which establishes standards for share-based transactions in which an entity receives employee's or consultants services for (a) equity instruments of the entity, such as stock options or warrants, or (b) liabilities that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of such equity instruments. SFAS 123(R) requires that we expense the fair value of stock options and similar awards, as measured on the awards' grant date. SFAS 123(R) applies to all awards granted after the date of adoption, and to awards modified, repurchased or cancelled after that date.

We estimate the value of stock option awards on the date of grant using the Black-Scholes option-pricing model (the "Black-Scholes model"). The determination of the fair value of share-based payment awards on the date of grant is affected by our stock price as well as assumptions regarding a number of complex and subjective variables. These variables include our expected stock price volatility over the term of the awards, expected term, risk-free interest rate, expected dividends and expected forfeiture rates.

If factors change and we employ different assumptions in the application of SFAS 123(R) in future periods, the compensation expense that we record under SFAS 123(R) may differ significantly from what we have recorded in the current period. There is a high degree of subjectivity involved when using option pricing models to estimate share-based compensation under SFAS 123(R). Consequently, there is a risk that our estimates of the fair values of our share-based compensation awards on the grant dates may bear little resemblance to the actual values realized upon the exercise, expiration, early termination or forfeiture of those share-based payments in the future. Employee stock options may expire worthless or otherwise result in zero intrinsic value as compared to the fair values originally estimated on the grant date and reported in our financial statements. Alternatively, value may be realized from these instruments that are significantly in excess of the fair values originally estimated on the grant date and reported in our financial statements. During the three months ended June 30, 2008, we do not believe that reasonable changes in the projections would have had a material effect on share-based compensation expense.

The guidance in SFAS 123(R) and Securities and Exchange Commission's Staff Accounting Bulletin No. 107 and 110 is relatively new, and best practices are not well established. There are significant differences among valuation models, and there is a possibility that we will adopt a different valuation model in the future. Theoretical valuation models are evolving and may result in lower or higher fair value estimates for share-based compensation. The timing, readiness, adoption, general acceptance, reliability and testing of these methods is uncertain. Sophisticated mathematical models may require voluminous historical information, modeling expertise, financial analyses, correlation analyses, integrated software and databases, consulting fees, customization and testing for adequacy of internal controls. The uncertainties and costs of these extensive valuation efforts may outweigh the benefits to investors.

*Derivative liabilities* - SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," requires bifurcation of embedded derivative instruments and measurement of their fair value for accounting purposes. In addition, freestanding derivative instruments such as certain warrants are also derivative liabilities. We estimate the fair value of these instruments using the Black-Scholes option pricing model



## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

which takes into account a variety of factors, including historical stock price volatility, risk-free interest rates, remaining term and the closing price of our common stock. Changes in the assumptions used to estimate the fair value of these

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

derivative instruments could result in a material change in the fair value of the instruments. Although we believe the assumptions used to estimate the fair values of the warrants are reasonable, we cannot assure the accuracy of the assumptions or estimates. Derivative liabilities are recorded at fair value at inception and then are adjusted to reflect fair value as at each period end, with any increase or decrease in the fair value being recorded in results of operations as an adjustment to fair value of derivatives.

At June 30, 2008, we had four such derivative instruments principally related to our issuance of Convertible Debentures and Warrants as discussed further in Notes 6 and 7 to the unaudited condensed consolidated financial statements. The Convertible Debentures and Warrants have features which make their conversion or exercise price variable and the Warrants contain provisions calling for cash settlement in certain circumstances. Such derivatives had an aggregate fair value at inception of approximately \$32,220,000, after reflecting \$5,950,000 as debt discount. At June 30, 2008, we re-measured the fair value of such derivative instruments and recorded a reduction of our derivative liabilities of approximately \$5,439,000 bringing the resulting derivative liabilities to approximately \$28,694,000.

### Recent Accounting Pronouncements

Effective April 1, 2008, the Company adopted Statement of Financial Accounting Standard ("SFAS") No. 157, Fair Value Measurement ("SFAS 157"), for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually. In accordance with the provisions of FSP No. FAS 157-2, Effective Date of FASB Statement No. 157, the Company elected to defer implementation of SFAS 157 as it relates to our non-financial assets and non-financial liabilities that are recognized and disclosed at fair value in the financial statements on a nonrecurring basis until April 1, 2009. The Company is evaluating the impact, if any, this Standard will have on our consolidated non-financial assets and liabilities.

SFAS 157 defines fair value, thereby eliminating inconsistencies in guidance found in various prior accounting pronouncements, and increases disclosures surrounding fair value calculations. SFAS 157 establishes a three tiered fair value hierarchy that prioritizes inputs to valuation techniques used in fair value calculations. SFAS 157 requires the Company to maximize the use of observable inputs and to minimize the use of unobservable inputs in making fair value judgments.

The Company's financial assets and liabilities measured at fair value on a recurring basis include those securities classified as cash and cash equivalents on the unaudited condensed consolidated balance sheet. All securities owned are valued under the first tier of the hierarchy where the assets are measured using quoted prices in active markets.

On April 1, 2008, the Company adopted SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities." The adoption of SFAS No. 159 did not have any material impact on the Company's consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, *"Noncontrolling Interests in Consolidated Financial Statements, an amendment of Accounting Research Bulletin No 51"* ("SFAS 160"). SFAS 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, changes in a parent's ownership of a noncontrolling interest, calculation and disclosure of the consolidated net income attributable to the parent and the noncontrolling interest, changes in a parent's ownership interest while the parent retains its controlling financial interest and fair value measurement of any retained noncontrolling equity investment. The Company's adoption of SFAS No. 160 on April 1, 2008 did not have a material effect on its financial position, results of operations or cash flows.

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

In December 2007, the FASB issued SFAS No 141R, "Business Combinations" ("SFAS 141R"). SFAS 141R replaces SFAS 141 and establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any non-controlling interest in the acquiree and the goodwill acquired. SFAS 141R also establishes disclosure requirements which will enable users to evaluate the nature and financial effects of the business combination. Acquisition costs associated with the business combination will generally be expensed as incurred. SFAS 141R is effective for business combinations occurring in the fiscal years beginning after December 15, 2008, which will require the Company to adopt these provisions for business combinations occurring in fiscal 2009 and thereafter.

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

In January 2008, the SEC released SAB No. 110, which amends SAB No. 107 which provided a simplified approach for estimating the expected term of a "plain vanilla" option, which is required for application of the Black-Scholes option pricing model (and other models) for valuing share options. At the time, the Staff acknowledged that, for companies choosing not to rely on their own historical option exercise data (i.e., because such data did not provide a reasonable basis for estimating the term), information about exercise patterns with respect to plain vanilla options granted by other companies might not be available in the near term; accordingly, in SAB No. 107, the Staff permitted use of a simplified approach for estimating the term of plain vanilla options granted on or before December 31, 2007. The information concerning exercise behavior that the Staff contemplated would be available by such date has not materialized for many companies. Thus, in SAB No. 110, the Staff continues to allow use of the simplified rule for estimating the expected term of plain vanilla options until such time as the relevant data becomes widely available. The Company does not expect its adoption of SAB No. 110 to have a material impact on its financial position, results of operations or cash flows.

In March 2008, the FASB issued SFAS No. 161 *"Disclosures about Derivative Instruments and Hedging Activities"* An Amendment of FASB Statement No. 133. ("SFAS 161"). SFAS 161 establishes the disclosure requirements for derivative instruments and for hedging activities with the intent to provide financial statement users with an enhanced understanding of the entity's use of derivative instruments, the accounting of derivative instruments and related hedged items under Statement 133 and its related interpretations, and the effects of these instruments on the entity's financial position, financial performance, and cash flows. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2008. The Company does not expect its adoption of SFAS 161 to have a material impact on its financial position, results of operations or cash flows.

In May 2008, the FASB issued SFAS No. 162, *"The Hierarchy of Generally Accepted Accounting Principles"* ("SFAS 162"). SFAS 162 identifies the sources of accounting principles and the framework for selecting principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles in the United States. This statement is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board's amendments to AU section 411, The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles. The Company is currently evaluating the impact of SFAS 162, but does not expect the adoption of this pronouncement will have a material impact on its financial position, results of operations or cash flows.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date and are not expected to have a material impact on the financial statements upon adoption.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date and are not expected to have a material impact on the financial statements upon adoption.

### **Quantitative and Qualitative Disclosures About Market Risk**

#### *Foreign Currency Risk*

Currently, we have no exposure to foreign currency risk as all our sales transactions, assets and liabilities are denominated in the U.S. dollar.

#### *Interest Rate Risk*

Our exposure to interest rate risk is limited to interest earned from our money market accounts and our interest expense on short-term and long-term borrowings. Currently, this exposure is not significant. Substantial increases in short-term and long-term borrowings to fund growth or make investments, combined with actual changes in interest rates could adversely affect our future results of operations.

**Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

We dismissed Webb & Company, P.A. ("Webb") as our principal accountant and we appointed Berman & Company, P.A. ("Berman") as our new independent registered public accounting firm on May 13, 2008. Webb's report on our financial statements for fiscal year 2007 did not contain an adverse opinion or a disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope, or accounting principles, with the exception of a qualification with respect to uncertainty as to our ability to continue as a going concern. The decision to change accountants was recommended and approved by our Board of Directors.

During fiscal year 2007, and the subsequent interim period through May 13, 2008, there were no disagreements with Webb on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedures, which disagreement(s), if not resolved to the satisfaction of Webb, would have caused them to made reference to the subject matter of the disagreement(s) in connection with their report, nor were there any reportable events as defined in Item 304(a)(1)(iv)(B) of Regulation S-K.

We engaged Berman as our new independent registered public accounting firm as of May 13, 2008. During fiscal year 2007, and the subsequent interim period through May 13, 2008, we nor anyone on our behalf engaged Berman regarding either the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements, or any matter that was either the subject of a "disagreement" or a "reportable event," both as such terms are defined in Item 304 of Regulation S-K.

**OUR BUSINESS**

Our executive office is located at 12 East 52<sup>nd</sup> Street, 4<sup>th</sup> Floor, New York, New York 10022. Our telephone number is (212) 935-3550. We maintain an Internet Website at [www.perfgogreen.com](http://www.perfgogreen.com). Information contained on its Internet Website is for informational purposes only and is not part of this Registration Statement on Form S-1.

Perf-Go Green Holdings, Inc., formerly known as ESYS Holdings, Inc. and La Solucion, Inc., (the "Company") was incorporated in Delaware in April 2005. Its business was originally intended to provide assistance to the non-English speaking Hispanic population in building and maintaining a life in North Carolina but it did not establish operations in connection with its business plan.

On May 13, 2008, the Company entered into a Share Exchange Agreement with Perf-Go Green, Inc., ("Perf Go Green") a privately-owned Delaware corporation and its shareholders pursuant to which the Company acquired all of the outstanding shares of common stock of Perf-Go Green. Perf-Go Green was originally incorporated as a limited liability company on November 15, 2007 and converted to a "C" corporation on January 7, 2008. As consideration for the Share Exchange, the Company issued an aggregate of 21,079,466 shares of common stock, \$0.0001 par value (the "Common Stock") to the Perf-Go Green. shareholders resulting in a change in control of the Company with Perf-Go Green Shareholders owning approximately 65% of the Company's common stock. In addition, the directors and officers of Perf-Go Green were elected as directors and officers of the Company. As a result of the Share Exchange, the Company has succeeded to the business of Perf-Go Green as its sole business.

Our objective is to create an environmentally friendly "green" company for the development and global marketing of eco-friendly, non-toxic, food contact compliant, biodegradable plastic products. We believe our biodegradable plastic products offer a practical and viable solution for reducing plastic waste from the world environment. Based solely on environmental claims statements made by EPI Environmental Technologies, Inc. ("EPI"), the Company that manufactures TDPA, an oxo-biodegradable plastic additive that speeds up the break down of our

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

plastic products, we believe our plastic products will break down in landfill environments within twelve (12) to twenty four (24) months, leaving no visible or toxic residue. We have, not conducted any research, testing or studies to verify EPT's claims. All of our products incorporate recycled plastic. Our products make important strides towards the reduction of plastic from the environment.

We have partnered with Spectrum, a mid-sized manufacturer and distributor of plastic bags and plastic products to manufacture and distribute our plastic products. With its headquarters located in Cerritos, California, Spectrum's revenues exceed \$250,000,000 in the United States. Spectrum's owner and President, Ben Tran, is one of our directors and shares in one of the patents on our handle tie-bags.

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

The manufacturing of our biodegradable plastic products is a multi-step process. Spectrum starts by using recycled plastic and combines it with TDPA. Spectrum has been issued a license by EPI to use TDPA. Spectrum utilizes a proprietary application method to produce the film made with TDPA for our trash bags. As a result of this process, we believe, based on EPI's environmental claims relating to TDPA, our plastic products, when discarded in soil in the presence of microorganisms, moisture and oxygen, will biodegrade, decomposing into simple materials found in nature and will be degradable. We believe this degradable plastic additive technology will be suitable in the creation of many mainstream consumer products.

During 2008, we launched and began marketing our products in six (6) prominent plastic product categories:

- Thirteen gallon, extra tall kitchen garbage bags
- Thirty gallon garage, lawn and leaf garbage bags
- Commercial garbage bags (various sizes for office buildings and for municipalities, parks and beaches.)
- Kitty litter liner bags (three sizes)
- 10 foot by 20 foot plastic drop cloths
- Doggie Duty™ Bags

The sale and distribution of our initial product offerings, the thirteen gallon extra tall kitchen trash bags and thirty gallon garage, lawn and leaf garbage bags, began in the third quarter of 2008. We believe that we are the first company to mass-market biodegradable trash bags and other plastic products.

### **The Market Place and Opportunity**

The need to control and shrink plastic waste worldwide presents a compelling challenge. According to a recycling study conducted by the University of Oregon, over 16 million tons of plastic waste is generated annually in the U.S. Only 2.2% of all plastics are currently recycled with the other 97.8% ending up in landfills. These plastic products can take up to 1000 years to breakdown. In the U.S., 18 billion disposable diapers end up in landfills each year. These diapers take about 500 years to breakdown. An estimated 500 billion to one trillion new plastic bags are used annually; this breaks down to more than one million plastic bags a minute.

The number of Americans seeking green products stands at approximately 30 million today and that number is increasing. U.S. consumers continue to demonstrate a growing appetite for natural and organic products, as manufacturers and retailers expand into new and nontraditional areas and increase their offerings. Total sales for the natural and organic industry increased by fifty six (56%) percent between 2002 and 2006. The opportunity exists to boldly mass market biodegradable plastic products to the consumers seeking green products.



Todd Woody of the Green Wombat reported, since April 2007, Wal-Mart has tracked purchases of five eco-oriented products to measure its 180 million customers' attitudes toward buying green products. The products were compact fluorescent light bulbs, organic milk, concentrated or reduced-packaging liquid laundry detergents, extended-life paper products and organic baby food. Wal-Mart found approximately 18% of its customers are making green purchases at its stores.

According to the AARP, 40 million baby boomers have gone green. A study by Accenture done in October 2007 found that two-thirds of consumers would pay a premium for green products.

A study conducted by BDO Seidman, LLP in October 2007 found that 83% of the largest retailers, including companies such as Nike, Gap, Sears, Wal-Mart, Target and IKEA are involved in green practices. The majority of these companies are pursuing a combination of selling green products and improving operations and facility efficiencies.

## **Competitive Landscape**

Glad and Hefty have yet to announce or market biodegradable plastic trash bags. We believe these companies will be our strongest competitors as each are well-capitalized, have high brand recognition, highly recognizable packaging and split 75% of the shelf space allotted to plastic products in most retail stores.

According to our research, the only other biodegradable or compostable trash bags currently marketed, such as Compost-A-Bag, AI-PACK, and BioBag suffer from low consumer awareness, weak packaging, and overall minimal brand presence in big box retailers. Seventh Generation trash bags are made from recycled plastics, with a 55% minimum total recycled content according to its packaging. Other bags marketed as biodegradable fall short of our goal of using recycled plastic that is biodegradable, disappearing in landfill in 12-24 months with extra strength at .9 and 1.0 mil.

We believe our packaging speaks to the customer in a smart and meaningful way. Our packaging is designed to give our products a strong and distinctive presence on the shelves of our customers.

## **Methods of Competition**

We compete with distributors, both within and outside the United States in the sale of biodegradable plastic products. Principal methods of competition include quality of products, brand presence of retailers, pricing, range of products and product design features.

## **Marketing and Sales Objectives and Strategies**

The Company has secured placement and premier featuring and exposure with "brand-making" retailers such as Walgreens, Bashes Family of Stores, Amazon.com and Drugstore.com. We have met with other major big box stores. Yearly growth and expansion with retailers across the country is expected with the release of new products and demand for our biodegradable plastic products.

A combination of brand building messages will be delivered through several marketing and advertising vehicles, including television, radio, national print, online marketing and search engine optimization, and retail store promotions. Our products were showcased at the Chicago International Housewares Show held March 16<sup>th</sup> through March 18<sup>th</sup>. 22,000 buyers from around the world attended this event. Our product received national attention by television networks and other media outlets as a "Hot New Household Product." Our product was awarded as a *Design Defined Honoree for 2008* at the show. Additionally, we signed six representative firms that give will us reach to major national retailers in the U.S. and Canada.

## **Green 21.0 Foundation**

## Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

We have established the Go Green 21.0 Foundation that brings another level of awareness to our products. Go Green 21.0 will foster and promote green initiatives around the world with the help of schools, communities and individuals wanting to make a difference. We will capitalize and fund Go Green 21.0 with a percentage of our profits and shares of our common stock while seeking sponsorships with like-minded brands, associations and institutions. Our first green initiative will be rolled out in schools across the country. Go Green 21.0 will sponsor of an initiative to gather plastics for recycling while gaining monetary benefits to participating schools.

**Patents and Trademarks**

We presently hold a registered patent in the United States on the unique dispensing system utilized for our trash container liners. The dispensing system includes a ridge box containing a supply of liners in the form of a cylindrical roll of a continuous strip of liners. The liners extend through an open slot in the top of the box and the inner most liner of the roll is securely attached to a cylindrical spindle on which the liners are wound. The dispenser also includes a reinforcing insert in the form of a piece of sheet rock in a U-shape partially surrounding the role of liners. The box is detachably secured to the bottom of the trash container and the spindle is dimensioned so as not to pass through the slot. Accordingly, when the last line in the box is used and removed from the container, the box is removed as well. We also own (together with Ben Tran a principal of Spectrum and a Director of our Company) a patent application which is currently pending in the United States Patent and Trademark Office which covers a roll of plastic bags having integral handles and which can also be used to close each bag.

Both the patent and patent application are owned by the Company by assignment from Tracey Productions, LLC of which our Chief Executive Officer, Anthony Tracy, is a principal. In addition, we are the exclusive licensee, for biodegradable plastic bags of the trademark "PERF". The trademark PERF is owned by Tracey Productions, LLC. In addition, we presently have several trademark applications pending in the United States Patent and Trademark Office. Below is a chart summarizing our pending trademark applications.

<b>MARK</b>	<b>SERIAL NO.</b>	<b>FILING DATE</b>	<b>DESCRIPTION</b>
BIODEGRADABLE BY NATURE GREEN BY CHOICE	77/390,864	February 7, 2008	Trash bags; trash can liners; lawn and leave bags; disposable diapers Plastic drop cloths Drinking straws Disposable trash bag dispenser; disposable kitty litter bag dispenser; beverage stirrers
GO GREEN & DESIGN	77/390,510	February 7, 2008	Trash bags; trash can liners; lawn and leave bags Plastic drop cloths Drinking straw Disposable trash bag dispenser; disposable kitty litter bag dispenser; beverage stirrers
GLOBAL COOLING	77/418,792	March 12, 2008	Plastic bags; plastic drop cloths and disposable diapers.
GO GREEN (Green Stylized)	77/390,475	February 6, 2008	Trash bags; trash can liners; lawn and leave bags Plastic drop cloths Drinking straw Disposable trash bag dispenser; disposable kitty litter bag dispenser; beverage stirrers
GREEN FUTURE	77/418,792	March 12, 2008	Plastic bags; plastic drop cloths and disposable diapers.
GREEN GENERATION	77/418,777	March 12, 2008	Plastic bags; plastic drop cloths and disposable diapers.
HELPING OUR PLANET, ONE DIAPER AT A TIME	77/390,838	February 7, 2008	Disposable Diaper
HELPING OUR PLANET, ONE BAG AT A TIME	77/390,833	February 7, 2008	Trash bags; trash can liners; lawn and leave bags
I'M THE SMARTEST BAG AROUND	77/390,850	February 7, 2008	Trash bags; trash can liners; lawn and leave bags

<b>MARK</b>	<b>SERIAL NO.</b>	<b>FILING DATE</b>	<b>DESCRIPTION</b>
PERF (Stylized in Red)	77/390,425	February 6, 2008	Trash bags; trash can liners; lawn and leave bags; disposable diapers Plastic drop cloths Drinking straws Disposable trash bag dispenser; disposable kitty litter dispenser; beverages

### **Government Regulation**

We are subject to a variety of federal, state and local government regulations. Our business is subject to local, state and federal laws and regulations concerning environmental, health and safety matters, including those relating to air emissions, wastewater discharges and the generation, handling, storage, transportation, treatment and disposal of hazardous materials. We believe we are in substantial compliance with all applicable laws and regulations. In addition, the manufacture, sale and use of biodegradable plastic products are subject to regulation by the U.S. Food and Drug Administration (the "FDA") as well as other federal and state agencies. The FDA's regulations are concerned with substances used in food packaging materials, not with specific finished food packaging products. Thus, food and beverage containers are in compliance with FDA regulations if the components used in the food and beverage containers: (i) are approved by the FDA as indirect food additives for their intended uses and comply with the applicable FDA indirect food additive regulations; or (ii) are generally recognized as safe for their intended uses and are of suitable purity for those intended uses. We may develop additional products, including food packaging products. Additionally, we advertise our products as biodegradable and must conform with the Federal Trade Commission's Guides for the use of Environmental Marketing Claims.

### **Research and Development**

We have not incurred any significant expenditures in research and development since inception.

### **Compliance with Environmental Laws**

We did not incur any costs in connection with the compliance with any federal, state, or local environmental laws.

### **Employees**

As of August 1, 2008, we had eleven employees. None of our employees are represented by a labor union, and we consider our employee relations to be excellent.

### **Legal Proceedings**

From time to time, we may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm its business. On April 11, 2008, David Conklin, a shareholder of the Company, asserted a claim against Anthony Tracy, our Chairman of the Board of Directors and Chief Executive Officer, alleging that, based on Mr. Conklin's prior contributions to other companies operated by Anthony Tracy as well as prior agreements between Mr. Conklin and Mr. Tracy, Mr. Conklin was entitled to be issued a ten (10%) percent interest in the Company. This dispute was resolved on July 8, 2008 and no litigation was commenced relating to this dispute. In accordance with the terms of the Mutual Release and Settlement Agreement dated July 8, 2008 by and among Mr. Tracy, Mr. Conklin and the Company, Mr. Conklin was issued 888,830 shares of common stock of the Company. Such shares were taken from Mr. Tracy's interest in the Company and no additional shares were issued by the Company.

#### **Description of Property**

We are negotiating to lease office space at 12 East 52<sup>nd</sup> Street, 4<sup>th</sup> Floor, New York, New York 10022 in which we are presently located. This office is approximately 2,700 square feet. The rent on such space is presently being negotiated. We currently sublease certain office space in Westport, Connecticut. This office is 1,500 square feet and is leased on a month-to-month basis with rent of \$1,500 for the month. We currently sublease certain office space in Bay Shore, New York. This office space is 1,000 square feet, of which approximately 500 square feet is utilized by the Company, and is leased on a month-to-month basis with rent of \$1,000 for the month.

**Financial Statements**

**INDEX TO FINANCIAL STATEMENTS**

Unaudited Condensed Consolidated Financial Statements of Perf-Go Green Holdings, Inc. and subsidiary (a development stage company) as of June 30, 2008 and for the three months then ended and for the period from November 15, 2007 (inception) to June 30, 2008:

Condensed Consolidated Balance Sheets (unaudited with respect to June 30, 2008 and "as restated" with respect to audited March 31, 2008)  
Condensed Consolidated Statements of Operations (unaudited)  
Condensed Consolidated Statements of Cash Flows (unaudited)  
Condensed Consolidated Statement of Stockholders' Deficit (unaudited)  
Notes to Condensed consolidated Financial Statements (unaudited)

Financial Statements of Perf-Go Green, Inc. (a development stage company) as of March 31, 2008 and for the period from November 15, 2007 (inception) to March 31, 2008:

Report of Independent Registered Public Accounting Firm

Financial Statements:

Balance Sheet - As of March 31, 2008, as restated

Statement of Operations - For the Period from November 15, 2007 (Inception) to March 31, 2008, as restated

Statement of Changes in Stockholders' Equity - For the Period from November

15, 2007

(Inception) to March 31, 2008, as restated

Statement of Cash Flows - For the Period from November 15, 2007 (Inception) to March 31, 2008, as restated

Notes to Financial Statements

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF PERF-GO GREEN HOLDINGS, INC AS OF JUNE 30, 2008 AND FOR THE THREE MONTHS, AND THE PERIOD FROM NOVEMBER 15, 2007 (INCEPTION) TO, JUNE 30, 2008:

**PERF-GO GREEN HOLDINGS, INC. AND SUBSIDIARY**

(A DEVELOPMENT STAGE COMPANY)

CONDENSED CONSOLIDATED BALANCE SHEETS

**ASSETS**

	<b>June 30, 2008 (unaudited)</b>	<b>March 31 2008 (audited, as restated)</b>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$5,280,000	\$ 270,000
Deposits with vendor - related party	597,000	-
Prepaid expenses	44,000	33,000
Total current assets	5,921,000	303,000
Deferred finance costs, net	1,939,000	-
Equipment, net of \$3,000 of accumulated depreciation	140,000	2,000
Total assets	\$8,000,000	\$ 305,000

**LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)**

**CURRENT LIABILITIES:**

Accounts payable	\$253,000	\$ 200,000
Accrued expenses	338,000	55,000
Registration rights liability	893,000	-
Derivative liabilities	28,694,000	-
Total current liabilities	30,178,000	255,000

**LONG TERM LIABILITIES - Senior secured convertible debentures,**

face amount \$5,950,000, net of debt discount of \$5,772,000	178,000	-
Total liabilities	\$30,356,000	\$ 255,000



Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

COMMITMENTS	-	-
STOCKHOLDERS' EQUITY (DEFICIT):		
Preferred stock, par value \$0.0001 per share, 5,000,000 shares authorized none issued	-	-
Common stock, par value \$0.0001 per share, 100,000,000 shares authorized, 33,163,664 and 21,079,466 shares issued and outstanding	3,000	2,000
Additional paid in capital	11,917,000	1,473,000
Deficit accumulated during the development stage	(34,276,000 )	(1,425,000 )
Total stockholders' deficit		
	(22,356,000 )	50,000
Total liabilities and stockholders' deficit	\$ 8,000,000	305,000

See accompanying notes to the condensed consolidated financial statements.

**PERF-GO GREEN HOLDINGS, INC. AND SUBSIDIARY**

(A DEVELOPMENT STAGE COMPANY)

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

	<b>Three months ended June 30, 2008</b>	<b>November 15, 2007 (inception) to June 30, 2008</b>
REVENUES	\$ 1,000	\$ 1,000
COSTS AND EXPENSES:		
Cost of goods sold	1,000	1,000
General and administrative	10,815,000	11,442,000
Total costs and expenses	10,816,000	11,443,000
LOSS FROM OPERATIONS	(10,815,000 )	(11,442,000 )
OTHER EXPENSE (INCOME)		
Derivative liabilities expense	26,310,000	26,310,000
Change in fair value of derivative liabilities	(5,439,000 )	(5,439,000 )
Damages accrued under registration rights agreement	893,000	893,000
Amortization of debt discount	178,000	178,000
Interest expense	54,000	852,000
Amortization of deferred finance costs	51,000	51,000
Interest income	(11,000 )	(11,000 )
Total other expense, net	22,036,000	(22,834,000 )
NET LOSS	\$ (32,851,000 )	(34,276,000 )
NET LOSS PER COMMON SHARE, basic and diluted	\$ (1.20 )	\$ (1.44 )
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	27,341,000	23,801,000

See accompanying notes to the condensed consolidated financial statements.



**PERF-GO GREEN HOLDINGS, INC. AND SUBSIDIARY**

(A DEVELOPMENT STAGE COMPANY)

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	<b>Three months ended June 30, 2008</b>	<b>November 15, 2007 (inception) to June 30, 2008</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (32,851,000)	\$ (34,276,000 )
Adjustments to reconcile net loss to net cash used in operating activities:		
Derivative liabilities expense	26,310,000	26,310,000
Change in fair value of derivative liabilities	(5,439,000 )	(5,439,000 )
Officer, director and employee stock compensation expense	6,278,000	6,278,000
Stock compensation expense to consultants and employee	2,757,000	2,757,000
Amortization of debt discount and deferred finance costs on Convertible Debentures	229,000	229,000
Interest and amortization of costs of bridge notes	-	798,000
Effect on cash of changes in operating assets and liabilities		
Prepaid expenses	(11,000 )	(44,000 )
Deposits with vendor - related party	(597,000 )	(597,000 )
Accounts payable, accrued liabilities and all other	337,000	594,000
Registration rights liability	893,000	893,000
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(2,094,000 )</b>	<b>(2,497,000 )</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Cash acquired in reverse acquisition	2,100,000	2,100,000
Placement agent fee paid in cash in connection with reverse merger	(210,000 )	(210,000 )
Purchase of equipment	(141,000 )	(143,000 )
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>1,749,000</b>	<b>1,749,000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from sale of bridge notes	-	750,000
Proceeds from sale of senior secured convertible notes and warrants	5,950,000	5,950,000
Payment of placement agent fees for bridge notes, convertible notes and merger	(595,000 )	(670,000 )
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>5,355,000</b>	<b>7,370,000</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>5,010,000</b>	<b>5,280,000</b>
<b>CASH:</b>		

Edgar Filing: PERF Go-Green Holdings, Inc - Form S-1/A

Beginning of period	270,000	-
End of period	\$ 5,280,000	\$ 5,280,000

SUPPLEMENTARY CASH FLOW INFORMATION:

Cash paid for interest and taxes	\$ -	\$ -
----------------------------------	------	------

NON-CASH INVESTING AND FINANCING ACTIVITIES:

Conversion of bridge notes and accrued interest into 1,579,466 shares of common stock	\$ -	\$ 761,000
Derivative liabilities associated with Convertible Debentures and Warrants at inception	\$ 27,457,000	\$ 27,457,000
Derivative liabilities associated with placement agent warrants at inception	\$ 1,875,000	\$ 1,875,000
Derivative liabilities associated with investor warrants, reissued, at inception	\$ 4,802,000	\$ 4,802,000

See accompanying notes to the condensed consolidated financial statements

F-4

---

**PERF-GO GREEN HOLDINGS, INC. AND SUBSIDIARY**

(A DEVELOPMENT STAGE COMPANY)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)

For the period from inception November 15, 2007 (inception) to June 30, 2008

(unaudited)

	<b>Common Stock Shares</b>	<b>Amount</b>	<b>Additional Paid-in Capital</b>	<b>Accumulated Deficit</b>	<b>Total</b>
Common stock issued to founders of accounting acquirer at inception	19,500,000	\$ 2,000	-	-	\$ 2,000
Conversion of bridge notes to stock- accounting acquirer	1,579,466	-	761,000	-	761,000
Issuance of warrants	-	-	712,000	-	712,000