

BROADCASTER INC  
Form SC 13D  
September 14, 2006

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 13D**

**Under the Securities Exchange Act of 1934**

(Amendment No. \_\_)<sup>1</sup>

**BROADCASTER, INC.**

(formerly International Microcomputer Software, Inc.)

(Name of Issuer)

**Common Stock, no par value**

(Title of Class of Securities)

**459862306**

(CUSIP Number)

**Martin Wade, III**

**9201 Oakdale Avenue**

**Suite 200**

**Chatsworth, CA 91311**

**(323) 988-0754**

*With copies to:*

**Harris Cramer LLP**

**1555 Palm Beach Lakes Blvd., Suite 310**

**West Palm Beach, FL 33401**

**Attention: Michael D. Harris**

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(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

**December 16, 2005**

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. [ ]

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

<sup>1</sup> The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 459862306

13D

Page 2 of 9 Pages

## 1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

Martin Wade, III

## 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a) (b) 

## 3 SEC USE ONLY

## 4 SOURCE OF FUNDS\*

OO (See Item 3)

## 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

## 6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

7

SOLE VOTING POWER

NUMBER OF  
SHARES

8

SHARED VOTING POWER

BENEFICIALLY

OWNED BY  
EACH

9

38,946,725<sup>(1)</sup> <sup>(2)</sup>  
SOLE DISPOSITIVE POWER

**REPORTING**

|               |    |                          |
|---------------|----|--------------------------|
| <b>PERSON</b> |    | 246,667 <sup>(2)</sup>   |
| <b>WITH</b>   | 10 | SHARED DISPOSITIVE POWER |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

38,946,725

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES\*

[ ]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

60.9%<sup>(3)</sup>

14 TYPE OF REPORTING PERSON\*

IN -- Individual.

(1)

Martin Wade, III is deemed by a Rule of the Securities and Exchange Commission to have shared voting power only with respect to the matters described in Item 4. The number of shares reported as being beneficially owned is calculated based on the number of shares held by Mr. Wade, Digital Creative Development Corp. and Baytree Capital Associates, LLC, all of which are parties to a voting agreement and additional shares held by parties to a second voting agreement. Although Mr. Wade is not a party to the second voting agreement, Mr. Michael Gardner, directly and indirectly, as the managing member of Baytree Capital Associates, LLC, is a party to both voting agreements. Because Mr. Gardner is a party to both voting agreements, Mr. Wade is deemed to share beneficial ownership with Mr. Gardner and the other

parties to the second voting agreement. The amount deemed to be beneficially owned by Mr. Wade includes 246,667 stock options held by Mr. Wade which are exercisable within 60 days from the date of filing of this Schedule 13D. Mr. Wade disclaims beneficial ownership of 38,700,058 shares or all shares except those directly beneficially owned by him, and this Schedule 13D shall not be construed as an admission that Mr. Wade is the beneficial owner of any securities covered by this Schedule 13D other than those owned directly by him.

(2)

The shares for which Mr. Wade has sole dispositive power are issuable in connection with options to purchase 246,667 shares of common stock which are exercisable within 60 days of the filing of this Schedule 13D. This number does not include shares of common stock issuable in connection with 3,550,000 unvested options which are not exercisable within 60 days of the filing of this Schedule 13D.

(3)

Based upon an aggregate of 63,607,583 shares of common stock outstanding as of September 8, 2006 and 246,667 stock options which are exercisable within 60 days of the filing of this Schedule 13D.

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**Item 1.**

**Security and Issuer.**

This Schedule 13D relates to the common stock, no par value ( Common Stock ), of Broadcaster, Inc., a California corporation, formerly known as International Microcomputer Software, Inc. ( Broadcaster ). The principal executive office of Broadcaster is located at 9201 Oakdale Avenue, Suite 200, Chatsworth, CA 91311.

**Item 2.**

**Identity and Background.**

(a)

Martin Wade, III

(b)

Business Address: 9201 Oakdale Avenue, Suite 200, Chatsworth, CA 91311

(c)

Occupation: Chief Executive Officer of Broadcaster

(d)

No

(e)

No

(f)

United States

**Item 3.**

**Source or Amount of Funds or Other Consideration.**

Not Applicable

**Item 4.**

**Purpose of the Transaction.**

(a)-(j)

**Summary**

As more fully described under the section entitled "The Merger Agreement", pursuant to an Amended and Restated Agreement and Plan of Merger dated March 24, 2006 (the "Merger Agreement"), on June 1, 2006 Broadcaster acquired AccessMedia Networks, Inc., a Delaware corporation ("AccessMedia") (the "Merger").

In order to proceed with the negotiations related to the Merger, both Broadcaster and AccessMedia required that the respective voting agreements be executed in order to provide for membership on the Broadcaster Board of Directors following the closing of the Merger for a period of time not to exceed December 31, 2010. These voting agreements require the parties to elect Mr. Wade, who is the chief executive officer of Broadcaster, and certain other persons to Broadcaster's Board of Directors. These voting agreements further provide that once AccessMedia achieves cumulative revenue of at least \$20 million beginning May 1, 2005, the parties to those Agreements must vote their shares to elect persons designated by Mr. Nolan Quan ("Quan") to be a majority of the Broadcaster Board of Directors.

All other voting rights remain with each party to the voting agreements who are free to vote as they choose on all other stockholder matters including approval of equity incentive plans, charter amendments, ratification of auditors and future extraordinary transactions including mergers and the sale of all or substantially all of Broadcaster's assets. Each party to the voting agreements has the sole right to sell their Broadcaster shares, subject to the Lock-Up Agreement referred to in Item 6 of this Schedule 13D. The restrictions of the voting agreements will lapse as to any shares sold.

Mr. Wade entered into the Parent Voting Agreement to facilitate the Merger. Described below under "Parent Voting Agreement" is a description of the relationship among Mr. Wade and the other parties to the Parent Voting Agreement and the second voting agreement, which is called the Company Voting Agreement, but is not an affirmation by Mr. Wade of the existence of a group for purpose of Rule 13d-5(b)(1) under the Act. Pursuant to Rule 13d-4 under the Act, Mr. Wade disclaims beneficial ownership of 38,700,058 shares of the shares of Common Stock held by the other parties to the Parent and Company Voting Agreements.

**The Merger Agreement**

Broadcaster completed its acquisition of AccessMedia on June 1, 2006. As a result, the other AccessMedia stockholders, Mr. Michael Gardner ( Gardner ), Software People, LLC, a Wyoming limited liability company ( Software People ), Trans Global Media, LLC, a Wyoming limited liability company ( Trans Global ),

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AccessMedia Technologies, LLC, a Wyoming limited liability company ( AccessMedia Tech ) and Broadcaster, LLC, a Nevada limited liability company, (Software People, Trans Global, AccessMedia Tech and Broadcaster, LLC collectively, the AccessMedia Entities ) were issued a total of 29,000,000 shares of Common Stock with the potential to earn an additional 35,000,000 shares of Common Stock as additional Merger consideration based upon future revenue of AccessMedia. The AccessMedia Entities are controlled by Mr. Quan.

The above is a summary of the Merger and the Merger Agreement. Investors should review the entire Merger Agreement, a copy of which is filed as Exhibit 1 to this Schedule 13D and incorporated in this Schedule 13D by reference.

### **Parent Voting Agreement**

Mr. Wade and Baytree Capital Associates, LLC ( Baytree ), a limited liability company controlled by Mr. Gardner, and Digital Creative Development Corp. ( Digital ) who were stockholders of Broadcaster, entered into the Parent Voting Agreement with AccessMedia, dated as of December 16, 2005, under which each party has agreed to vote their shares of Broadcaster Common Stock in favor of electing Mr. Wade and one person nominated by the Stockholders Representative (as defined in the Merger Agreement) to become a member of the Board of Directors of Broadcaster following the closing date of the Merger. However, AccessMedia has cumulative revenue of at least \$20 million beginning May 1, 2005, these stockholders shall vote their shares to elect persons designated by Mr. Quan as a majority of the Broadcaster Board of Directors. The Parent Voting Agreement also required the Broadcaster stockholder parties to vote in favor of the Merger. The Parent Voting Agreement terminates upon the earlier of (i) December 31, 2010 or (ii) the date on which the former stockholders of AccessMedia beneficially own a majority of the outstanding Broadcaster shares of Common Stock.

The above is a summary of the Parent Voting Agreement. Investors should review the entire Parent Voting Agreement, a copy of which is filed as Exhibit 2 to this Schedule 13D and incorporated in this Schedule 13D by reference.

The Parent Voting Agreement required the parties to appoint the Stockholders Representative as their proxy to vote their shares of Common Stock in the manner provided by the Parent Voting Agreement. Due to the ministerial nature of the proxy, the lack of any discretion the Stockholders Representative has in voting, and the fact that Messrs. Quan and Gardner, on behalf of the AccessMedia Entities, may remove and replace the Stockholders Representative at any time, he is not included as a member of any group that might have been created by the Parent Voting Agreement described in this Item 4.

### **Company Voting Agreement**

The AccessMedia stockholders, the AccessMedia Entities and Mr. Gardner, entered into the second voting agreement which is called the Company Voting Agreement with Broadcaster, dated as of December 16, 2005, under which the former AccessMedia stockholders agreed to vote their shares of Common Stock of Broadcaster following the Merger in favor of electing Mr. Wade and other nominees of Broadcaster to its Board of Directors. However, if AccessMedia has cumulative revenue of at least \$20 million beginning May 1, 2005, then Broadcaster must nominate a majority of directors selected by Mr. Quan. This right to nominate a majority terminates on the earlier of (i) December 31, 2010 or (ii) the date on which the former stockholders of AccessMedia beneficially own a majority of the outstanding shares of Common Stock of Broadcaster. The Company Voting Agreement also required the AccessMedia stockholders to vote in favor of the Merger.

The above is a summary of the Company Voting Agreement. Investors should review the entire Company Voting Agreement, a copy of which is filed as Exhibit 3 to this Schedule 13D and incorporated in this Schedule 13D by reference.

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**Item 5.****Interest in Securities of the Issuer.**

(a), (b)

Mr. Wade is the beneficial owner of 246,667 shares of Common Stock issuable upon the exercise of options, which are exercisable within 60 days of the filing of this Schedule 13D. Mr. Wade has the sole power to sell these options or the shares of Common Stock following exercise and vote the shares of Common Stock following exercise. This includes 200,000 vested options but does not include 3,550,000 unvested options granted to Mr. Wade pursuant to his Employment Agreement with Broadcaster.

Mr. Wade entered into the Employment Agreement with Broadcaster on December 12, 2005. Execution of this Employment Agreement was a condition of closing of the Merger. As a result of some internal confusion, the Broadcaster Board of Directors did not approve this Employment Agreement until September 12, 2006. Under Delaware law, the Board of Directors was required to approve the grant to Mr. Wade of options to purchase Broadcaster Common Stock. The exercise price of the options is \$0.95 per share, which was the closing price of the Broadcaster Common Stock on the day of Board approval. Of these options, 200,000 vested immediately and the balance vest upon Broadcaster meeting agreed-upon revenue targets.

Because of the Parent and Company Voting Agreements described in Item 4, Mr. Wade is deemed by Rule 13d-5(b)(1) of the Act to be the beneficial owner of all shares of Broadcaster Common Stock beneficially owned by each party to the Parent and Company Voting Agreements. Although Mr. Wade is not a party to the Company Voting Agreement, Mr. Gardner, directly and indirectly, as the managing member of Baytree, is a party to both Voting Agreements. Because Mr. Gardner is a party to both Voting Agreements, Mr. Wade is deemed to share beneficial ownership with Mr. Gardner and the other parties to the Voting Agreements. However, Mr. Wade disclaims any beneficial ownership except for options he owns directly.

As a result of the above, Mr. Wade may be deemed to have shared voting power over:

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the 246,667 shares of Common Stock, which are issuable when he exercises vested options;

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the 20,880,000 shares of Common Stock owned by the AccessMedia Entities as follows:

○

Software People owns 4,640,000 shares,

○

Trans Global owns 4,640,000 shares,

○

AccessMedia Tech owns 2,320,000 shares and

○

Broadcaster, LLC owns 9,280,000 shares.

•

the 10,694,300 shares of Common Stock owned by Mr. Gardner and Baytree and

•

the 7,125,758 shares of Common Stock owned by Digital.

As such, Mr. Wade may be deemed to beneficially own 38,946,725 shares of Broadcaster representing approximately 60.9% of the outstanding shares of Common Stock. Although Mr. Wade may be deemed to have shared voting power over all 38,946,725 shares, he disclaims beneficial ownership of the 38,700,058 shares of Common Stock beneficially owned by the parties other than himself.

The other parties which share voting power are believed by Mr. Wade to beneficially own the following shares of Broadcaster Common Stock:

| <b>Name</b>          | <b>Combined Beneficial Ownership</b> | <b>Percentage of Class Beneficially Owned</b> | <b>Shared Voting Power<sup>(1)</sup></b> | <b>Sole Power to Sell<sup>(1)</sup></b> |
|----------------------|--------------------------------------|---|--|---|
| Michael Gardner      | 38,946,725                           | 60.9%   | 38,946,725                               | 10,694,300                              |
| Digital              | 38,946,725                           | 60.9%   | 38,946,725                               | 7,125,758                               |
| AccessMedia Entities | 38,946,725                           | 60.9%   | 38,946,725                               | 20,880,000                              |

(1)

None of the stockholders have sole voting power or shared power to sell any of the shares beneficially owned, except for the voting power described in Item 4.

All of the parties which share voting power may vote their shares as they see fit on all matters which require a stockholder vote, except for the election of directors as required by the Parent and Company Voting Agreements.

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Mr. Wade has his business address at 9201 Oakdale Avenue, Suite 200, Chatsworth, CA 91311. Mr. Wade's principal occupation is chief executive officer of Broadcaster. Mr. Wade is a citizen of the United States.

Mr. Quan, the beneficial owner of the Broadcaster Common Stock owned by the AccessMedia Entities, has his business address at 9201 Oakdale Avenue, Suite 201, Chatsworth, CA 91311. Mr. Quan is a private equity investor and is principally involved in managing his investments including those in Broadcaster and Alchemy Communications, Inc., a California corporation.

The address of the principal business office of Software People and AccessMedia Tech is 123 West First Street, #675, Casper, WY 82601. The address of the principal business office of Trans Global is 2424 Pioneer Avenue, #405, Cheyenne, WY 82001. The address of the principal business office of Broadcaster, LLC is 3540 West Sahara Avenue, #763, Las Vegas, NV 89102, and Broadcaster, LLC.

The address of the principal business office of Mr. Gardner and Baytree is 40 Wall Street, 58th Floor, New York, NY 10005. Mr. Gardner's principal business is as managing member of Baytree, and Baytree's principal business is investing in securities.

The address of the principal business office of Digital, a Utah corporation, is 200 East 82nd Street, New York, NY 10028. The principal business of Digital is investing in software and high technology companies.

During the past five years Mr. Wade has not and, to the best of his knowledge, none of the other individuals or entities referred to in this Item 5 have been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

During the past five years Mr. Wade has not and, to the best of his knowledge, none of the other individuals or entities referred to in this Item 5, was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activity subject to, federal or state securities laws or finding any violation with respect to such laws.

(c)

Except as described in this Schedule 13D, Mr. Wade did not engage in any transactions in shares of Common Stock during the past 60 days, nor, to the best of Mr. Wade's knowledge, did Mr. Gardner, Mr. Quan, Digital or any of the AccessMedia Entities.

(d)

Not applicable.

(e)

Not applicable.

**Item 6.**

**Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.**

Except for the Parent and Company Voting Agreements and as set forth below, to the best knowledge of Mr. Wade, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among Mr. Wade, Mr. Quan, the AccessMedia Entities, Mr. Gardner, Baytree, and Digital and between such person and any person with respect to any securities of Broadcaster, including but not limited to transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or losses, or the giving or withholding of proxies.

**Lock-Up Agreement**

In connection with the Merger Agreement, Mr. Wade, the AccessMedia Entities and Digital each entered into an lock-up agreement (the Lock-Up Agreement), pursuant to which he agreed not to sell, offer, pledge, contract to sell or any similar transaction, any Common Stock owned by him for a period of twelve (12) months following the closing of the Merger. As stated earlier in this Schedule 13D, once sold the voting restrictions imposed by the Lock-Up Agreement lapse as to the shares sold.

Each stockholder who signed the Lock-Up Agreement may sell up to two percent (2%) of the Broadcaster Common Stock owned by such stockholder in each sixty (60) day period during the twelve (12) month period. In addition, the number of shares of Common Stock that may be sold during any sixty (60) day period may be increased above two percent (2%) at the discretion of Baytree if (i) Baytree determines in good faith that such sales will not have an adverse effect on the market for Common Stock, and (ii) such increase applies on a pro rata basis to each stockholder who has executed the Lock-Up Agreement.

The foregoing summary of the Lock-Up Agreement is qualified by reference to the form of Lock-Up Agreement included as Exhibit 4 to Schedule 13D and incorporated herein in its entirety by reference.

#### **Item 7.**

##### **Material to be filed as Exhibits.**

The following documents are filed as exhibits:

1.

Amended and Restated Agreement and Plan of Merger<sup>(1)</sup>

2.

Form of Parent Voting Agreement<sup>(2)</sup>

3.

Form of Company Voting Agreement<sup>(3)</sup>

4.

Form of Lock-Up Agreement

(1)

Incorporated by reference to Exhibit 2.1 to Broadcaster's current report on Form 8-K filed with the Securities and Exchange Commission on March 29, 2006.

(2)



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Incorporated by reference to Exhibit 10.1 to Broadcaster's current report on Form 8-K filed with the Securities and Exchange Commission on May 5, 2006. The actual title of this Agreement is Parent Voting Agreement.

(3)

Incorporated by reference to Exhibit B to Exhibit 2.1 to the Broadcaster's current report on Form 8-K filed with the Securities and Exchange Commission on December 19, 2005. The actual title of this Agreement is Company Voting Agreement.

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**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: September 14, 2006

By: /s/ MARTIN WADE, III  
Martin Wade, III

Attention. Intentional misstatements or omissions of fact constitute federal criminal violations (see 18 U.S.C. 1001).