

NEXT INC/TN
Form 8-K
April 07, 2006

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): **April 6, 2006**

NEXT, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

0-25247
(Commission File No.)

95-4675095
(IRS Employer Identification
No.)

7625 Hamilton Park Drive, Suite 12, Chattanooga, Tennessee 37421

(Address of principal executive offices)

423-296-8213

Edgar Filing: NEXT INC/TN - Form 8-K

(Registrant's telephone number, including area code)

(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.

On April 6, 2006, Next, Inc. (the "Company") entered into a Subscription Agreement with the following investors: DKR Soundshore Oasis Holding Fund Ltd., Alpha Capital Aktiengesellschaft, Monarch Capital Fund, Ltd., Iroquois Master Fund, Ltd., and Bluegrass Growth Fund, LP (the "Investors"), pursuant to which the Company issued to the Investors, as a group, \$984,960 in principal amount of convertible promissory notes (the "Notes") and warrants (the "Warrants") to purchase 849,103 shares of common stock of the Company (the "Common Stock"). The Notes require

equal monthly payments of cash or stock over a 12-month period starting 115 days after closing and will be fully subordinated to the Company's senior lenders. The Notes are convertible into a total of 1,698,207 shares of Common Stock at a conversion rate of \$.58 in principal amount of the Notes per share. The warrants have a three-year term and an exercise price of \$.68 per share of Common Stock. The Company will file a registration statement with the Securities and Exchange Commission within 45 days of closing for the offer and sale by the Investors of the Common Stock underlying both the Notes and Warrants.

In connection with these transactions, the Company will issue to JPC Capital Partners, Inc., as placement agent, warrants to purchase 152,838 shares of Common Stock on the same terms as the Warrants issued to the Investors.

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.

NEXT, INC.

Date: April 7, 2006

By: /s/ Charles L. Thompson

Charles L. Thompson

Chief Financial Officer