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NETWORK INSTALLATION CORP
Form 8-K
November 07, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 1, 2005

Network Installation Corporation

(Exact name of registrant as specified in its charter)

Nevada

000-25499

88-0390360

(State or other jurisdiction
incorporation)

(Commission File
Number)

(IRS Employer of
Identification No.)

15235 Alton Parkway, Ste 200, Irvine, CA

92618

(Address of principal executive offices)

(Zip Code)

(949) 753-7551

(Registrant's telephone number)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

ITEM 2.01 COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS.

ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT.

On November 1, 2005, we entered into an Acquisition Agreement and Plan of Reorganization with Robert and Sherry Rivera, as the stockholders of Spectrum Communication Cabling Services, Inc., a California Corporation, to acquire Spectrum Communications. Spectrum Communications provides network design, installation and maintenance of voice and data network systems

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Pursuant to the Acquisition Agreement and Plan of Reorganization, we issued 18,567,639 restricted shares of our common stock to the stockholders of Spectrum Communications in exchange for all of the outstanding shares of Spectrum Communications. Additionally, Robert Rivera, one of the stockholders of Spectrum, will have the right to appoint two members of our Board of Directors. We further agreed that our Board would consist of between five and seven directors.

In connection with the Acquisition Agreement and Plan of Reorganization, we issued a secured \$1,500,000 Note to Robert and Sherry Rivera that pays interest at the rate of six percent per annum. We are not required to make payments on the Note for the first year, although interest will accrue. We must make our first payment of \$70,469.77 on November 1, 2006 and payments will continue monthly until the Note is paid completely on November 1, 2007 with a final payment of \$818,783.47. There is no penalty if we pay the Note earlier than required.

The foregoing description of the terms and conditions of the Acquisition Agreement and Plan of Reorganization between the Company and Robert and Sherry Rivera, the Promissory Note between the Company and Robert and Sherry Rivera and the Security Agreement between the Company and Spectrum Communication Cabling Services, Inc. dated November 1, 2005 are qualified in their entirety by, and made subject to, the more complete information set forth in exhibits 10.1, 10.2 and 10.3 attached to this Report.

This report may contain forward-looking statements that involve risks and uncertainties. We generally use words such as "believe," "may," "could," "will," "intend," "expect," "anticipate," "plan," and similar expressions to identify forward-looking statements. You should not place undue reliance on these forward-looking statements. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons, including our ability to continue as a going concern, adverse economic changes affecting markets we serve; competition in our markets and industry segments; our timing and the profitability of entering new markets; greater than expected costs, customer acceptance of wireless networks or difficulties related to our integration of the businesses we may acquire; and other risks and uncertainties as may be detailed from time to time in our public announcements and SEC filings. Although we believe the expectations reflected in the forward-looking statements are reasonable, they relate only to events as of the date on which the statements are made, and our future results, levels of activity, performance or achievements may not meet these expectations. We do not intend to update any of the forward-looking statements after the date of this document to conform these statements to actual results or to changes in our expectations, except as required by law.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial statements of businesses acquired:

The financial statements required by this item are not included herewith and will be filed within 60 days of the required filing date of this Form 8-K.

(b) Pro forma financial information:

The financial statements required by this item are not included herewith and will be filed within 60 days of the required filing date of this Form 8-K.

(c) Exhibits:

| EXHIBIT NUMBER | DESCRIPTION |
|----------------|-------------|
|----------------|-------------|

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- 10.1 Acquisition Agreement and Plan of Reorganization between the Company and Robert and Sherry Rivera dated November 1, 2005.
- 10.2 Promissory Note between the Company and Robert and Sherry Rivera dated November 1, 2005.
- 10.3 Security Agreement between the Company and Spectrum Communication Cabling Services, Inc. dated November 1, 2005.

SIGNATURE

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

Network Installation Corporation

Registrant

Date: November 7, 2005 By: /s/ Jeffrey R. Hultman

Jeffrey R. Hultman
President & Chief Executive Officer