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INNOVA HOLDINGS
Form 8-K
October 19, 2005

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) October 7, 2005

INNOVA HOLDINGS, INC.

(Exact name of Registrant as specified in its charter)

Delaware

000-33231

95-48

(State or other jurisdiction
of incorporation or organization)

(Commission File number)

(IRS Employer Identification

17105 San Carlos Boulevard, Suite A6151, Fort Myers, Florida 33931

(Address of principal executive offices) (Zip Code)

(239) 466-0488

(Registrant's Telephone Number, Including Area Code)

(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 for 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))

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SECTION 2-FINANCIAL INFORMATION

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

Innova Holdings, Inc. (the "Company") entered into short-term debt obligations other than in the ordinary course of business. All of the short-term debt bears interest at the rate of 10% per annum. The following table sets for the names of the lenders, the amount of the loans, the dates of the loans and the due date of the loans:

| Lender | Amount of Loan | Date of Loan | Due Date |
|----------------|----------------|--------------------|-------------------|
| Eugene Gartlan | \$40,000 | September 19, 2005 | December 19, 2005 |
| Jerry Horne | \$50,000 | September 22, 2005 | October 22, 2006 |
| James Marks | \$30,000 | September 22, 2005 | October 22, 2006 |
| Eugene Gartlan | \$5,000 | October 5, 2005 | January 5, 2006 |
| Rick Wynns | \$30,000 | October 5, 2005 | April 5, 2006 |
| Rick Wynns | \$30,000 | October 17, 2005 | April 17, 2006 |

All of the lenders are shareholders of the Company. Mr. Gartlan is also the Chief Financial Officer of the Company.

On October 7, 2005, the Company entered into a Securities Purchase Agreement with Cornell Capital Partners, LP ("Cornell Capital"). Pursuant to this Agreement, the Company sold a Convertible Debenture in the principal amount of \$55,000 to Cornell Capital. The Convertible Debenture bears interest at the rate of 12% per annum and is due on April 7, 2006. The Company will pay directly to Cornell Capital all revenues it receives until the principal amount and all accrued interest on the Convertible Debenture has been paid in full. The principal of the Convertible Debenture is convertible into common stock of the Company at a price of \$.03 per share (the "Conversion Shares"). In the event of default by the Company, the principal of the Convertible Debenture is convertible into Conversion Shares at a price of \$.005 per share. The Company granted demand registration rights to Cornell Capital for the Conversion Shares. The Convertible Debenture is secured by a second lien on all of the assets of the Company.

SECTION 9-FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

10.1 Securities Purchase Agreement with Cornell Capital Partners, LP dated October 7, 2005

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10.2 Registration Rights with Cornell Capital Partners, LP dated October 7, 2005

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10.3 Convertible Debenture issued to Cornell Capital Partners, LP dated October 7, 2005

10.4 Security Agreement with Cornell Capital Partners, LP dated October 7, 2005

10.5 Escrow Agreement with David Gonzalez and Cornell Capital Partners, LP dated October 7, 2005

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SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INNOVA HOLDINGS, INC.

Date: October 19, 2005

By: /s/ Walter K. Weisel

Walter K. Weisel
Chairman and Chief Executive Officer

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