

ISCO INTERNATIONAL INC

FORM 8-K

(Current report filing)

Filed 11/14/08 for the Period Ending 11/12/08

Address	1001 CAMBRIDGE DRIVE ELK GROVE VILLAGE, IL 60007
Telephone	8473919400
CIK	0000888693
Symbol	ISOOE
SIC Code	3825 - Instruments for Measuring and Testing of Electricity and Electrical Signals
Industry	Semiconductors
Sector	Technology
Fiscal Year	12/31

**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 12, 2008

ISCO INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

001-22302

(Commission File Number)

36-3688459

(I.R.S. Employer
Identification Number)

**1001 Cambridge Drive
Elk Grove Village, IL**
(Address of principal executive offices)

60007
(Zip Code)

(847) 391-9400
(Registrant's telephone number, including area code)

Not Applicable
(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.

As previously reported to the Securities and Exchange Commission (“SEC”) on a Current Report on Form 8-K, on August 18, 2008, ISCO International, Inc. (the “Company”) entered into a financing agreement with Alexander Finance, L.P. and Manchester Securities Corporation (together, the “Lenders”), pursuant to which the Lenders provided the Company with a \$3,000,000 line of credit. Also on the same date, and in connection with the financing agreement, the Company entered into a Registration Rights Agreement with the Lenders (the “Original Registration Rights Agreement”), pursuant to which the Company agreed to register for resale at least 15,000,000 shares of its common stock, representing the potential number of shares of its common stock issuable upon conversion of the maximum principal amount due on the notes issued in connection with the financing agreement, at the initial conversion price of \$0.20 per share.

On November 12, 2008, the Company entered into the First Amendment to the Registration Rights Agreement with the Lenders (the “Amended Registration Rights Agreement”), which amends the Original Registration Rights Agreement. The purpose of the amendment was to extend the dates by which the registration statement must be filed with the SEC and by which the registration statement must be declared effective by the SEC. Under the Amended Registration Rights Agreement, the Company is required to file the registration statement by June 1, 2009 and the registration statement must be declared effective by the SEC by September 1, 2009, if the registration statement is not reviewed by the SEC, or by November 1, 2009 if the registration statement is reviewed by the SEC, or the Company will be obligated to make certain delay payments. Also under the Amended Registration Rights Agreement, at any time after March 31, 2009, either Lender may demand by written notice (a “Demand Notice”), that the Company prepare and file such registration statement not later than the date that is 30 days following the date of the Demand Notice (the “Demand Date”). Thereafter, the Company is required to use its best efforts to have the registration statement declared effective as soon as possible, but not later than 60 days from the Demand Date. The description of the Amended Registration Rights Agreement is qualified in its entirety by reference to the full text of the Amended Registration Rights Agreement, a copy of which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

(b) On November 12, 2008, during a preliminary review by the NYSE Alternext US (the “Exchange”) of the Company’s earnings release for the third quarter of 2008, the Company notified the Exchange that it no longer satisfies one of the Exchange’s standards for the continued listing of its common stock, as set forth in Part 10 of the Exchange’s Company Guide (the “Company Guide”). Specifically, the Company informed the Exchange that it does not satisfy Section 1003(a)(iii) of the Company Guide because its stockholders’ equity is less than \$6,000,000 and the Company has sustained losses from continuing operations and/or net losses in the five most recent fiscal years. As of the date of this filing, the Company has not received a formal notice from the Exchange but it is evaluating its options and how it will respond to such a notice.

Item 9.01 Financial Statements and Exhibits.

d) Exhibits

<u>Exhibit No.</u>	<u>Exhibit</u>
10.1	First Amendment to Registration Rights Agreement by and among ISCO International, Inc., Alexander Finance, L.P. and Manchester Securities Corp. dated as of November 12, 2008.

SIGNATURES

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

ISCO INTERNATIONAL, INC.

By: /s/ Gary Berger

Name: Gary Berger

Title: Chief Financial Officer

Date: November 14, 2008

FIRST AMENDMENT TO REGISTRATION RIGHTS AGREEMENT

This FIRST AMENDMENT (the “Amendment”) to the Registration Rights Agreement is made and entered into as of November 12, 2008, by and among ISCO International, Inc., a Delaware corporation (the “Company”), Alexander Finance, L.P., an Illinois limited partnership (“Alexander”), and Manchester Securities Corp., a New York corporation (“Manchester”).

WITNESSETH:

WHEREAS, on August 18, 2008, the Company, Alexander, and Manchester entered into that certain Registration Rights Agreement (the “Registration Rights Agreement”); and

WHEREAS, the parties desire to amend the Registration Rights Agreement to provide for certain changes as more fully set forth herein.

A G R E E M E N T:

NOW, THEREFORE, in consideration of the covenants and agreements herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Definitions**. All capitalized terms used herein and not defined or amended herein shall have the meanings ascribed to them in the Registration Rights Agreement.

2. **Amendments**. The parties hereby agree to amend the Registration Rights Agreement as follows:

a) Replace Section 2(a)(i) in its entirety with the following:

“But in any event before June 1, 2009, prepare and file a registration statement with the Commission pursuant to Rule 415 under the Securities Act on Form S-3 under the Securities Act (or in the event that the Company is ineligible to use such form, such other form as the Company is eligible to use under the Securities Act provided that such other form shall be converted into a Form S-3 as soon as Form S-3 becomes available to the Company) covering resales by the Holders as selling stockholders (not underwriters) of the Registrable Securities and, to the extent practicable, no other securities (the “Registration Statement”), which Registration Statement, to the extent allowable under the Securities Act and the rules promulgated thereunder (including Rule 416), shall state that such Registration Statement also covers the resale of such indeterminate number of additional shares of Common Stock as may be issued upon conversion of the Notes by reason of stock splits, stock dividends or similar transactions. The number of shares of Common Stock initially included in such Registration Statement shall be no less than 15,000,000 and the Company shall amend such Registration Statement or file additional Registration Statements to cover the number of additional shares of Common Stock that may be issued or issuable pursuant to the terms of the Notes in the event that the number of shares of Common Stock initially registered is insufficient. Nothing in the preceding sentence will limit the Company’s obligations to reserve shares of Common Stock pursuant to Section 3(d) of the Notes. Thereafter the Company shall use its best efforts to cause such Registration Statement and other filings to be declared effective as soon as possible, and in any event before September 1, 2009 (or, if the SEC elects to review the Registration Statement, before November 1, 2009) (the “Effectiveness Deadline”). Without limiting the foregoing, the Company will promptly respond to all SEC comments, inquiries and requests, and shall request acceleration of effectiveness at the earliest possible date.

Notwithstanding the foregoing, at any time after March 31, 2009, either Lender may demand by written notice to the Company (a “Demand Notice”), that the Company prepare and file the Registration Statement as soon as possible following the date of the Demand Notice (the “Demand Date”), but not later than the date that is 30 days following the Demand Date (which date may be earlier than June 1, 2009). Thereafter, the Company shall use its best efforts to cause the Registration Statement to be declared effective as soon as possible, but not later than 60 days from the Demand Date (the “Demand Effectiveness Deadline”).”

b) Replace Section 2(b)(i)(A) in its entirety with the following:

“In the event that such Registration Statement has not been declared effective by the Effectiveness Deadline or the Demand Effectiveness Deadline as applicable, or the Company at any time fails to issue unlegended Registrable Securities to the extent required by Article 5 of the Loan Agreement, then the Company shall pay each Holder (other than (i) in the case of a Registration Statement not declared effective, a Holder of Registrable Securities that the Company could exclude from registration in accordance with Section 9 and (ii) in the case of a failure to issue unlegended certificates in accordance with the Loan Agreement, a Holder that is not a party to, including as a permitted assignee bound to, the Loan Agreement) a Monthly Delay Payment (as defined below) with respect to each successive 30-day period (or portion thereof appropriately prorated) thereafter that effectiveness of the Registration Statement is delayed or failure to issue such unlegended Registrable Securities persists.”

c) Replace Section 2(b)(ii)(A) in its entirety with the following:

“In the event that the Company fails, refuses or for any other reason is unable to cause the Registrable Securities covered by the Registration Statement to be listed (subject to issuance) with the Principal Market (as defined in the Notes) at all times during the period (“Listing Period”) from the date (“Effectiveness Commencement Date”) which is the earlier of the effectiveness of the Registration Statement and September 1, 2009 (or, if the SEC elects to review the Registration Statement, November 1, 2009) until such time as the registration period specified in Section 5 terminates, then the Holder shall have available the remedies set forth in Section 4(b) of the Notes.”

3. Entire Agreement; Amendment. This Registration Rights Agreement, as amended hereby, together with the Loan Agreement, the Notes and the agreements and documents contemplated hereby and thereby, contains the entire understanding and agreement of the parties.

4. Governing Law. This Amendment shall be construed in accordance with and governed by the internal laws of the State of New York, without regard to choice of laws principles.

5. Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all of which counterparts together shall constitute but one agreement.

6. Full Force and Effect. Except as specifically modified or amended by the terms of this Amendment, the Registration Rights Agreement and all provisions contained therein are, and shall continue, in full force and effect.

{Signature Page Follows}

IN WITNESS WHEREOF , the undersigned have caused this Amendment to be duly executed as of the date first written above.

ISCO INTERNATIONAL, INC.

By: /s/ Gary Berger

Name: Gary Berger

Its: Chief Financial Officer

ALEXANDER FINANCE, L.P.

By: /s/ Bradford T. Whitmore

Name: Bradford T. Whitmore

President, Bun Partners, Inc.

Its: General Partner

MANCHESTER SECURITIES CORPORATION

By: /s/ Elliot Greenberg

Name: Elliot Greenberg

Its: Vice President

[SIGNATURE PAGE TO FIRST AMENDMENT TO REGISTRATION RIGHTS AGREEMENT]
