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JACKSON RIVERS CO
Form 8-K
May 09, 2006

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) May 5, 2006

The Jackson Rivers Company

(Exact name of registrant as specified in its charter)

Florida

333-70932

65-1102865

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

550 Greens Parkway, Suite 230, Houston, Texas 77067

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (619) 615-4242

5520 Wellesly Street, Suite 109, La Mesa, California 91942

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

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

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

Item 1.01 Entry into a Material Definitive Agreement.

See Item 2.01.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On May 5, 2006, The Jackson Rivers Company, a Florida corporation ("JRC"), through its wholly-owned subsidiary, JKRI Acquisition Corp., a Texas corporation ("JKRI"), consummated its acquisition of UTSI International Corporation, a Texas

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corporation ("UTSI"), pursuant to that certain Agreement and Plan of Merger, dated May 5, 2006, by and among JRC, JKRI, UTSI, and each of the stockholders of UTSI (the "Merger Agreement"). Pursuant to the Merger Agreement, UTSI merged with and into JKRI, with JKRI as the surviving corporation, and each share of UTSI common stock outstanding at the effective time of the merger was converted into the right to receive .6953959 share of a JRC Series C Preferred Stock (i.e., the 1,529,871 shares of common stock of UTSI outstanding are convertible into an aggregate of 2,200,000 shares of Series C Preferred Stock of JRC).

Each share of Series C stock will initially be convertible, starting after May 5, 2008, into that number of shares of The Jackson Rivers Company common stock obtained by multiplying the number of shares to be converted by a fraction, the numerator of which is \$1.00 and the denominator equal to the "market price" of The Jackson Rivers Company common stock at the time of conversion. The conversion rate is subject to adjustment. See Item 5.03.

The terms of the Merger Agreement provide that certain events (Section 8) shall constitute an Event of Default thereunder, which events shall give the non-defaulting party the right to require all parties to the Merger Agreement to take all actions required to unwind and effectively rescind the Merger.

This description of the Merger Agreement does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement, which is incorporated herein by reference.

Item 3.02 Unregistered Sale of Equity Securities

In connection with the Merger Agreement described above, we issued an aggregate of 2,200,000 shares of Series C Preferred Stock of JRC. We relied on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended, for the offer and sale of the Series C Preferred Stock.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

(d) On May 5, 2006, in connection with the transaction described under Item 2.01 above, pursuant to a resolution the Shareholders by written consent, appointed Daniel W. Nagala as a Director. Mr. Nagala will also serve as the Chairman of the Board, Chief Executive Officer and President of UTSI International Corp., the wholly-owned subsidiary of JRC pursuant to the Merger Agreement.

Item 5.03 Amendments to Articles of Incorporation or Bylaws: Change in Fiscal Year.

On May 5, 2006, our Board of Directors approved an amendment to our Articles of Incorporation (filed with the Florida Secretary of State on May 5, 2006) to provide for a new series of preferred stock, as permitted by our Articles of Incorporation, such series of preferred stock being entitled "Series C Preferred Stock". Our Articles of Incorporation provide for our Board of Directors to fix the terms of preferred stock by resolution without the vote of stockholders.

Each share of Series C stock will initially be convertible, starting May 5, 2008, into that number of shares of The Jackson Rivers Company common stock obtained by multiplying the number of shares to be converted by a fraction, the numerator of which is \$1.00 and the denominator equal to the "market price" (as defined in the Amendment) of The Jackson Rivers Company common stock at the time of conversion. The conversion rate is subject to adjustment in certain circumstances, as set forth in the amendment. The Series C Preferred Stock can

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be redeemed at "market value" (as defined in the Amendment) and has a right to be paid a liquidation preference at "market value" prior to any payments to the Series A Preferred Stock and the common stockholders in a liquidation. The Series C Preferred Stock is non-voting.

This description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the Amendment, which is incorporated herein by reference.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

In accordance with Item 9.01(a)(4) of Form 8-K, we will file such financial statements by amendment as soon as possible, but not later than July 21, 2006.

(b) Pro Forma Financial Information.

In accordance with Item 9.01(b)(2) of Form 8-K, we will file such financial statements by amendment as soon as possible, but not later than July 21, 2006.

(c) Exhibits.

| Exhibit Number | Description |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.1 | Articles of Amendment to the Articles of Incorporation of The Jackson Rivers Company amending and restating the terms of the Series C Preferred Stock, filed with the Florida Secretary of State on May 5, 2006. |
| 10.1 | Agreement and Plan of Merger dated May 5, 2006, by and among The Jackson Rivers Company, JKRI Acquisition Corp., UTSI International Corporation, and the stockholders of UTSI International Corporation. |

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.

THE JACKSON RIVERS COMPANY

(Registrant)

Date: May __, 2006

By: /s/ Jeffrey W. Flannery

Jeffrey W. Flannery, Chief Executive
Officer, Chief Financial Officer,
Treasurer and Secretary