

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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NETSOL INTERNATIONAL INC

CIK: **1039280** | IRS No.: **954627685** | State of Incorporation: **NV** | Fiscal Year End: **0630**
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Mailing Address
*TWO VENTURE PLAZA STE
380
IRVINE CA 92618*

Business Address
*24025 PARK SORRENTO
SUITE 222
CALABASAS CA 91302
8182229195*

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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
(THE "EXCHANGE ACT")

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): AUGUST 3, 2001

NETSOL INTERNATIONAL, INC.

(THE "COMPANY")

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

NEVADA

(STATE OR OTHER JURISDICTION OF INCORPORATION)

333-28861
(COMMISSION FILE NUMBER)

95-4627685
(IRS EMPLOYER IDENTIFICATION NO.)

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES, INCLUDING ZIP CODE)

24025 PARK SORRENTO, SUITE 220, CALABASAS, CA 91302

(818) 222-9195

(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

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INFORMATION TO BE INCLUDED IN THE REPORT

ITEM 3. BANKRUPTCY OR RECEIVERSHIP

AS PREVIOUSLY REPORTED ON FORM 8-K DATED JUNE 20, 2001, THE DISTRICT COURT, CLARK COUNTY, NEVADA (THE "DISTRICT COURT") APPOINTED GEORGE C. SWARTS AS RECEIVER FOR THE COMPANY RESULTING FROM A PENDING MOTION FOR A PRELIMINARY INJUNCTION IN THE CASE OF NETSOL INTERNATIONAL, INC. VS. JONATHAN D. ISESON, ET AL. CIVIL ACTION (CASE NO. A435871) (THE "CASE").

ON JULY 31, 2001, THE DISTRICT COURT REMOVED THE RECEIVER AND ISSUED AN ORDER RESTORING THE OLD MANAGEMENT AND BOARD OF DIRECTORS OF THE COMPANY ONCE IT LEARNED THAT THE DEFENDANTS, NETSOL SHAREHOLDERS GROUP LLC, WERE NO LONGER INTERESTED IN TAKING CONTROL OF THE COMPANY.

THE COURT FURTHER ORDERED THAT THE PRELIMINARY INJUNCTION ENTERED BY THIS COURT ON JULY 6, 2001 SHALL REMAIN IN FULL FORCE AND EFFECT. IN ADDITION, THE COURT ORDERED TO SET ASIDE THE SETTLEMENT AGREEMENT REACHED BY THE PARTIES AND APPROVED BY THE COURT ON JULY 19, 2001.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits. The following documents are filed as exhibits to this report:

99.1 Court Order dated August 2, 2001, regarding Case No. A4345871, currently pending in the District Court, Clark County, Nevada.

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.

NETSOL INTERNATIONAL, INC.

By: /s/ Naeem Ghauri

(Print name and title of signing officer)
Naeem Ghauri, President

Dated: August 3, 2001

AVIVA Y. GORDON, ESQ.
 Nevada Bar No. 5333.
 ELLIS & GORDON.
 510 S. Ninth Street.
 Las Vegas, NV 89101.
 (702)385-3727.
 Attorneys for George C. Swarts, Receiver.

FILED
 August 2, 2001 2:16PM
 Shirley B. Parraguirre
 Clerk

DISTRICT COURT

CLARK COUNTY, NEVADA

NetSol International, Inc., a)	Case No. A435871
Nevada corporation,)	Dept No. XII
)	
Plaintiff,)	
)	
vs.)	
)	
Jonathan D. Iseon, et al.)	ORDER
)	
Defendants.)	

The court upon review of all of the papers and pleadings on file herein and arguments made by counsel for all parties at the numerous hearings, and the court having determined that their good cause be good cause and proper reason makes the following findings:

That George C. Swarts (hereinafter referred to as "receiver") was appointed by the court to be receiver for NetSol International, Inc. (hereinafter referred to as "NetSol") to maintain the status quo of NetSol until such time as resolution of the dispute to determine which party had management control over NetSol;

That the receiver, with the court's specific authority and approval, employed individuals for NetSol who had knowledge and experience in the operations of NetSol's business;

That upon investigation, the receiver determined the best solution for NetSol, its shareholders and creditors, was to facilitate a global settlement of the unresolved issues between the parties. In

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so doing, the receiver obtained and received specific authority and approval from the court to attempt to facilitate such a settlement;

That the receiver and principals of the parties negotiated and entered into a settlement agreement which ultimately received approval of the court (hereinafter referred to as "Settlement Agreement"). However, the parties were unable or unwilling to effectuate the terms of the Settlement Agreement;

That the defendant "shareholder group" has admitted that it no longer desires to have or maintain control of NetSol;

That it is in the best interests of NetSol, its shareholders and creditors, that the receiver be discharged of his duties; and

That every action taken by the receiver on behalf of NetSol was in the best interests of NetSol, its shareholders and creditors.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that contingent upon payment of the receiver, and his counsel's, outstanding fees, the receiver shall be immediately discharged and released from any further obligation or duty in relation to NetSol.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the receiver, and his counsel's, fees shall be paid according to the following schedule:

1. \$65,000 by the end of business on July 31, 2001;
2. The remaining outstanding balance no later than the end of business August 14, 2001;
3. That the "Ghuri brothers" shall, by the end of business on July 31, 2001, deposit freely tradable NetSol stock with a value equal to two (2) times the outstanding balance due the receiver and his counsel as and for security for the outstanding balance.

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4. That NetSol shall immediately pay any additional fees for services rendered by the receiver and his counsel in relation to the filing of a final report and application for approval of fees.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that management of NetSol shall be restored to the "Ghuri brothers." Said management shall not be bound by the Settlement Agreement.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED, that the Settlement Agreement approved by this court in its July 19, 2001, order shall have no further force and effect and shall be held for naught.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the preliminary injunction entered by this court on July 6, 2001, shall remain in force and effect.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all actions taken by the receiver are approved and deemed to be in the best interests of NetSol, its shareholders and creditors.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the receiver shall file a final report with the court no later than Tuesday, August 7, 2001.

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IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the bond undertaken by the receiver shall be released effective upon his discharge.

DATED this 2nd day of August, 2001.

/s/ James C. Mahan

DISTRICT COURT JUDGE

Submitted by:

ELLIS & GORDON

By: Aviva Y. Gordon, Esq.

Aviva Y. Gordon, Esq.

510 S. Ninth Street

Las Vegas, NV 89101

(702) 385-3727

Attorneys for the George C. Swarts, Receiver