

MULTIBAND CORP
Form 8-K
August 06, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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 reported) August 3, 2010

Multiband Corporation
(Exact name of registrant as specified in its chapter)

Minnesota
(State or other jurisdiction
of incorporation)

13529
(Commission File Number)

41-1255001
(IRS Employer
Identification No.)

9449 Science Center Drive
New Hope, Minnesota
(Address of principal executive offices)

55428
(Zip Code)

Registrant's telephone number, including area code 763-504-3000

(Former name or former address, if changed since last report)

Item 1.01 Entry into a Material Definitive Agreement.

On August 3, 2010, Multiband Corporation. signed a \$10.0 million purchase agreement with Lincoln Park Capital Fund, LLC ("LPC"), an Illinois limited liability company. We also entered into a registration rights agreement with LPC whereby we agreed to file a registration statement related to the transaction with the U.S. Securities & Exchange Commission ("SEC") covering the shares that have been issued or may be issued to LPC under the purchase agreement. After the SEC has declared effective the registration statement related to the transaction, we have the right, in our sole discretion, over a 25-month period to sell our shares of common stock to LPC in amounts up to \$500,000 per sale, depending on certain conditions as set forth in the purchase agreement, up to the aggregate commitment of \$10.0 million.

There are no upper limits to the price LPC may pay to purchase our common stock and the purchase price of the shares related to the \$10.0 million of future funding will be based on the prevailing market prices of the Company's shares immediately preceding the time of sales without any fixed discount, and the Company will control the timing and amount of any sales of shares to LPC. LPC shall not have the right or the obligation to purchase any shares of our common stock on any business day that the purchase price would be below \$1.40 and we anticipate only selling to LPC when the purchase price is above \$1.62, which is above the closing market price on August 2, 2010.

In consideration for entering into the \$10.0 million agreement, we issued to LPC 103,164 shares of our common stock as a commitment fee and shall issue 103,164 common shares pro rata as LPC purchases the first \$5.0 million of the \$10.0 aggregate commitment. The purchase agreement may be terminated by us at any time at our discretion without any cost to us. There are no financial or business covenants, restrictions on future fundings, rights of first refusal, participation rights, penalties or liquidated damages in the agreement. The proceeds received by the Company under the purchase agreement are expected to be used for working capital and other general corporate purposes.

The foregoing description of the purchase agreement and the registration rights agreement are qualified in their entirety by reference to the full text of the purchase agreement and the registration rights agreement, a copy of each of which is attached hereto as Exhibit 10.1 and 10.2, respectively, and each of which is incorporated herein in its entirety by reference.

Item 3.02 Unregistered Sales of Equity Securities.

The information contained above in Item 1.01 is hereby incorporated by reference into this Item 3.02.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

10.1 Purchase Agreement, dated as of August 3, 2010, by and between the Company and Lincoln Park Capital Fund, LLC.

10.2 Registration Rights Agreement, dated as of August 3, 2010, by and between the Company and Lincoln Park Capital Fund, LLC.

99.1 Press Release dated August 6, 2010.

SIGNATURES

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

MULTIBAND CORPORATION

August 6, 2010

By: /s/ Jim Mandel